



*City of  
Safety Harbor  
Florida*

*Annual  
Comprehensive  
Financial Report*

*FYE September 30, 2021*

photo credit: Dave Hutchinson

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**CITY OF SAFETY HARBOR, FLORIDA**  
**BASIC FINANCIAL STATEMENTS AND REGULATORY REPORTS**  
**SEPTEMBER 30, 2021**

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# City of Safety Harbor, Florida

Annual Comprehensive Financial Report

For the fiscal year ended September 30, 2021



Prepared by:  
Finance Department

June Solanes  
Finance Director

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**CITY OF SAFETY HARBOR, FLORIDA**

**September 30, 2021**

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**CITY COMMISSION**

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

**CITY ADMINISTRATION**

City Manager  
Matthew Spoor

City Clerk  
Karen Sammons

City Attorney  
Nikki Day

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CITY OF SAFETY HARBOR, FLORIDA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
SEPTEMBER 30, 2021

<b>TABLE OF CONTENTS</b>	<b>i</b>
<b>INTRODUCTORY SECTION</b>	
<b>LETTER OF TRANSMITTAL</b>	<b>v</b>
<b>CERTIFICATE OF ACHIEVEMENT</b>	<b>ix</b>
<b>PRINCIPAL CITY OFFICIALS</b>	<b>x</b>
<b>ORGANIZATIONAL CHART</b>	<b>xi</b>
<b>FINANCIAL SECTION</b>	
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>4</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>17</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>18</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>20</b>
<b>RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION</b>	<b>21</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>22</b>
<b>RECONCILIATION TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>23</b>
<b>STATEMENT OF NET POSITION – PROPRIETARY FUNDS</b>	<b>24</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS</b>	<b>25</b>
<b>STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS</b>	<b>26</b>
<b>STATEMENT OF FIDUCIARY NET POSITION</b>	<b>28</b>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION</b>	<b>29</b>

CITY OF SAFETY HARBOR, FLORIDA  
 ANNUAL COMPREHENSIVE FINANCIAL REPORT  
 SEPTEMBER 30, 2021

<b>NOTES TO THE BASIC FINANCIAL STATEMENTS</b>	<b>30</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>BUDGETARY COMPARISON SCHEDULES</b>	
<b>MAJOR GOVERNMENTAL FUNDS</b>	
<b>GENERAL FUND</b>	<b>77</b>
<b>COMMUNITY REDEVELOPMENT AGENCY FUND</b>	<b>79</b>
<b>SCHEDULE OF THE CITY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM PENSION PLAN</b>	<b>80</b>
<b>SCHEDULE OF THE CITY’S CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN</b>	<b>81</b>
<b>SCHEDULE OF THE CITY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDY PENSION PLAN</b>	<b>82</b>
<b>SCHEDULE OF THE CITY’S CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN</b>	<b>83</b>
<b>SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – FIREFIGHTERS’ RETIREMENT FUND</b>	<b>84</b>
<b>SCHEDULE OF CONTRIBUTIONS – FIREFIGHTERS’ RETIREMENT FUND</b>	<b>85</b>
<b>SCHEDULE OF INVESTMENT RETURNS – FIREFIGHTERS’ RETIREMENT FUND</b>	<b>86</b>
<b>SCHEDULE OF CHANGE IN TOTAL OPEB LIABILITY AND RELATED RATIOS</b>	<b>87</b>
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>88</b>
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
<b>COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>89</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>90</b>
<b>BUDGETARY COMPARISON SCHEDULES</b>	
<b>NONMAJOR GOVERNMENTAL FUNDS</b>	
<b>PUBLIC SAFETY FUND</b>	<b>91</b>
<b>STREET IMPROVEMENT FUND</b>	<b>92</b>
<b>MARINA BOAT BASIN FUND</b>	<b>93</b>

CITY OF SAFETY HARBOR, FLORIDA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
SEPTEMBER 30, 2021

<b>CITY TREE BANK FUND</b>	<b>94</b>
<b>MULTIMODAL IMPACT FEE FUND</b>	<b>95</b>
<b>LIBRARY IMPACT FEE FUND</b>	<b>96</b>
<b>LAW ENFORCEMENT TRUST FUND</b>	<b>97</b>
<b>STREET LIGHTING FUND</b>	<b>98</b>
<b>PARKLAND FUND</b>	<b>99</b>
<b>DEBT SERVICE FUND</b>	<b>100</b>
<b>BUDGETARY COMPARISON SCHEDULES</b>	
<b>MAJOR GOVERNMENTAL FUNDS</b>	
<b>CAPITAL PROJECTS FUND</b>	<b>101</b>
<b>OTHER SUPPLEMENTAL SCHEDULES</b>	
<b>SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET – FIRE DISTRICT AND EMERGENCY MEDICAL SERVICES SUB-FUNDS</b>	<b>102</b>
<b>SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET – LIBRARY SUB-FUNDS</b>	<b>103</b>
<b>SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET – WATER AND SEWER FUND</b>	<b>104</b>
<b>SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET – SOLID WASTE FUND</b>	<b>105</b>
<b>SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET – STORMWATER FUND</b>	<b>106</b>
<b>STATISTICAL SECTION</b>	
<b>INTRODUCTION TO THE STATISTICAL SECTION</b>	<b>107</b>
<b>SCHEDULE 1 – NET POSITION BY COMPONENT</b>	<b>109</b>
<b>SCHEDULE 2 – CHANGES IN NET POSITION</b>	<b>110</b>
<b>SCHEDULE 3 – PROGRAM REVENUES BY FUNCTION/PROGRAM</b>	<b>112</b>
<b>SCHEDULE 4 – FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>113</b>
<b>SCHEDULE 5 – CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>114</b>
<b>SCHEDULE 6 – ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY</b>	<b>115</b>
<b>SCHEDULE 7 – DIRECT AND OVERLAPPING PROPERTY TAX RATES</b>	<b>116</b>

CITY OF SAFETY HARBOR, FLORIDA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
SEPTEMBER 30, 2021

<b>SCHEDULE 8 – PRINCIPAL TAXPAYERS – REAL PROPERTY</b>	<b>117</b>
<b>SCHEDULE 9 – PRINCIPAL TAXPAYERS – PERSONAL PROPERTY</b>	<b>118</b>
<b>SCHEDULE 10 – PROPERTY TAX LEVIES AND COLLECTIONS</b>	<b>119</b>
<b>SCHEDULE 11 – RATIOS OF OUTSTANDING DEBT BY TYPE</b>	<b>120</b>
<b>SCHEDULE 12 – LEGAL DEBT MARGIN INFORMATION</b>	<b>121</b>
<b>SCHEDULE 13 – DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT</b>	<b>122</b>
<b>SCHEDULE 14 – PLEDGED-REVENUE COVERAGE – GOVERNMENTAL ACTIVITIES</b>	<b>123</b>
<b>SCHEDULE 15 – PLEDGED-REVENUE COVERAGE – BUSINESS-TYPE ACTIVITIES</b>	<b>124</b>
<b>SCHEDULE 16 – DEMOGRAPHICS AND ECONOMIC STATISTICS</b>	<b>125</b>
<b>SCHEDULE 17 – PRINCIPAL EMPLOYERS</b>	<b>126</b>
<b>SCHEDULE 18 – FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION</b>	<b>127</b>
<b>SCHEDULE 19 – OPERATING INDICATORS BY FUNCTION</b>	<b>128</b>
<b>SCHEDULE 20 – CAPITAL ASSET STATISTICS BY FUNCTION</b>	<b>129</b>
<b>REGULATORY REPORTS</b>	
<b>INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>130</b>
<b>MANAGEMENT LETTER</b>	<b>132</b>
<b>INDEPENDENT ACCOUNTANTS’ REPORT</b>	<b>134</b>

## **INTRODUCTORY SECTION**

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# City of Safety Harbor Florida

HOME OF ESPIRITU SANTO MINERAL SPRINGS

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

March 29, 2022

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

The Comprehensive Annual Financial Report of the City of Safety Harbor, Florida for the fiscal year ended September 30, 2021, is hereby submitted in accordance with Florida Statutes Chapter 218.39 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida.

This report has been compiled and prepared by the City's Finance Department. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. The City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Safety Harbor's financial statements for the year ended September 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

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

## ***Profile of the Government***

The City of Safety Harbor (the "City"), incorporated on June 11, 1917, is located in the Tampa Bay area and is primarily a bedroom community with a limited amount of supporting commercial and industrial uses. The City is located halfway between the Tampa International Airport and Pinellas County Beaches; making it perfect for homeowners who travel often but want to share in the beauty of what Pinellas County has to offer. It currently occupies approximately 5 square miles and serves a population of approximately 18,028. The City of Safety Harbor is empowered to levy a property tax on real property located within its boundaries. The City is also empowered by State Statute to extend its corporate limits by annexation, which it has done from time to time.

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

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

### ***Local Economy***

The City continues to take a guarded financial approach and monitors accounts very closely. The City budgets conservatively and in the current fiscal year has managed accordingly given the impact of an 8.2 percent increase in the City's property tax base and an unemployment rate for the local metropolitan area of 3.9 percent. Safety Harbor's advantage is the fact that the City has continued to experience an extremely sound fiscal condition, and as a result has been able to continue with planned expenditures given the impact of unknowns due to the COVID pandemic.

### ***Long-Term Financial Planning***

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

Relative to operations and economic conditions, in Fiscal Year 2021/2022, the City budgeted for a 6.6 percent increase in property taxable value and maintained the millage rate at 3.95 increasing budgeted ad valorem by \$354,220, consistent with City Commission's goal to maintain a low millage rate. Budgeted use of General Fund reserves reflected \$447,340 use of reserves. Citywide budgeted revenues, excluding transfers and debt proceeds, were assumed to increase by \$1,194,180 or 3.2 percent over the prior years estimated year-end budget with budgeted appropriations excluding transfers increasing by \$3,738,380 or 8.1 percent. On March 11, 2021, the American Rescue Plan Act was signed into law and established the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. The City did not receive funding from this Federal program until after adoption of the Fiscal Year 2021/2022 budget.

Planning for FY 2021/2022 budget estimates brought many challenges due to the uncertainty associated with revenue impacts due to the COVID pandemic. The economic impacts at the state and local levels are to date unknown. At January 31, 2022, Tampa-St. Petersburg-Clearwater Metropolitan area unemployment is at 3.4 percent while national unemployment was 4.0 percent. Governor DeSantis declared a state of emergency in Florida on March 9, 2020. On May 3, 2021, Governor DeSantis signed an Executive Order suspending the state's remaining COVID-19 restrictions. The fiscal impact on the city's revenues from state tax revenues are continuing to show recovery through the first six months in FY 2021/2022.

Funding allocated to the City from the American Rescue Plan Act totaled \$9,023,379. The City received the first distribution of funding from the American Rescue Plan Act in the amount of \$4,511,689 in FY2021. The remaining balance of \$4,511,690 is expected to be received in FY2022. Planning for the use of this funding is currently in progress.



### ***Relevant Financial Policies***

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

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

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

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

### ***Major initiatives***

In preparing the Fiscal Year 2021/2022 Budget, the City identified several major programs and projects to continue to maintain the City's position of excellent service provision, financial performance, and quality of operational facilities. The Five-year Capital Improvements Plan (CIP) for FY 2021/2022 to FY 2025/2026 is \$40.5 million, of which \$17.0 million is appropriated in FY 2021/2022. Proprietary fund infrastructure projects make up 66.6 percent of the \$40.5 million five-year budgets.

The City remains active with construction projects in water and wastewater main replacements. Capital project improvements are programmed in recreation, parks, library (construction), fire, building maintenance and streets. The city completed replacement of its current Enterprise Resource Planning accounting software with a new system that allows for enhanced reporting, electronic approvals and resident and contractor online functionality. Design for construction of the second-floor library addition is underway in FY2022. Construction is estimated to begin in the next fiscal year. The second story will provide additional community meeting space and relocate first floor services, opening needed space for library programs and meeting rooms on the first floor.

In fiscal 2022, the City Commission identified “Quality of Life” and main priority goals for economic and development activities over the next few years to include the continued promotion of the competitive advantages of living, working and doing business in Safety Harbor; service development to include parks improvement programs; capital improvement projects and funding to include opportunities to purchase and develop properties; budget development to include a new rate study to assess the long-term sustainability of the City’s water, sewer, and stormwater proprietary funds, increases in sanitation rates effective October 1, 2021 and identifying capital projects and additional uses for American Rescue Plan funding. Additional goals identified by City Commission include the review of City regulations that pertain to signage and Land Development Code setbacks, addressing shade trees in high traffic areas along Main Street, the installation of a live camera by the Marina and recognition of the City’s first African American commissioner Mr. William Blackshear.

***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Safety Harbor for its comprehensive annual financial report for the fiscal year ended September 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,



---

Matthew Spoor  
City Manager



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June Solanes  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Safety Harbor  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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**CITY OF SAFETY HARBOR**



**LIST OF PRINCIPAL OFFICIALS**

September 30, 2021

**CITY COMMISSION**

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

**City Manager**  
Matthew Spoor

**City Clerk**  
Karen Sammons

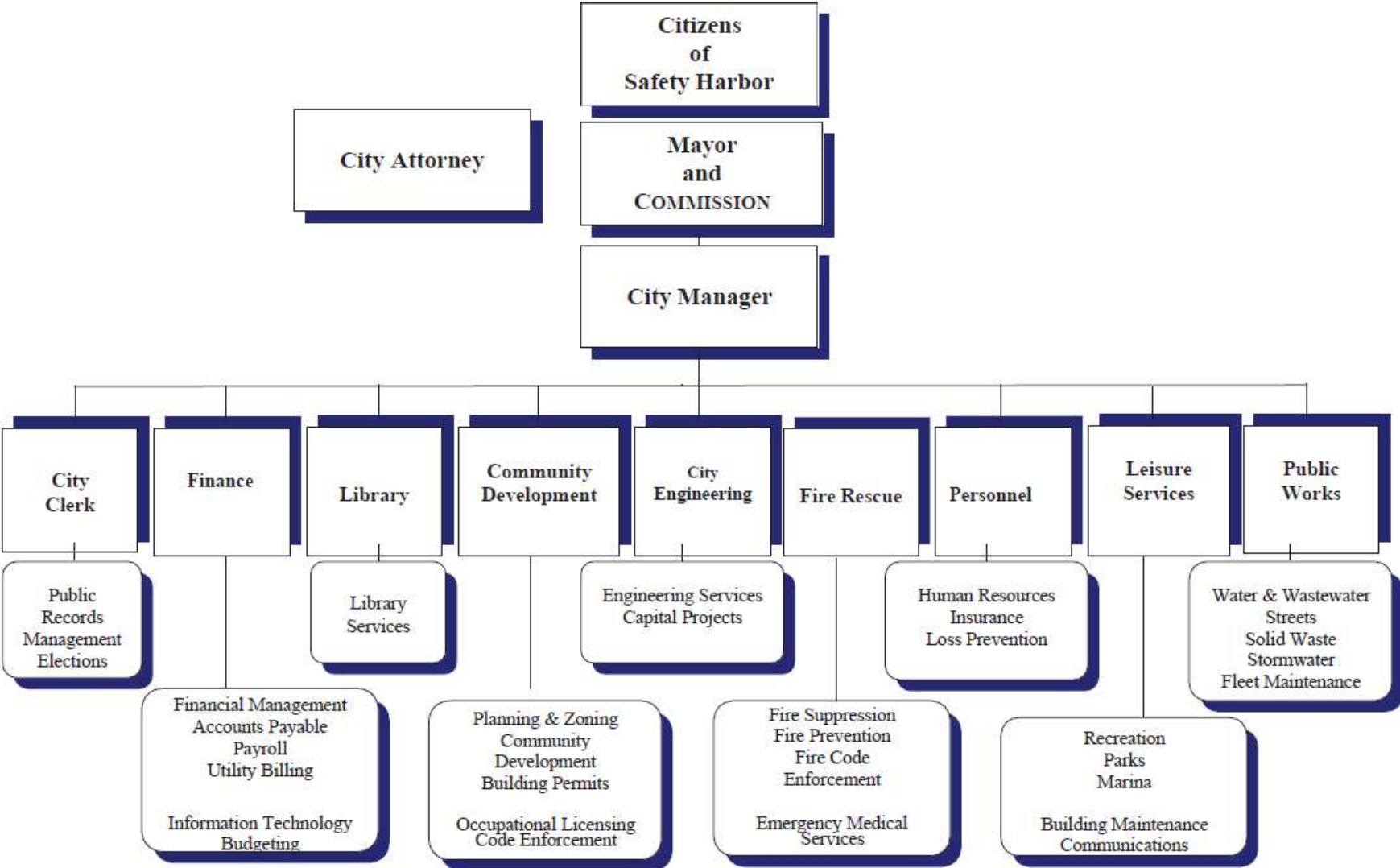
**City Attorney**  
Nikki Day

**EXECUTIVE MANAGEMENT STAFF**

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

Michelle Giuliani  
Marcie Stenmark  
June Solanes  
Josh Stefancic  
Kim Nicholls  
Andrea Norwood  
Lisa Kothe  
Renee Cooper

CITY OF SAFETY HARBOR ORGANIZATIONAL CHART



**FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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



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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, other supplemental schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

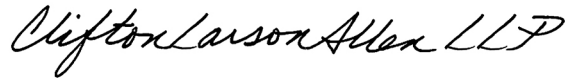
The combining and individual fund financial statements and other supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Tampa, Florida  
March 29, 2022

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021

The City of Safety Harbor's (the City) annual financial report presents management's discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the City's basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Safety Harbor exceeded its liabilities and deferred inflows at September 30, 2021 by \$91,996,994 (net position). Of this amount, \$33,563,458 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased over prior period by \$7,707,099 or 9.1 percent. Governmental net position increased by \$2,615,187 or 6.7 percent while business type net position increased by \$5,091,912 or 11.2 percent as of September 30, 2021.
- As of September 30, 2021, the City of Safety Harbor's governmental funds reported combined ending fund balances of \$15,736,727, an increase of \$1,835,101 in comparison with the prior year. Of this total amount, committed, assigned and unassigned fund balances of \$12,627,611 or 80.2 percent.
- The City's total debt for revenue bonds and notes decreased by repayments of principal in the amount of \$9,793,207 or 9.4 percent during the fiscal year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

#### **Government-wide financial statements**

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

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

CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021

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

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

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

**Fund financial statements**

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

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the governmentwide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. The governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances provide reconciliations to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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



CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021

**Proprietary funds.** *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer, Solid Waste and Stormwater (drainage) operations.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the City's water and sewer operations, solid waste operation and stormwater operation, all of which are considered major funds.

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

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

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

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

CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021

**GOVERNMENT WIDE FINANCIAL STATEMENT ANALYSIS**

**Statement of Net Position.** Net position over time may serve as a useful indicator of a government's financial position. For the current year, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$92.0 million. The following table reflects the condensed Statement of Net Position compared to the prior year. Throughout this report, increases and decreases are reflected based on current year impacts. For more detailed information see the Statement of Net Position.

	Net Position								
	Governmental Activities			Business-Type Activities			Total Primary Government		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Assets									
Current and other assets	\$ 25,530,257	\$ 17,653,687	\$ 17,093,629	\$ 32,321,233	\$ 29,604,855	\$ 19,208,996	\$ 57,851,490	\$ 47,258,542	\$ 36,302,625
Capital Assets	<u>27,919,957</u>	<u>28,548,803</u>	<u>28,390,502</u>	<u>33,806,361</u>	<u>32,204,483</u>	<u>33,046,632</u>	<u>61,726,318</u>	<u>60,753,286</u>	<u>61,437,134</u>
Total Assets	53,450,214	46,202,490	45,484,131	66,127,594	61,809,338	52,255,628	119,577,808	108,011,828	97,739,759
Deferred Outflows	<u>1,527,457</u>	<u>1,888,767</u>	<u>1,689,443</u>	<u>212,215</u>	<u>304,568</u>	<u>267,484</u>	<u>1,739,672</u>	<u>2,193,335</u>	<u>1,956,927</u>
Liabilities									
Current and other liabilities	6,695,878	2,700,571	3,013,940	3,209,813	2,649,406	3,231,327	9,905,691	5,349,977	6,245,267
Long-term liabilities	<u>2,972,134</u>	<u>4,392,110</u>	<u>5,221,229</u>	<u>11,629,785</u>	<u>13,520,719</u>	<u>7,910,468</u>	<u>14,601,919</u>	<u>17,912,829</u>	<u>13,131,697</u>
Total Liabilities	9,668,012	7,092,681	8,235,169	14,839,598	16,170,125	11,141,795	24,507,610	23,262,806	19,376,964
Deferred Inflows	<u>3,703,225</u>	<u>2,007,329</u>	<u>2,323,798</u>	<u>1,109,651</u>	<u>645,133</u>	<u>685,721</u>	<u>4,812,876</u>	<u>2,652,462</u>	<u>3,009,519</u>
Net Position									
Net investment in capital assets	26,175,658	25,839,181	24,716,131	23,116,018	19,116,813	24,816,184	49,291,676	44,955,994	49,532,315
Restricted	2,343,456	1,201,497	1,738,084	4,606,106	16,232,120	11,332,008	6,949,562	17,433,617	13,070,092
Unrestricted	<u>9,418,244</u>	<u>11,950,569</u>	<u>10,160,392</u>	<u>22,668,436</u>	<u>9,949,715</u>	<u>4,547,404</u>	<u>32,086,680</u>	<u>21,900,284</u>	<u>14,707,796</u>
<b>Total Net Position</b>	<u>\$ 37,937,358</u>	<u>\$ 38,991,247</u>	<u>\$ 36,614,607</u>	<u>\$ 50,390,560</u>	<u>\$ 45,298,648</u>	<u>\$ 40,695,596</u>	<u>\$ 88,327,918</u>	<u>\$ 84,289,895</u>	<u>\$ 77,310,203</u>

The largest portion of the City's net position, 53.6 percent, reflects its net investment in capital assets (e.g., land, buildings, infrastructure improvements, and vehicles and equipment) less any related debt used to acquire those assets that remains outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Resources that are subject to external or enabling legislation that restricts how they may be used make up \$6.9 million (7.9 percent) of net position. The remaining balance of unrestricted net position or \$33.6 million (36.5 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

At September 30, 2021, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021

**Statement of Activities.** The following schedule compares the revenues and expenses for the current and two previous fiscal years. More detailed information can be found in the Statement of Activities.

	Changes in Net Position								
	Governmental Activities			Business-Type Activities			Total Primary Government		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
<b>REVENUES</b>									
Program revenues:									
Charges for services	\$ 1,689,806	\$ 1,893,431	\$ 2,548,084	\$ 17,266,815	\$ 16,106,181	\$ 14,572,423	\$ 18,956,621	\$ 17,999,612	\$ 17,120,507
Operating grants and contributions	1,629,871	1,648,240	1,740,458	-	8,388	76,627	1,629,871	1,656,628	1,817,085
Capital grants and contributions	56,173	39,200	163,842	-	-	1,145	56,173	39,200	164,987
General Revenues									
Property taxes	6,345,780	5,723,956	5,257,349	-	-	-	6,345,780	5,723,956	5,257,349
Utility taxes	2,566,340	2,521,486	2,436,400	-	-	-	2,566,340	2,521,486	2,436,400
Local business tax	145,664	141,507	144,019	-	-	-	145,664	141,507	144,019
Local option tax	2,419,622	2,211,086	2,307,990	-	-	-	2,419,622	2,211,086	2,307,990
Franchise fees	1,474,949	1,473,793	1,502,259	-	-	-	1,474,949	1,473,793	1,502,259
Sales tax	1,288,238	1,090,262	1,150,183	-	-	-	1,288,238	1,090,262	1,150,183
Intergovernmental	793,692	595,815	628,185	12,570	-	-	806,262	595,815	628,185
Investment income	(7,195)	363,095	623,432	(16,365)	611,328	830,015	(23,560)	974,423	1,453,447
Other	1,228,426	1,369,021	1,157,139	468,664	457,347	697,159	1,697,090	1,826,368	1,854,298
Gain on the sale of capital assets	-	-	-	22,561	10,918	53,879	22,561	10,918	53,879
<b>Total Revenues</b>	<b>19,631,366</b>	<b>19,070,892</b>	<b>19,659,340</b>	<b>17,754,245</b>	<b>17,194,162</b>	<b>16,231,248</b>	<b>37,385,611</b>	<b>36,265,054</b>	<b>35,890,588</b>
<b>EXPENSES</b>									
Function/program activities									
Primary government:									
Governmental activities:									
General government	3,506,083	3,283,817	3,454,214	-	-	-	3,506,083	3,283,817	3,454,214
Law enforcement	1,453,856	1,427,226	1,359,740	-	-	-	1,453,856	1,427,226	1,359,740
Fire protection	3,958,157	4,011,958	4,096,325	-	-	-	3,958,157	4,011,958	4,096,325
Building department	588,892	690,456	548,162	-	-	-	588,892	690,456	548,162
Physical environment	445,092	460,790	501,629	-	-	-	445,092	460,790	501,629
Transportation	1,415,505	1,318,193	1,306,846	-	-	-	1,415,505	1,318,193	1,306,846
Library	1,345,498	1,396,194	1,593,137	-	-	-	1,345,498	1,396,194	1,593,137
Parks and recreation	4,231,580	4,025,073	4,050,804	-	-	-	4,231,580	4,025,073	4,050,804
Interest on long-term debt	71,516	80,545	150,009	-	-	-	71,516	80,545	150,009
Business-type activities:									
Water and sewer	-	-	-	8,764,856	8,601,867	9,214,092	8,764,856	8,601,867	9,214,092
Solid Waste	-	-	-	2,968,009	3,007,606	2,917,406	2,968,009	3,007,606	2,917,406
Stormwater	-	-	-	929,468	981,637	910,440	929,468	981,637	910,440
<b>Total Expenses</b>	<b>17,016,179</b>	<b>16,694,252</b>	<b>17,060,866</b>	<b>12,662,333</b>	<b>12,591,110</b>	<b>13,041,938</b>	<b>29,678,512</b>	<b>29,285,362</b>	<b>30,102,804</b>
Changes in net position	2,615,187	2,376,640	2,598,474	5,091,912	4,603,052	3,189,310	7,707,099	6,979,692	5,787,784
Net position, beginning of year	38,991,247	36,614,607	34,016,133	45,298,648	40,695,596	37,506,286	84,289,895	77,310,203	71,522,419
<b>Net position, end of year</b>	<b>\$ 41,606,434</b>	<b>\$ 38,991,247</b>	<b>\$ 36,614,607</b>	<b>\$ 50,390,560</b>	<b>\$ 45,298,648</b>	<b>\$ 40,695,596</b>	<b>\$ 91,996,994</b>	<b>\$ 84,289,895</b>	<b>\$ 77,310,203</b>

**Governmental activities.** The net position for the City's governmental activities increased by \$2,615,187.

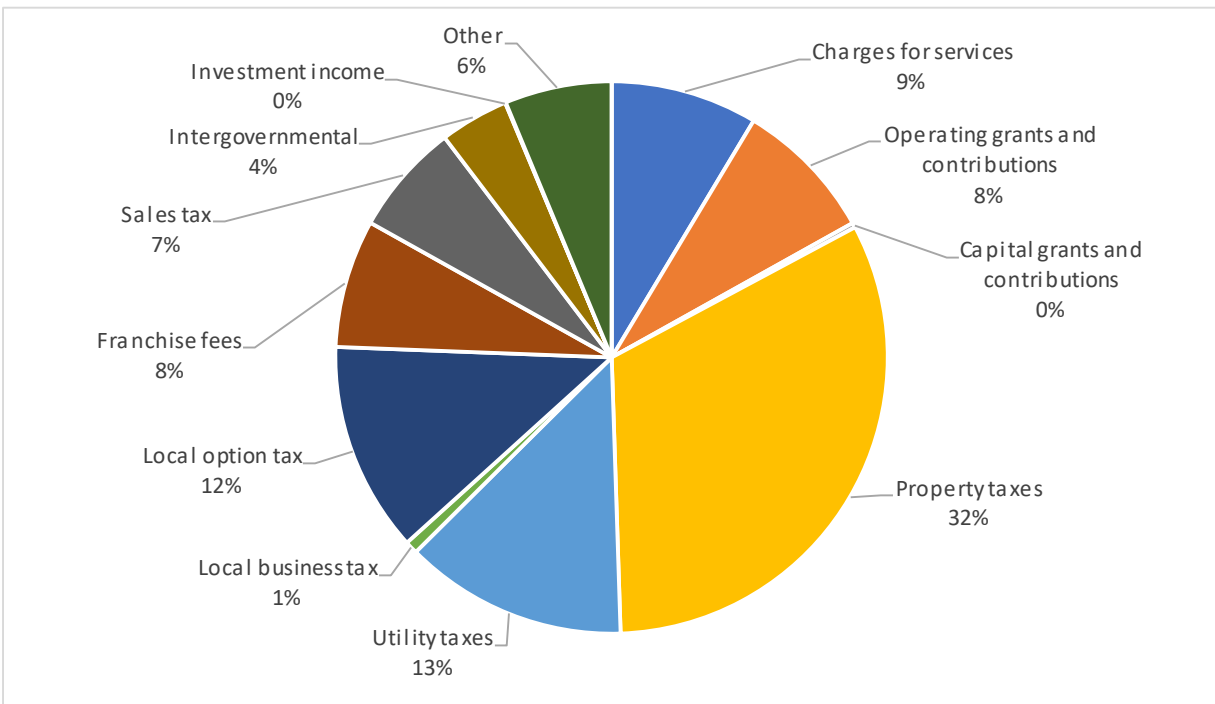
Total revenues for the City's governmental activities increased by \$560,474 (2.9 percent) over prior year.

Key elements are as follows:

- Program revenues decreased by 5.7 percent or \$205,021.
- Charges for services decreased by \$203,625. Of the total decrease, building permit revenues decreased by \$103,758, impact fee revenues increased by \$4,507, and recreation program revenue decreased by \$106,313.
- Operating grants and contributions decreased by a net amount of \$18,369. Public safety revenue for Fire and EMS District taxes and federal storm reimbursements increased by 0.9 percent or \$12,271; library revenue from the Pinellas Public Library Cooperative increased by 6.2 percent or \$13,649. Other general grants and contributions decreased by \$46,673 or 43.7%.

CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021

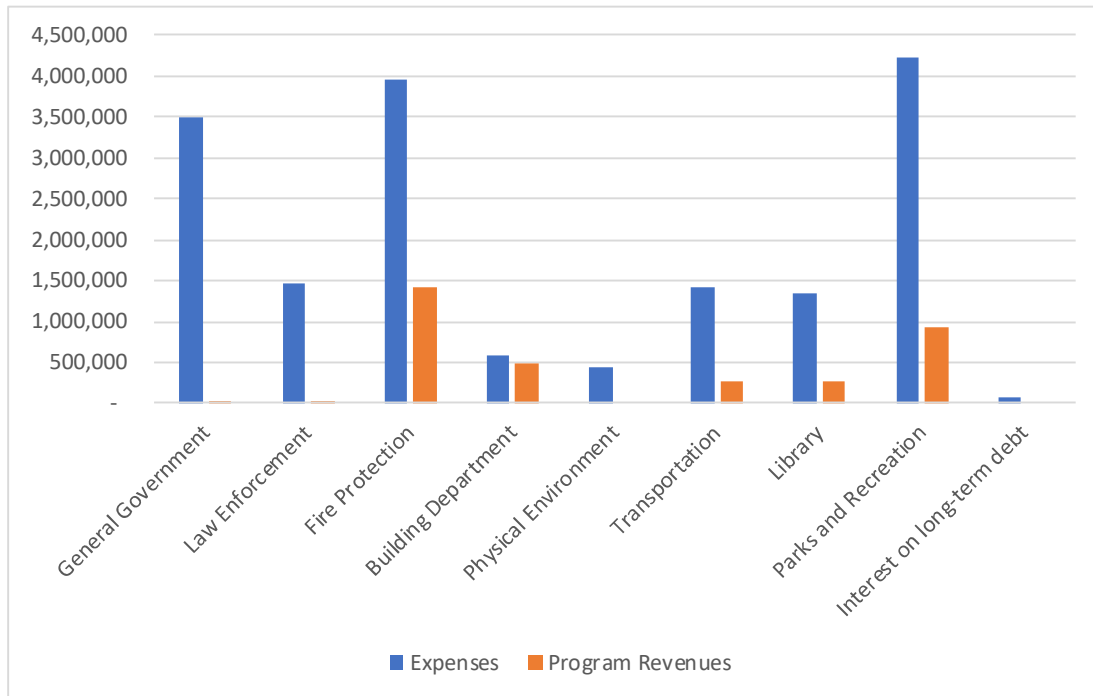
- Capital grants and contributions increased by \$16,973. Current year donations funded the purchase of first responder equipment for the fire department and radio-frequency identification (RFID) technology at the library.
- General revenues increased by 4.9 percent or \$765,495.
  - Property tax revenue increased by \$621,824 (10.9 percent). Gross taxable values in the City increased by 8.2 percent over prior year. City taxable values in the Community Redevelopment District increased by 28.1 percent over prior year. The millage rate remained at 3.95 consistent with prior year.
  - Investment income and market value adjustments decreased by \$370,290 under prior year. The annual average yield on the city's agency and mortgage obligations decreased to 0.73 percent from prior year of 1.23 percent.
  - Utility taxes , local option taxes, sales tax, franchise fees and other intergovernmental revenue increased by \$650,399 or 8.2 percent.



Expenses for the City's governmental activities increased by \$321,927 or 1.9 percent. Key elements of the net increase are as follows:

- General government, law enforcement, transportation, and parks and recreation came in over prior year by \$552,715, given city reopening's after previous year closures due to COVID. Interest on long-term debt decreased due to the aging of the city's outstanding governmental debt.
- Fire protection, building department, physical environment, library and interest on long term debt were lower than prior year by \$230,788. The largest decrease was in the building department due to permitting and inspections being outsourced to Pinellas County.

CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021



**Business-type activities.** Business-type activities resulted in an increase in the City's net position by \$5,091,912.

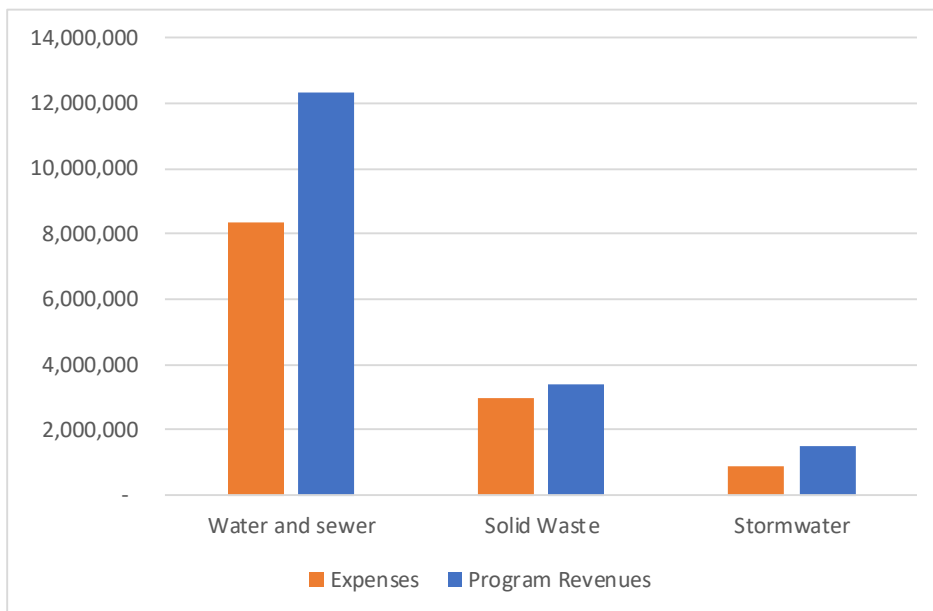
Total revenues for the City's business-type activities increased by \$560,083 (3.3 percent) over prior year. Key elements are as follows:

- Program revenues increased by \$1,152,246, which is a 7.2 percent increase.
  - Charges for services includes revenue for water, sewer, and stormwater.
    - The city implemented the first year of a five-year rate change on January 1<sup>st</sup> of 2017. The current year reflects the fifth year of the rate increase for water and sewer. Both water and sewer rate changes are an annual 11.5 percent rate increase. Water and sewer operating revenue increased by \$791,195, which is an increase of 6.6 percent over prior year. In the current fiscal year, combined consumption for water, irrigation, and sewer increased by 2.9 percent over prior year.
    - The city implemented the first year of a five-year rate change on January 1 of 2017. The increase in stormwater rates effective October 1 of the current fiscal year was 3.0 percent. Stormwater revenue in the fifth year of the rate change increased by \$42,785, which is a 2.8 percent increase over prior year.
    - The city implemented the first year of a five-year rate change on January 1<sup>st</sup> of 2020. The increase in solid waste rates effective October 1 of the current fiscal year was 6.0 percent. Solid waste operating revenue realized an increase of \$342,153 or 10.9 percent.
- General revenues decreased by \$592,163, which is a 54.9 percent decrease.
  - Investment income decreased by \$627,693, which is a 102.7 percent decrease under the prior year consistent with economic conditions due to COVID.
  - Intergovernmental, other miscellaneous revenues and gains due to the sale of capital assets increased by \$35,530 (7.6 percent).

CITY OF SAFETY HARBOR, FLORIDA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 SEPTEMBER 30, 2021

Expenses, including operating and nonoperating, for the City's business-type activities increased by \$71,223, which is 0.6 percent. Key elements of the increase are as follows:

- Water and sewer expenses increased by \$162,989, which is 1.9 percent over prior year. Salaries and fringes and materials and supplies increased by 0.8 and 4.9 percent, respectively. Contractual and other services decreased by \$49,454 (1.1 percent). The largest increase was due to depreciation and amortization in the amount of \$137,308 or 7.9 percent.
- Solid waste expenses decreased by \$39,597 or 1.3 percent under prior year. Of the net decrease, personnel services decreased by \$42,569 or 11.6 percent. Materials and supplies decreased by \$17,602 or 9.2 percent, due to reduced expenses in equipment and vehicle parts purchases. Contractual and other services increased by \$68,661 or 6.4 percent overall; however, the largest increases occurred in outside vehicle repairs and landfill fees in the amount of \$39,608 and \$27,776 with recycling fees decreasing by \$4,553, which is consistent with the movement of recycling materials due to lack of market for recycled goods. Depreciation and amortization increased by \$15,586 or 3.1 percent.
- Stormwater operating expenses decreased by \$52,169 or 5.3 percent over prior year. Salaries and fringes decreased by 21.7 percent, due to position vacancies within the department. Materials and supplies decreased by \$11,883 or 17.6 percent, due to a reduced amount in drainage projects compared to the prior fiscal year. Contractual and other services increased by \$3,895 or 2.1 percent. Depreciation and amortization increased by \$20,539 or 5.2 percent.



**FUND FINANCIAL STATEMENT ANALYSIS**

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021

As of September 30, 2021, the City's governmental funds reported combined ending fund balances of \$15,736,727, an increase of \$1,835,101 over prior year. Of this total amount, \$6,706,315 or 42.6 percent is unassigned and available for spending at the City's discretion. The remainder of fund balance, \$9,030,412 or 57.4 percent is either not in spendable form or restricted, committed, or assigned for specific purposes.

The **General Fund** is the chief operating fund of the City. At September 30, 2021, committed (emergency/stabilization) and unassigned fund balance was \$10,112,329. As a measure of the General Fund's liquidity, it may be useful to compare both non-spendable and restricted fund balance as well as unrestricted fund balance to total General Fund expenditures. Fund balance that is either non-spendable (inventories and prepaids) or restricted for a specific purpose is 0.4 percent of total General Fund expenditures excluding transfers out, while committed and unassigned fund balance is 69.2 percent of total General Fund expenditures, excluding transfers out. The City Commission's desire of a minimum unassigned General Fund balance of the prior year's operating expenditures, including transfers out, is 17 percent (\$2,428,305). As of September 30, 2021, the City's unassigned fund balance exceeds this goal at 46.9 percent of prior year's operating expenditures.

General Fund balance increased by \$88,894 in the current fiscal year. Key elements of the increase are as follows:

- Revenues, including transfers in of \$157,000, total \$15,663,699, which is an increase of \$15,690 (0.1 percent) over prior year.
  - Ad valorem revenue increased by \$288,819 with a millage rate of 3.95 consistent with prior year and an increase in property values of 8.2 percent.
  - Utility taxes are increased over prior year by \$44,854 or 1.8 percent. Electric utility taxes increased by 1.9 percent, while the communications service tax increased by 1.0 percent.
  - Local business taxes, franchise fees, sales tax, intergovernmental, charges for services and fines and forfeitures recognized a total increase of \$510,192 or 8.8 percent, with the largest increases due to intergovernmental and sales tax.
  - All other categories of revenues decreased under prior year by \$728,175 or 32.1 percent, with the largest decreases in interest income and net appreciation in the fair value of investments and investment account forfeitures.
- Expenditures of \$15,574,805, including transfers out of \$974,860, reflect a net increase of \$1,290,657 or 9.0 percent over prior year. Operating expenditures excluding capital outlay and transfers increased by \$438,955 or 3.1 percent.
  - Capital outlay and general government had increases of \$3,625 and \$121,674, or 3.1 and 4.3 percent, respectively. Law enforcement increased by \$83,125 or 6.1 percent, parks and recreation increased by \$207,232 or 6.5 percent and fire protection increased by \$275,391 or 7.5 percent over prior year. Transfers to other funds increased by \$731,210 over prior year of which \$767,210 was transferred to fund the purchase of a fire truck. This amount will be reimbursed to General Fund in future years.
  - Library and transportation had decreases of \$29,645 or 2.7 percent and \$24,599 or 3.8 percent respectively. Building department was \$43,910 or 6.8 percent and engineering (physical environment) was \$33,446 or 8.0 percent under prior year.

CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021

The **Community Redevelopment Agency (CRA)** fund balance is \$1,060,146 as of September 30, 2021. Revenue of \$1,262,411 is 38.0 percent over prior year. Municipal taxable values and County taxable values increased by 28.1 and 27.9 percent, respectively, in the tax increment financing district over prior year. With millage of 3.9500 remaining consistent with prior year, the increase in ad valorem revenue is \$333,005 over prior year. Expenditures of \$708,230, including a transfer of \$157,000 to the General Fund for Waterfront Park and a transfer of \$132,000 to Capital Projects to service debt on the acquisition of Baranoff Oak Park, are 46.1 percent higher than prior year's expenditures. Facade and partnership incentive grants totaled \$95,843, the finding of necessity study totaled \$33,597, special event holiday lighting totaled \$25,029 with other program expenditures of \$31,732. Capital improvements including brick street restoration, second floor design of the Library, and gazebo improvements totaled \$151,758. The details for all CRA activities are included in Note 10-Redevelopment Trust Fund within this document.

The **Capital Projects** fund balance is \$2,209,475 at September 30, 2021. Revenue of \$2,196,052 from the Penny for Pinellas sales tax (Penny) is \$313,221 (16.6 percent) over prior year. The Penny is eligible for capital infrastructure improvements as well as the servicing of debt. Revenue also includes a donation of \$32,030 for the purchase of extraction equipment for the fire department and a donation of \$23,943 for the purchase of radio frequency identification equipment (RFID) at the library. Current year capital improvements and acquisitions are \$575,331 (48.7 percent lower than prior year). The most significant capital outlays include the purchase of a brush chipper in the Streets department, Safety Harbor City Park dugout improvements, citywide HVAC replacements and the sidewalk replacement at City Park.

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

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer, Sanitation and Stormwater funds at the end of the year were \$14,379,908, \$2,758,352 and \$3,337,878, respectively. Cumulatively, the unrestricted net position for the enterprise funds increased by \$10,526,423 over prior year or by 105.8 percent. Water/Sewer increased by \$9,381,882, Sanitation increased by \$411,087, and Stormwater increased by \$733,454. Funds restricted for debt service increased by \$443,103 and capital projects decreased by \$9,876,819 due to reclassification. The total increase in net position current year is \$5,091,912.

Total operating and non-operating revenue in the proprietary funds increased by \$560,083 with charges for services 7.2 percent or \$1,160,634 higher than prior year; total investment income and market value adjustment is 102.7 lower than prior year, consistent with the economic downturn due to COVID.

Total expenses in the City's proprietary funds increased by \$14,251 (0.1 percent) over prior year, excluding interest on debt. Cumulatively the total of all funds in each category including salaries and fringes, materials and supplies and contracted/other services decreased by \$159,182 while depreciation and amortization of assets increased by \$173,433. Overall, salaries and fringes decreased by 6.0 percent under prior year, materials and supplies increased by 3.0 percent, and contracted services increased by 0.4 percent. Depreciation and amortization increased by 6.6 percent.

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



CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021

**General Fund Budgetary Highlights**

During the current year, the total increase between adopted and final budget was \$640,680, with a final adopted General Fund budget of \$24,812,704, including budgeted reserve. Contracts in place at September 30, 2020 were moved forward to October 1, 2021 in the amount of \$159,694, which is included in the increase between adopted and final budget. For CAFR reporting purposes, contracts in place are included in the original budget.

A supplemental budget amendment for budgeted appropriations modified multiple line items in the amount of \$846,549 consistent with staff's projections based on the impact of expenditures related to hiring of an Interim City Clerk, personnel cost savings realized from the outsourcing of Building department services to Pinellas County, and the purchase of a fire truck.

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City's investment in capital assets for governmental and business-type activities as of September 30, 2021 is \$61,726,318, net of accumulated depreciation. As reflected in the following schedule, the City's investment in capital assets increased in buildings and improvements other than buildings in governmental activities with a decrease in construction in progress and equipment. In business-type activities, construction in progress, improvements other than buildings and equipment increased with no change in land or buildings. The net increase in the City's investment in capital assets is \$973,032 over prior year.

	Governmental Activities			Business-Type Activities			Total Primary Government		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Land	\$ 9,993,940	\$ 9,993,939	\$ 9,954,746	\$ 606,548	\$ 606,548	\$ 606,548	\$ 10,600,488	\$ 10,600,487	\$ 10,561,294
Construction in progress	578,221	607,051	1,173,643	5,609,028	2,012,103	4,632,461	6,187,249	2,619,154	5,806,104
Buildings	6,021,985	5,855,904	4,909,235	343,689	343,689	343,689	6,365,674	6,199,593	5,252,924
Improvements other than buildings	35,141,242	34,106,568	33,197,249	48,412,683	48,360,069	44,289,375	83,553,925	82,466,637	77,486,624
Equipment	7,598,744	7,692,736	7,321,324	10,176,672	10,129,381	9,954,923	17,775,416	17,822,117	17,276,247
Less:									
Accumulated Depreciation	31,414,175	29,707,395	27,865,695	31,342,259	29,247,307	26,780,364	62,756,434	58,954,702	54,646,059
Total	\$ 27,919,957	\$ 28,548,803	\$ 28,690,502	\$ 33,806,361	\$ 32,204,483	\$ 33,046,632	\$ 61,726,318	\$ 60,753,286	\$ 61,737,134

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

**Changes in Capital Assets**

	Governmental Activities	Business-Type Activities	Total Primary Government
Beginning Balance	\$ 28,548,803	\$ 32,204,482	\$ 60,753,285
Additions	1,941,549	4,411,398	6,352,947
Depreciation	(2,223,306)	(2,808,069)	(5,031,375)
Disposals (net of depreciation)	(347,089)	(1,450)	(348,539)
<b>Ending Balance</b>	<b>\$ 27,919,957</b>	<b>\$ 33,806,361</b>	<b>\$ 61,726,318</b>

CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021

**Long-term debt.** As of fiscal year end, the City's outstanding long-term debt from revenue bonds and notes decreased by \$9,793,207 and increased by \$7,744,300 for a net change of \$2,048,907. The Debt Service section in Note 6 – Long Term Liabilities of the notes to the financial statements provides details for the following summary.

**Outstanding Debt at Year-end**

		2021	2020	Change	Percent Change
Governmental Activities					
	Purchase land for Baranoff Oak Park and land for a future Building Maintenance facility	\$ 1,019,400	\$ 1,146,100	\$ (126,700)	-11.1%
2018					
2012	Purchase of land for Waterfront Park	315,000	620,000	(305,000)	-49.2%
2008	Library expansion	-	537,000	(537,000)	-100.0%
2006	General government improvements	177,529	196,522	(18,993)	-9.7%
Governmental activities total		<u>1,511,929</u>	<u>2,499,622</u>	<u>(987,693)</u>	<u>-39.5%</u>
Business-Type Activities					
2018	Water and Sewer infrastructure improvements	7,744,300	8,211,500	(467,200)	-5.7%
2012	Refunding for utility system improvements	165,000	325,000	(160,000)	-49.2%
2006	Utility system improvements	4,065,234	4,499,248	(434,014)	-9.6%
Business-type activities total		<u>11,974,534</u>	<u>13,035,748</u>	<u>(1,061,214)</u>	<u>-8.1%</u>
<b>Total Outstanding Debt</b>		<b><u>\$ 13,486,463</u></b>	<b><u>\$ 15,535,370</u></b>	<b><u>\$ (2,048,907)</u></b>	<b><u>-13.2%</u></b>

**Economic Factors and Next Year's Budgets and Rates**

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

- The unemployment rate for the Tampa-St. Petersburg-Clearwater Metropolitan area at September 30, 2021 was 3.9 percent compared to the prior year's 2.9 percent. This is consistent with Florida's unemployment rate of 3.9 percent and the national unemployment rate of 3.9 percent.
- For the eighth consecutive fiscal year, property values have shown recovery with an increase of 6.6 percent in assessed values moving into the 2022 budget cycle. The millage rate was held at 3.9500 for the fifth consecutive year, budgeting for a General Fund ad valorem revenue increase of \$354,220.
- In FY 2022, \$447,340 was budgeted from General Fund reserves to balance the budget. Future years' Capital Improvements will require transfers from General Fund reserves to continue with programmed street improvements and other capital projects.

CITY OF SAFETY HARBOR, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021

- A rate study for the Enterprise Funds was adopted by City Commission and implemented on January 1<sup>st</sup> of 2017. Effective October 1, 2018, water and wastewater increased by 11.5 percent, respectively, with a change in base charges and tiers. Stormwater increased by 3.0 percent with the equivalent residential unit (ERU) moving from \$10.61 in fiscal 2020 to \$10.93 in fiscal 2021. A rate study for Sanitation commenced in FY 2020 to address increasing rates and changes in the recycling market. Rates and charges for sanitation services increased 6.0 percent except for those charges for nonresidential (commercial) recycling fees in FY2021.
- A new rate study has been programmed in the fiscal year 2022 budget for Enterprise funds. The purpose of this study will be to evaluate the sufficiency of utility revenues to meet both current and projected financial requirements. This study will review and analyze rates and rate structures for water, wastewater and stormwater services.

REQUESTS FOR INFORMATION

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

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## **BASIC FINANCIAL STATEMENTS**

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CITY OF SAFETY HARBOR, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021

Assets	Governmental Activities	Business-Type Activities	Total
<b>Current assets:</b>			
Pooled cash and investments	\$ 17,155,820	\$ 22,884,070	\$ 40,039,890
Receivables, net:			
Accounts receivable	617,114	1,639,836	2,256,950
Due from other governments	967,804	12,570	980,374
Inventories	-	201,762	201,762
Prepaid items	50,922	-	50,922
Other assets	687,686	-	687,686
<b>Restricted assets:</b>			
Pooled cash and investments:			
Other	2,343,456	-	2,343,456
Sinking fund	27,052	144,055	171,107
Customer deposits	11,327	640,536	651,863
Total current assets	<u>21,861,181</u>	<u>25,522,829</u>	<u>47,384,010</u>
<b>Noncurrent assets:</b>			
<b>Restricted assets:</b>			
Pooled cash and investments:			
Sinking fund	-	2,355,582	2,355,582
Capital projects	-	4,442,822	4,442,822
<b>Capital assets:</b>			
Non depreciable	10,572,161	6,215,576	16,787,737
Depreciable, net of accumulated depreciation	17,347,796	27,590,785	44,938,581
Net pension asset	3,669,076	-	3,669,076
Total noncurrent assets	<u>31,589,033</u>	<u>40,604,765</u>	<u>72,193,798</u>
Total assets	<u>53,450,214</u>	<u>66,127,594</u>	<u>119,577,808</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources related to OPEB	142,637	63,304	205,941
Deferred outflows of resources related to pensions	1,384,820	148,911	1,533,731
Total deferred outflows of resources	<u>1,527,457</u>	<u>212,215</u>	<u>1,739,672</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	450,666	329,972	780,638
Accrued liabilities	236,642	66,949	303,591
Customer deposits	11,327	-	11,327
Unearned revenue	5,425,819	-	5,425,819
<b>Current liabilities, payable from restricted assets:</b>			
Accrued interest payable	27,052	144,055	171,107
Customer deposits	-	640,536	640,536
Construction contracts payable	-	908,107	908,107
Current portion of long-term obligations	544,372	1,120,194	1,664,566
Total current liabilities	<u>6,695,878</u>	<u>3,209,813</u>	<u>9,905,691</u>
<b>Noncurrent liabilities:</b>			
Noncurrent portion of long-term obligations	2,154,157	11,157,471	13,311,628
Total other postemployment benefits	550,818	205,181	755,999
Net pension liability	267,159	267,133	534,292
Total noncurrent liabilities	<u>2,972,134</u>	<u>11,629,785</u>	<u>14,601,919</u>
Total liabilities	<u>9,668,012</u>	<u>14,839,598</u>	<u>24,507,610</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources related to OPEB	603,759	291,585	895,344
Deferred inflows of resources related to pension	3,099,466	818,066	3,917,532
Total deferred inflows of resources	<u>3,703,225</u>	<u>1,109,651</u>	<u>4,812,876</u>
<b>Net Position</b>			
Net investment in capital assets	26,175,658	23,116,018	49,291,676
<b>Restricted, net of payables from restricted assets:</b>			
General government	976,477	-	976,477
Fire protection and public safety	85,103	-	85,103
Transportation programs	138,448	-	138,448
Library	91,922	-	91,922
Debt service	208,437	2,355,582	2,564,019
Capital projects	843,069	2,250,524	3,093,593
Pension benefits	3,669,076	-	3,669,076
Unrestricted	<u>9,418,244</u>	<u>22,668,436</u>	<u>32,086,680</u>
<b>Total net position</b>	<u>\$ 41,606,434</u>	<u>\$ 50,390,560</u>	<u>\$ 91,996,994</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 3,506,083	\$ 28,434	\$ -	\$ -
Law enforcement	1,453,856	6,854	-	-
Fire protection	3,958,157	17,375	1,388,535	-
Building department	588,892	487,883	-	-
Physical environment	445,092	-	-	-
Transportation	1,415,505	269,280	5,402	-
Library	1,345,498	23,600	233,934	-
Parks and recreation	4,231,580	856,380	2,000	56,173
Interest on long-term debt	71,516	-	-	-
Total governmental activities	<u>17,016,179</u>	<u>1,689,806</u>	<u>1,629,871</u>	<u>56,173</u>
Business-type activities:				
Water and sewer	8,764,856	12,303,062	-	-
Solid waste	2,968,009	3,419,589	-	-
Stormwater	929,468	1,544,164	-	-
Total business-type activities	<u>12,662,333</u>	<u>17,266,815</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 29,678,512</u>	<u>\$ 18,956,621</u>	<u>\$ 1,629,871</u>	<u>\$ 56,173</u>

General revenues:

Taxes:

Property taxes

Utility taxes

Local business tax

Local option tax

Franchise fees

Sales tax

Intergovernmental

Investment income

Other

Gain on the sale of capital assets

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

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



CITY OF SAFETY HARBOR, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,477,649)	\$ -	\$ (3,477,649)
(1,447,002)	-	(1,447,002)
(2,552,247)	-	(2,552,247)
(101,009)	-	(101,009)
(445,092)	-	(445,092)
(1,140,823)	-	(1,140,823)
(1,087,964)	-	(1,087,964)
(3,317,027)	-	(3,317,027)
(71,516)	-	(71,516)
<u>(13,640,329)</u>	<u>-</u>	<u>(13,640,329)</u>
-	3,538,206	3,538,206
-	451,580	451,580
-	614,696	614,696
-	<u>4,604,482</u>	<u>4,604,482</u>
(13,640,329)	4,604,482	(9,035,847)
6,345,780	-	6,345,780
2,566,340	-	2,566,340
145,664	-	145,664
2,419,622	-	2,419,622
1,474,949	-	1,474,949
1,288,238	-	1,288,238
793,692	12,570	806,262
(7,195)	(16,365)	(23,560)
1,228,426	468,664	1,697,090
-	22,561	22,561
<u>16,255,516</u>	<u>487,430</u>	<u>16,742,946</u>
2,615,187	5,091,912	7,707,099
38,991,247	45,298,648	84,289,895
<u>\$ 41,606,434</u>	<u>\$ 50,390,560</u>	<u>\$ 91,996,994</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Other Non- major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Pooled cash and investments	\$ 15,202,414	\$ 1,094,423	\$ 966,727	\$ 2,274,091	\$ 19,537,655
Receivables, net:					
Accounts receivable	561,969	1,382	24,747	29,016	617,114
Due from other governments	358,632	-	552,954	56,218	967,804
Inventories	50,922	-	-	-	50,922
Prepaid items	3,742	-	683,944	-	687,686
<b>Total assets</b>	<b><u>\$ 16,177,679</u></b>	<b><u>\$ 1,095,805</u></b>	<b><u>\$ 2,228,372</u></b>	<b><u>\$ 2,359,325</u></b>	<b><u>\$ 21,861,181</u></b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 345,168	\$ 34,306	\$ 18,897	\$ 52,295	\$ 450,666
Accrued liabilities	234,544	1,353	-	745	236,642
Customer deposits	5,308	-	-	6,019	11,327
Unearned revenue	5,425,666	-	-	153	5,425,819
<b>Total liabilities</b>	<b><u>6,010,686</u></b>	<b><u>35,659</u></b>	<b><u>18,897</u></b>	<b><u>59,212</u></b>	<b><u>6,124,454</u></b>
Fund Balances:					
<b>Nonspendable:</b>					
Inventories and prepaid items	54,664	-	683,944	-	738,608
<b>Restricted for:</b>					
General government	-	976,477	-	-	976,477
Fire protection	-	-	-	85,103	85,103
Transportation	-	-	-	138,448	138,448
Library	-	-	-	91,922	91,922
Debt service	-	-	-	235,489	235,489
Capital projects	-	-	843,069	-	843,069
<b>Committed to:</b>					
Emergency/disaster relief stabilization	3,406,014	-	-	-	3,406,014
Physical environment	-	-	-	120,466	120,466
Public safety	-	-	-	123,746	123,746
<b>Assigned to:</b>					
General government	-	83,669	-	-	83,669
Fire protection	-	-	-	11,041	11,041
Library	-	-	-	6,059	6,059
Parks and recreation	-	-	682,462	247,687	930,149
Public safety	-	-	-	8,078	8,078
Physical environment	-	-	-	66,251	66,251
Transportation	-	-	-	1,165,823	1,165,823
<b>Unassigned:</b>	<b><u>6,706,315</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>6,706,315</u></b>
<b>Total fund balances</b>	<b><u>10,166,993</u></b>	<b><u>1,060,146</u></b>	<b><u>2,209,475</u></b>	<b><u>2,300,113</u></b>	<b><u>15,736,727</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 16,177,679</u></b>	<b><u>\$ 1,095,805</u></b>	<b><u>\$ 2,228,372</u></b>	<b><u>\$ 2,359,325</u></b>	<b><u>\$ 21,861,181</u></b>

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

CITY OF SAFETY HARBOR, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET –  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021

Fund balances - total governmental funds \$ 15,736,727

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

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

Governmental capital assets		
Non depreciable	\$ 10,572,161	
Depreciable	48,761,971	
Less, accumulated depreciation	(31,414,175)	27,919,957

The net pension asset related to governmental activities does not  
represent financial resources and is not reported in the funds. 3,669,076

Deferred outflows of resources related to OPEB and net pension  
assets/(liabilities) do not have a current financial resources focus, and  
therefore are not recognized in the governmental fund statements. 1,527,457

Accrued interest payable on long-term debt does not represent the current  
use of financial resources and is not reported as a liability in the  
governmental funds (27,052)

Deferred inflows of resources related to OPEB and net pension  
assets/(liabilities) and other post employee benefits do not have a  
current financial resources focus, and therefore are not recognized in the  
governmental fund statements (3,703,225)

Long-term liabilities are not due and payable in the current period  
and, therefore, are not reported in the governmental funds.

Net pension liability	(267,159)	
Revenue notes and line of credit payable	(1,511,929)	
Capital lease payable	(205,000)	
Compensated absences	(981,600)	
Other post employment benefits	(550,818)	(3,516,506)

Net position of governmental activities \$ 41,606,434

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

CITY OF SAFETY HARBOR, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Other Non- major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 5,105,491	\$ 1,240,289	\$ -	\$ -	\$ 6,345,780
Utility taxes	2,566,340	-	-	-	2,566,340
Local business tax	145,664	-	-	-	145,664
Local option tax	-	-	2,196,052	223,570	2,419,622
Franchise fees	1,474,949	-	-	-	1,474,949
Licenses and permits	350,358	-	-	-	350,358
Impact fees	-	-	-	42,116	42,116
Special assessments	-	-	-	246,751	246,751
Sales tax	1,288,238	-	-	-	1,288,238
Intergovernmental	2,421,563	-	-	-	2,421,563
Charges for services	884,790	-	-	88,325	973,115
Fines and forfeitures	77,466	-	-	-	77,466
Investment income	(5,553)	87	(160)	(1,569)	(7,195)
Contributions and donations	2,000	-	55,973	200	58,173
Other	1,195,393	22,035	11,000	-	1,228,428
Total revenues	<u>15,506,699</u>	<u>1,262,411</u>	<u>2,262,865</u>	<u>599,393</u>	<u>19,631,368</u>
Expenditures:					
Current operating:					
General government	2,975,186	235,216	-	-	3,210,402
Public safety					
Law enforcement	1,449,252	-	-	-	1,449,252
Fire protection	3,959,526	-	-	-	3,959,526
Building department	603,355	-	-	15,370	618,725
Physical environment	384,752	-	-	50,724	435,476
Transportation	626,563	-	18,829	342,635	988,027
Culture and recreation					
Library	1,081,667	-	-	-	1,081,667
Parks and recreation	3,399,152	-	-	2,994	3,402,146
Capital outlay	120,492	184,014	575,331	714,625	1,594,462
Debt service:					
Capital lease principal	-	-	-	5,000	5,000
Principal retirement	-	-	-	987,693	987,693
Interest and other charges	-	-	-	63,891	63,891
Total expenditures	<u>14,599,945</u>	<u>419,230</u>	<u>594,160</u>	<u>2,182,932</u>	<u>17,796,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>906,754</u>	<u>843,181</u>	<u>1,668,705</u>	<u>(1,583,539)</u>	<u>1,835,101</u>
Other financing sources (uses):					
Transfers in	157,000	-	767,210	1,378,250	2,302,460
Transfers out	(974,860)	(289,000)	(1,038,600)	-	(2,302,460)
Total other financing sources (uses)	<u>(817,860)</u>	<u>(289,000)</u>	<u>(271,390)</u>	<u>1,378,250</u>	<u>-</u>
Net change in fund balances	88,894	554,181	1,397,315	(205,289)	1,835,101
Fund balances, beginning of year	<u>10,078,099</u>	<u>505,965</u>	<u>812,160</u>	<u>2,505,402</u>	<u>13,901,626</u>
Fund balances, end of year	<u>\$ 10,166,993</u>	<u>\$ 1,060,146</u>	<u>\$ 2,209,475</u>	<u>\$ 2,300,113</u>	<u>\$ 15,736,727</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
RECONCILIATION TO THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - total governmental funds \$ 1,835,101

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

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

Expenditure for capital assets	\$ 1,594,462	
Less, current year depreciation	<u>2,223,306</u>	(628,846)

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

Principal payments	(987,693)	
Capital lease payment	<u>(5,000)</u>	992,693

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

Pension related amounts	499,257	
Accrued interest on long-term debt	(7,625)	
Compensated absences	(55,939)	
Other post employment benefits	<u>(19,454)</u>	<u>416,239</u>

Change in net position - governmental activities \$ 2,615,187

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

CITY OF SAFETY HARBOR, FLORIDA  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
SEPTEMBER 30, 2021

	Water And Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
<b>Assets</b>				
Current assets:				
Pooled cash and investments	\$ 16,043,327	\$ 3,395,822	\$ 3,444,921	\$ 22,884,070
Accounts receivable, net:				
Accounts receivable	1,269,698	255,513	114,625	1,639,836
Due from other governments	-	12,570	-	12,570
Inventories	201,762	-	-	201,762
Restricted assets:				
Pooled cash and investments:				
Sinking fund	134,694	3,339	6,022	144,055
Customer deposits	586,779	53,757	-	640,536
Total current assets	<u>18,236,260</u>	<u>3,721,001</u>	<u>3,565,568</u>	<u>25,522,829</u>
Noncurrent assets:				
Restricted pooled cash and investments:				
Sinking fund	2,095,061	107,343	153,178	2,355,582
Capital projects	4,442,822	-	-	4,442,822
Capital assets:				
Nondepreciable	5,641,017	-	574,559	6,215,576
Depreciable, net of accumulated depreciation	<u>20,918,655</u>	<u>1,894,654</u>	<u>4,777,476</u>	<u>27,590,785</u>
Total noncurrent assets	<u>33,097,555</u>	<u>2,001,997</u>	<u>5,505,213</u>	<u>40,604,765</u>
Total assets	51,333,815	5,722,998	9,070,781	66,127,594
Deferred outflows of resources				
Deferred outflows of resources related to OPEB	31,139	24,177	7,988	63,304
Deferred outflows of resources related to pensions	<u>42,546</u>	<u>85,092</u>	<u>21,273</u>	<u>148,911</u>
Total deferred outflows of resources	73,685	109,269	29,261	212,215
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	256,123	66,112	7,737	329,972
Accrued liabilities	40,144	21,956	4,849	66,949
Current liabilities, payable from restricted assets:				
Accrued interest payable	134,694	3,339	6,022	144,055
Customer deposits	586,779	53,757	-	640,536
Construction contracts and retainage payable	908,107	-	-	908,107
Current portion of long-term obligations:				
Compensated absences	12,062	8,152	2,520	22,735
Bonds and notes payable	<u>981,093</u>	<u>41,507</u>	<u>74,859</u>	<u>1,097,459</u>
Total current liabilities	<u>2,919,002</u>	<u>194,823</u>	<u>95,987</u>	<u>3,209,813</u>
Noncurrent liabilities:				
Compensated absences	148,771	100,543	31,083	280,396
Other post employment benefits	96,797	82,451	25,933	205,181
Net pension liability	76,328	152,641	38,164	267,133
Bonds and notes payable	<u>9,940,840</u>	<u>333,952</u>	<u>602,283</u>	<u>10,877,075</u>
Total noncurrent liabilities	<u>10,262,736</u>	<u>669,587</u>	<u>697,463</u>	<u>11,629,785</u>
Total liabilities	13,181,738	864,410	793,450	14,839,598
Deferred inflows of resources				
Deferred inflows of resources related to OPEB	152,308	115,501	23,776	291,585
Deferred inflows of resources related to pensions	<u>233,733</u>	<u>467,466</u>	<u>116,867</u>	<u>818,066</u>
Total deferred inflows of resources	386,041	582,967	140,643	1,109,651
<b>Net position</b>				
Net investment in capital assets	16,921,930	1,519,195	4,674,893	23,116,018
Restricted for:				
Debt service	2,095,061	107,343	153,178	2,355,582
Capital projects	2,250,524	-	-	2,250,524
Unrestricted	<u>16,572,206</u>	<u>2,758,352</u>	<u>3,337,878</u>	<u>22,668,436</u>
Total net position	<u>\$ 37,839,721</u>	<u>\$ 4,384,890</u>	<u>\$ 8,165,949</u>	<u>\$ 50,390,560</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION – PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Water And Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Operating revenues</b>				
Charges for Services	\$ 12,303,062	\$ 3,419,589	\$ 1,544,164	\$ 17,266,815
Intergovernmental	-	12,570	-	12,570
Other	<u>412,096</u>	<u>56,568</u>	<u>-</u>	<u>468,664</u>
Total operating revenues	<u>12,715,158</u>	<u>3,488,727</u>	<u>1,544,164</u>	<u>17,748,049</u>
<b>Operating expenses</b>				
Salaries, wages, and employee benefits	1,749,928	1,088,181	240,671	3,078,780
Materials and supplies	170,360	208,640	55,533	434,533
Contractual and other services	4,559,540	1,140,081	191,231	5,890,852
Depreciation and amortization	<u>1,868,434</u>	<u>515,717</u>	<u>414,310</u>	<u>2,798,461</u>
Total operating expenses	<u>8,348,262</u>	<u>2,952,619</u>	<u>901,745</u>	<u>12,202,626</u>
<b>Operating income</b>	<u>4,366,896</u>	<u>536,108</u>	<u>642,419</u>	<u>5,545,423</u>
<b>Nonoperating income (expenses)</b>				
Investment income	(12,695)	(1,923)	(1,747)	(16,365)
Interest and other charges	(416,594)	(15,390)	(27,723)	(459,707)
Gain on the sale of capital assets	<u>13,126</u>	<u>9,435</u>	<u>-</u>	<u>22,561</u>
<b>Total nonoperating income (expenses)</b>	<u>(416,163)</u>	<u>(7,878)</u>	<u>(29,470)</u>	<u>(453,511)</u>
<b>Change in net position</b>	3,950,733	528,230	612,949	5,091,912
<b>Net position - beginning of year</b>	<u>33,888,988</u>	<u>3,856,660</u>	<u>7,553,000</u>	<u>45,298,648</u>
<b>Net position - end of year</b>	<u>\$ 37,839,721</u>	<u>\$ 4,384,890</u>	<u>\$ 8,165,949</u>	<u>\$ 50,390,560</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Water And Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 12,260,861	\$ 3,431,469	\$ 1,547,056	\$ 17,239,386
Other operating and intergovernmental revenue	412,096	64,956	-	477,052
Cash paid to suppliers for goods and services	(5,061,553)	(1,371,381)	(252,029)	(6,684,963)
Cash payments to and for the benefit of employees	<u>(1,829,190)</u>	<u>(1,203,489)</u>	<u>(275,368)</u>	<u>(3,308,047)</u>
Cash provided by operating activities	<u>5,782,214</u>	<u>921,555</u>	<u>1,019,659</u>	<u>7,723,428</u>
<b>Cash flows from capital and related financing activities:</b>				
Issuance of long-term debt	7,744,300	-	-	7,744,300
Principal payments on long-term debt	(8,686,406)	(42,517)	(76,591)	(8,805,514)
Interest payments on long-term debt	(426,125)	(12,051)	(21,701)	(459,877)
Proceeds from the sale of capital assets	13,126	9,435	-	22,561
Acquisition and construction of capital assets	<u>(2,719,689)</u>	<u>(608,139)</u>	<u>(216,323)</u>	<u>(3,544,151)</u>
Cash used by capital and related financing activities	<u>(4,074,794)</u>	<u>(653,272)</u>	<u>(314,615)</u>	<u>(5,042,681)</u>
<b>Cash flows from investing activity:</b>				
Interest and dividends on investments	<u>(7,912)</u>	<u>(1,191)</u>	<u>(1,378)</u>	<u>(10,481)</u>
Cash used by investing activities	<u>(7,912)</u>	<u>(1,191)</u>	<u>(1,378)</u>	<u>(10,481)</u>
Net increase (decrease) in pooled cash and investments	1,699,508	267,092	703,666	2,670,266
Pooled cash and investments at beginning of year	<u>21,603,175</u>	<u>3,293,169</u>	<u>2,900,455</u>	<u>27,796,799</u>
Pooled cash and investments at end of year	<u>\$ 23,302,683</u>	<u>\$ 3,560,261</u>	<u>\$ 3,604,121</u>	<u>\$ 30,467,065</u>

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



CITY OF SAFETY HARBOR, FLORIDA  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Water And Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Reconciliation of cash and investments to Statement of Net Position:</b>				
Total unrestricted pooled cash and investments	\$ 16,043,327	\$ 3,395,822	\$ 3,444,921	\$ 22,884,070
Total restricted pooled cash and investments	<u>7,259,356</u>	<u>164,439</u>	<u>159,200</u>	<u>7,582,995</u>
Total pooled cash and investments	<u>\$ 23,302,683</u>	<u>\$ 3,560,261</u>	<u>\$ 3,604,121</u>	<u>\$ 30,467,065</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 4,366,896	\$ 536,108	\$ 642,419	\$ 5,545,423
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,868,434	515,717	414,310	2,798,461
Change in operating assets and liabilities:				
Decrease (increase) in accounts receivable	(46,764)	11,880	2,892	(31,992)
Decrease (increase) in due from other governments	-	(4,182)	-	(4,182)
Decrease (increase) in inventories	(17,088)	-	-	(17,088)
Decrease (increase) in deferred outflows	28,170	51,576	12,607	92,353
Increase (decrease) in accounts payable	(314,565)	(22,660)	(5,265)	(342,490)
Increase (decrease) in pension and other accrued liabilities	(164,542)	(332,263)	(83,329)	(580,134)
Increase (decrease) in deferred inflows	185,198	238,520	51,672	475,390
Increase (decrease) in customer deposits	4,563	-	-	4,563
Increase (decrease) in OPEB	(108,111)	(85,587)	(13,514)	(207,212)
Increase (decrease) in accumulated unused compensated absences	<u>(19,977)</u>	<u>12,446</u>	<u>(2,133)</u>	<u>(9,664)</u>
Net cash provided by operating activities	<u>\$ 5,782,214</u>	<u>\$ 921,555</u>	<u>\$ 1,019,659</u>	<u>\$ 7,723,428</u>
Non cash investing, capital, and financing activities:				
Amortization of bond premiums	\$ 10,876	\$ -	\$ -	\$ 10,876
Construction contracts payable at year end	908,107	-	-	908,107
Change in fair value of investments	(12,695)	(1,923)	(1,747)	(16,365)

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

CITY OF SAFETY HARBOR, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2021

	<b>Pension Trust Fund</b>
<b>Assets</b>	
Cash and cash equivalents:	
Money market	\$ 102,285
Accounts receivable	111,154
Investments, at fair value:	
Equity securities	9,936,282
U.S. Treasury Bonds, Notes and Bills	4,573,612
Total investments	14,509,894
<b>Total assets</b>	<b>14,723,333</b>
<b>Net position</b>	
Restricted for pension benefits	13,522,868
Restricted for pension benefits - Share Plan	1,200,465
<b>Total net position</b>	<b>\$ 14,723,333</b>

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

CITY OF SAFETY HARBOR, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<b>Pension Trust Fund</b>
<b>Additions</b>	
Contributions:	
State	\$ 224,721
City	442,796
Employees	77,463
Total contributions	744,980
Investment income:	
Interest earnings and net decrease in the fair value of investments	2,338,049
Total additions	3,083,029
<b>Deductions</b>	
Administrative expenses	42,705
Distributions	264,482
Total deductions	307,187
Change in net position	2,775,842
Net position - beginning of year	11,947,491
Net position - end of year	\$ 14,723,333

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

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

**The Reporting Entity**

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable, and, as such, be included in the City's financial statements. In accordance with GASB Statement No. 61, the Financial Reporting Entity, the City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Management has determined that the Community Redevelopment Agency is the only organization that should be included in the City's financial statements as a blended component unit.

**Blended Component Unit**

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

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

**Government-Wide and Fund Financial Statements**

***Government-Wide Financial Statements***

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

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

***Fund Financial Statements***

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

**Basis of Accounting**

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

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

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

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



CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

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

**Measurement Focus**

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

**Fund Accounting**

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

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

***Governmental Fund Types***

Governmental fund types are as follows:

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

***Proprietary Fund Types***

Proprietary fund types are as follows:

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

***Fiduciary Fund Type***

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

**Interfund Activity**

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

**Budgets and Budgetary Accounting**

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

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

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

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

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

**Pooled Cash and Investments**

The City utilizes a consolidated cash pool to account for cash and investments of all City funds other than those which are required by ordinance to be physically segregated. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield which are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds.

Investments in U.S. Treasury, government agency securities and commercial paper are recorded at fair value, as determined by quoted market prices. If quoted market prices are not available, fair values are estimated on the basis of dealer quotes, pricing models, or quoted prices for instruments with similar characteristics. The Local Government Surplus Funds Trust Fund operated by the Florida State Board of Administration is treated as a "2a-7 like" pool in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*; therefore, it is presented at its actual pooled share price, which approximates fair value.

**Cash Equivalents**

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

Receivables

Utility (water and sewer, solid waste, and stormwater) operating revenues are generally recognized on the basis of cycle billings rendered monthly. The City recognizes as revenue the estimated unbilled consumption as of September 30. The City has recorded an allowance for potentially uncollectible water and sewer, solid waste, and stormwater billings.

Taxes Receivable

In the governmental funds, delinquent ad valorem taxes receivable is measurable, but not available as of the end of the fiscal year and are shown as deferred inflows of resources if not expected to be collected soon enough after year-end to pay current liabilities. The deferred inflow will be recognized as revenue in the fiscal year that it becomes available. There were no delinquent ad valorem taxes receivable and related inflows of resources reported by the City for the year ended September 30, 2021.

Property Taxes

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pinellas County Property Appraiser and the Pinellas County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit cities to levy property taxes at a rate of up to 10 mils. The millage rate in effect for the fiscal year ended September 30, 2021 was 3.9500.

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

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

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

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

CITY OF SAFETY HARBOR, FLORIDA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2021

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

Inventories and Prepays

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

The following is the breakdown in governmental fund inventories at September 30, 2021:

Equipment supplies	\$	16,469
Fuel supplies		34,453
Total	\$	50,922

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

Capital Assets

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

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

Assets	Years
Buildings	10 - 50
Infrastructure	5 - 50
Machinery and equipment	3 - 15

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

Unamortized Bond Premiums and Prepaid Insurance Costs

Bond premiums and prepaid insurance costs on the proprietary funds' long-term debt are being deferred and amortized over the term of the related bond issue under the bonds outstanding method. Bond premiums are presented as an increase of the face amount of the related bonds payable and prepaid insurance costs are recorded as other assets.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick leave maximum limits vary depending on an employee's class of service, hire date, etc. but generally vacation cannot exceed 280 hours and sick leave cannot exceed 1,800 hours. Upon separation from the City, an eligible employee is paid for all vacation time not exceeding their maximum limit and from one-quarter to one-half of accumulated unused sick leave not exceeding the sick leave maximum limit, i.e. sick leave payout is 900 hours for an employee with a 1,800-hour maximum limit. The City accrues for all earned but unused vacation pay up to the maximum limit and the portion of unused sick leave estimated to be payable upon retirement. The current portion of compensated absences is the amount estimated to be used in the following year. For governmental activities, compensated absences are liquidated within the governmental fund where the vacation and/or sick are earned.

Long-Term Obligations

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

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

Postretirement Health and Life Insurance Benefits

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

Unearned Revenue

In the government-wide financial statements as well as in governmental, proprietary, and fiduciary fund financial statements, proceeds are reported as an unearned revenue in connection with resources that have been received but not yet earned.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

The City sold a 50-year interest in cell tower leases for \$1,027,000 in April 2011. The City's annual expected revenue from the leases is \$20,540. The sale is from the time period of April 19, 2011 through April 30, 2061.

The sales proceeds of \$1,027,000 are recognized as unearned revenue and amortized over the life of the agreement. As of September 30, 2021, the amount remaining to be amortized for the sale of the cell tower lease is \$813,042. For the fiscal year ending September 30, 2021, \$20,540 was amortized as other revenue. Additionally, recreation, library, and street assessment revenues received but not yet earned total \$101,088, and Coronavirus State and Local Fiscal Recovery Funds (SLFRF) amounts received in advance totaled \$4,511,689 at September 30, 2021.

**Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the City's statement of net position pertain to one or more of the City's pension plans: the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the Firefighters' Pension Plan. These amounts will be recognized as reductions in pension expense in future years.

**Fund Balances**

***Governmental funds***

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

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

Public Safety Fund

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

Multimodal Impact Fee Fund

The Multimodal Impact Fee fund is used to account for and report the proceeds of impact fee revenues that are *restricted* to expenditures for capital improvements and transportation demand and system management initiatives specified per the Pinellas County Impact Fee ordinance 16-21, as amended in the Pinellas County Land Development Code, as may be amended.

Library Impact Fee Fund

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

Street Assessment Fund

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

Community Redevelopment Agency Fund

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

Capital Projects Fund

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

Street Lighting Fund

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

Debt Service Fund

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



CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

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

Marina Fund

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

City Tree Bank Fund

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

Stabilization Arrangement

Commitment of general fund balance may be made by the City Commission by authorizing resolution for such purposes including, but not limited to, a) meeting future obligations resulting from a natural disaster; b) accumulating resources pursuant to a stabilization arrangement; and/or c) setting aside amounts for specific projects. Once a fund balance has been committed, the City Commission may only change the classification upon duly adopted resolution. The City maintains at a minimum, a fund balance of twenty (20) percent of General Fund operating expenditures based on the current year's adopted budget, including amendments thereto, committed for the specific purpose for use in the event of a major storm or other unforeseen disaster of a nonrecurring character, including environmental damage, flood, fire or tornado; provided that if federal or state funds are received to offset appropriations for such purposes, such monies shall be returned to the Stabilization Arrangement. Replenishment of the stabilization arrangement will be from Unassigned Fund Balance over a period of five (5) years. At September 30, 2021, the fund balance committed for stabilization is \$3,406,014.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

- Assigned fund balance is established by City Commission or City Management, the City Manager, and is intended to be used for specific purposes, which are neither considered restricted or committed. The subsequent year's budgeted fund balance shall be assigned by the City Commission and/or City Management (the City Manager) as set forth in the annual budget, and any amendments thereto, to appropriate a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount not to exceed the projected excess of estimated expenditures over estimated revenues, transfers, and other financing sources.
- Unassigned fund balance is the residual classification for the general fund that has not been assigned to other funds and has not been restricted, committed, or assigned to a specific purpose within the general fund. The City Commission adopted a resolution whereby there shall be a targeted minimum unassigned fund balance of two months or seventeen (17) percent of General Fund operating expenditures based on the prior year's audited financial statements. This minimum unassigned fund balance shall be in addition to all other categories of unrestricted fund balances.

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

***Restrictions on Net Position (Proprietary and Government-Wide)***

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

***Fiduciary Fund Type***

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

**Impact of Recently Issued Accounting Principles**

The GASB issued Statement No. 84, *Fiduciary Activities*, effective for September 30, 2021 year-end. The objective is to improve guidance regarding the identification for the fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City has implemented this Statement for fiscal year 2021.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 2 – DEPOSITS AND INVESTMENTS:**

**Equity in Pooled Cash and Investments**

At September 30, 2021, the carrying amount of the City’s deposits with financial institutions, excluding fiduciary funds, was \$18,390,485 and the bank account balance was \$18,876,712. The City’s cash deposits were fully insured by federal depository insurance or by collateral held by the City’s agent pursuant to the Public Depository Security Act of the State of Florida. This act establishes a multiple financial institution collateral pool in which all financial institutions holding public deposits pledge a pool of collateral against all public deposits they collectively hold. In the event of a default or insolvency by a qualified public depository, any loss not covered by deposit insurance or the proceeds from the sale of securities pledged by the defaulting depository is covered by an assessment against the other qualified public depositories of the same type as the depository in default. The assessment is based upon the average share of the public fund deposits held by each of these depositories during the previous 12 months in relation to total public deposits held by all depositories of the same type during the same period.

<u>Pooled Cash and Investments</u>	Carrying Amount	% of Portfolio	Weighted average maturity (years)	Credit Rating
<u>Cash and cash equivalents</u>				
Cash on hand	\$ 1,430	-	n/a	n/a
Cash in bank	18,390,485	-	n/a	n/a
Total cash and cash equivalents	18,391,915	36.78%		
<u>Investments</u>				
Certificates of Deposit	758,421	1.52%	0.80	AAA
Money Markets	71,545	0.14%	0.00	AAAm
SBA Florida Prime	6,318,819	12.64%	1.00	AAAm
Federal Home Loan Mortgage ARM FHLMC	81,855	0.16%	4.58	AAA
Federal Home Loan Mortgage CMO FHLMC	3,133,496	6.27%	1.33	AAA
Federal Home Loan Mortgage MBS FHLMC	2,946,559	5.89%	1.98	AAA
Government National Mortgage Association ARM GNMA	145,948	0.29%	5.15	AAA
Government National Mortgage Association CMO GNMA	4,246,666	8.49%	1.79	AAA
Government National Mortgage Association MBS GNMA	1,228,746	2.46%	3.63	AAA
Federal National Mortgage Association ARM FNMA	29,339	0.06%	4.40	AAA
Federal National Mortgage Association CMO FNMA	1,799,912	3.60%	1.76	AAA
Federal National Mortgage Association MBS FNMA	10,851,499	21.70%	2.53	AAA
Total investments	31,612,805			
Total pooled cash and investments	<u>\$ 50,004,720</u>	100.00%		

**Equity in Pooled Investments**

***Custodial Risk***

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued):**

***Credit Risk***

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

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

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

The City is a participant in the State of Florida State Board of Administration (SBA) Local Government Surplus Funds Trust Fund (Florida PRIME). The SBA Florida PRIME, with a current Standard & Poor's rating of AAAM. The SBA is authorized to administer and invest Florida PRIME consistent with Chapter 215.47, Florida Statutes. Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, which approximates fair value. The weighted average days to maturity at September 30, 2021 was 49 days. The investment policy of Florida PRIME is to manage the dollar weighted average maturity to 60 days or less.

On September 30, 2021, the fair value of the City's investments in Florida PRIME was \$6,318,819 with no liquidity restrictions.

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

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued):**

At September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value within Florida PRIME.

**Concentration of Credit Risk**

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

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

Investment Types	Concentration at Fair Value	Percentage Pooled Investments	Maximum Portfolio Composition per Investment Policy
Certificates of Deposit	\$ 758,421	2.40%	20.00%
Money Markets	71,545	0.23%	10.00%
SBA Florida Prime	6,318,819	19.99%	25.00%
<b>US/Government Agencies</b>			
Federal Home Loan Mortgage ARM FHLMC	81,855	0.26%	
Federal Home Loan Mortgage MBS FHLMC	2,946,559	9.32%	
Government National Mortgage Association ARM GNMA	145,948	0.46%	
Government National Mortgage Association MBS GNMA	1,228,746	3.89%	
Federal National Mortgage Association ARM FNMA	29,339	0.09%	
Federal National Mortgage Association MBS FNMA	10,851,499	34.33%	
Total US/Government Agencies	15,283,946	48.35%	75.00%
<b>Collateralized Mortgage Obligations (CMO's)</b>			
Federal Home Loan Mortgage CMO FHLMC	3,133,496	9.91%	
Government National Mortgage Association CMO GNMA	4,246,666	13.43%	
Federal National Mortgage Association CMO FNMA	1,799,912	5.69%	
Total Collateralized Mortgage Obligations (CMO's)	9,180,074	29.04%	75.00%
	<u>\$ 31,612,805</u>	<u>100.00%</u>	

**Interest Rate Risk**

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued):**

Investment Types	Fair Value	0 to 1Year	1to 2 Years	2 to 3 Years	3 to 4 Years	More than 4 Years
Certificates of Deposit	\$ 758,421	\$ 758,421	\$ -	\$ -	\$ -	\$ -
Money Markets	71,545	71,545	-	-	-	-
SBA Pool Florida Prime	6,318,819	6,318,819	-	-	-	-
Federal Home Loan Mortgage ARM FHLMC	81,855	-	-	-	-	81,855
Federal Home Loan Mortgage CMO FHLMC	3,133,496	753,900	1,221,588	1,083,892	74,116	-
Federal Home Loan Mortgage MBS FHLMC	2,946,559	18,372	573,645	905,358	1,449,184	-
Government National Mortgage Association ARM GNMA	145,948	-	-	-	-	145,948
Government National Mortgage Association CMO GNMA	4,246,666	1,044,906	404,743	2,509,288	287,729	-
Government National Mortgage Association MBS GNMA	1,228,746	-	-	936,621	29,050	263,075
Federal National Mortgage Association ARM FNMA	29,339	-	-	-	-	29,339
Federal National Mortgage Association CMO FNMA	1,799,912	304,251	698,307	679,504	107,474	10,376
Federal National Mortgage Association MBS FNMA	10,851,499	4,763	1,193,476	2,983,712	4,274,190	2,395,358
Total	<u>\$ 31,612,805</u>	<u>\$ 9,274,977</u>	<u>\$ 4,091,759</u>	<u>\$ 9,098,375</u>	<u>\$ 6,221,743</u>	<u>\$ 2,925,951</u>

City's Firefighter Pension Plan Deposit and Investments

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

**Credit Risk**

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

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

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued):**

***Concentration of Credit Risk***

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

	Firefighters Pension Plan	
	Portfolio Allocation	Amount in Trust as of September 30, 2021
Cash and cash equivalents:		
Money Market	0.70%	\$ 102,285
Investments, at fair value:		
Broad Market HQ Bond Fund	15.50%	2,264,888
Core Plus Fixed Income	15.80%	2,308,724
Diversified Large Cap	25.30%	3,696,881
Diversified Small to Mid Cap	13.90%	2,031,093
International Blend	20.40%	2,980,884
Core Real Estate	8.40%	1,227,423
Total		\$ 14,612,179

***Interest Rate Risk***

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

	Fire Pension Investment Pool (FMIvT)	
Fixed Income Fund	Modified Duration in Years	Weighted Average Maturity (WAM) in Years
FMIvT Broad Market High Quality Bond Fund	5.39	6.30
FMIvT Core Plus Fixed Income Fund	3.98	8.21

***Fair Value Measurement***

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued):**

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

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

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

The City had the following recurring fair value measurements comprised of investments as of September 30, 2021:

	2021			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investment by Fair Value Level</b>				
Certificates of Deposit - Negotiable	\$ 754,359	\$ -	\$ 754,359	\$ -
U.S. Government Agency Securities	257,142	-	257,142	-
Collateralized Mortgage Obligations	9,180,074	-	9,180,074	-
Mortgage-backed Securities	15,026,804	-	15,026,804	-
Total Investments Measured at Fair Value	<u>25,218,379</u>	<u>\$ -</u>	<u>\$ 25,218,379</u>	<u>\$ -</u>
<b>Investments Measured at</b>				
<b>Amortized Cost</b>				
Money Market Mutual Fund	71,545			
Certificates of Deposit - Non-negotiable	4,062			
Local Government Investment Pool (LGIP)	6,318,819			
Total Investments Measured at Cost	<u>6,394,426</u>			
Total Investments	<u>\$ 31,612,805</u>			

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



CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued):**

The Firefighters’ Pension Plan had the following recurring fair value measurements comprised of investments as of September 30, 2021:

	2021			
	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investment by Fair Value Level</b>				
External Investment Pool:				
FMIvT funds:				
Broad Market HQ Bond Fund	\$ 2,264,888	\$ -	\$ 2,264,888	\$ -
Core Plus Fixed Income	2,308,724	-	-	2,308,724
Diversified Large Cap	3,696,881	-	3,696,881	-
Diversified Small to Mid Cap	2,031,093	-	2,031,093	-
International Blend	2,980,884	-	2,980,884	-
Core Real Estate	1,227,423	-	-	1,227,423
<b>Total Investments Measured at Fair Value</b>	<b>\$ 14,509,894</b>	<b>\$ -</b>	<b>\$ 10,973,746</b>	<b>\$ 3,536,147</b>

**FMIvT Broad Market High Quality Bond Fund**

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

**FMIvT Core Plus Fixed Income Fund**

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

**FMIvT Diversified Large Cap Equity Portfolio**

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued):**

**FMIvT Diversified Small to Mid Cap Equity Portfolio**

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

**FMIvT International Equity Portfolio**

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

**FMIvT Core Real Estate Fund**

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

The assets of the Firefighters' Pension Plan are invested through the Florida Municipal Investment Trust (FMIvT), an external investment pool. The funds within the portfolio are valued at the net asset values provided by FMIvT, which are based upon the values of the underlying assets of the various funds and portfolios. The values of the bond funds and equity portfolios classified as Level 2 are derived from market corroborated data, while the value of the bond fund classified as Level 3 is based on unobservable inputs. The bonds funds classified as Level 2 invest in U.S. Treasury and agency securities, asset-backed securities, and corporate bonds and notes. The investment objective of these funds is to meet or exceed the return of its benchmark. The Core Plus Fixed Income Fund and Core Real Estate Fund, both classified as Level 3, include securities for which exchange quotations are not readily available, and therefore the values are based on various valuation methodologies and are ultimately determined in good faith by the fund's management.

The Core Plus Fixed Income Fund is designed to provide an investment alternative to members that seek a broadly diversified portfolio of fixed-income securities in order to maximize total investment return through a combination of interest income, capital appreciation, and currency gains. The commingled funds of the Core Plus Fixed Income Fund invest in a broad spectrum of fixed and floating-rate debt securities that are diversified by credit quality, geography, and duration. The equity and international portfolios invest in domestic and foreign stocks. The investment objectives of these funds are to meet or exceed the return of its benchmark. Depending on the fund or portfolio, withdrawals can be made on a semi-monthly or monthly basis. All funds and portfolios require five days' notice, with exception of the International Equity Portfolio, which requires thirty days.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 3 – RECEIVABLES:**

Receivables at September 30, 2021 for the City’s governmental and enterprise funds, including the applicable allowances for uncollectible accounts are as follows:

	Utility		Special	Accounts	Total	Less:	Net Total	
	Interest	Taxes & Franchise Fees						Gross Receivables
Governmental activities								
General fund	\$ 12,634	\$ 351,565	\$ 2,984,333	\$ -	\$ 146,386	\$ 3,494,918	\$ (2,932,949)	\$ 561,969
Community Redevelopment Agency	1,382	-	-	-	-	1,382	-	1,382
Capital Projects	804	-	-	23,943	-	24,747	-	24,747
Non-major governmental funds	2,114	-	-	19,272	7,630	29,016	-	29,016
Gross receivables	16,934	351,565	2,984,333	43,215	154,016	3,550,063	-	617,114
Less: allowance for uncollectibles	-	-	-	-	-	-	(2,932,949)	-
Net total receivables governmental activities	<u>\$ 16,934</u>	<u>\$ 351,565</u>	<u>\$ 2,984,333</u>	<u>\$ 43,215</u>	<u>\$ 154,016</u>	<u>\$ 3,550,063</u>	<u>\$ (2,932,949)</u>	<u>\$ 617,114</u>
Business-type activities								
Water and sewer utility	\$ 24,273	\$ -	\$ 258,788	\$ 24,212	\$ 1,146,902	\$ 1,454,175	\$ (184,477)	\$ 1,269,698
Solid waste utility	3,701	-	56,092	-	246,334	306,127	(50,614)	255,513
Stormwater utility	3,610	-	23,773	-	110,546	137,929	(23,304)	114,625
Gross receivables	31,584	-	338,653	24,212	1,503,782	1,898,231	-	1,639,836
Less: allowance for uncollectibles	-	-	-	-	-	-	(258,395)	-
Net total receivables business-type activities	<u>\$ 31,584</u>	<u>\$ -</u>	<u>\$ 338,653</u>	<u>\$ 24,212</u>	<u>\$ 1,503,782</u>	<u>\$ 1,898,231</u>	<u>\$ (258,395)</u>	<u>\$ 1,639,836</u>

**Due from Other Governments**

The following amounts were due from other governments as of September 30, 2021.

Fund	Name of Government	Revenue Source	Amount
<b>Governmental Funds</b>			
General	State of Florida	Half-Cent Sales Tax	\$ 207,754
General	State of Florida	Alcoholic Beverage Tax	17,645
General	Pinellas County	Court Fines and Fees	541
General	Pinellas County	Ad Valorem (Delinquent/Homestead)	22
General	State of Florida	Firefighters' Supplemental Compensation	4,520
General	State of Florida	Communications Services Tax	127,114
General	State of Florida	Motor Fuel Tax Rebate	1,022
General	State of Florida	Mobile Home Licensing Fees	14
Total General Fund			<u>358,632</u>
Capital Projects Fund	Pinellas County	Local Government Infrastructure Tax	<u>552,954</u>
Total Capital Projects Fund			552,954
Street Improvement	State of Florida	Local Option Gas Tax	<u>56,218</u>
Total Street Improvement Fund			<u>56,218</u>
Total governmental funds			<u>\$ 967,804</u>
<b>Proprietary Funds</b>			
Solid Waste	Pinellas County	Recycling Grant	<u>\$ 12,570</u>
Total proprietary funds			<u>\$ 12,570</u>

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 4 – CAPITAL ASSETS:**

The following is a summary of changes in capital assets at September 30, 2021:

	Balance September 30, 2020	Additions	Disposals	Balance September 30, 2021
Governmental activities:				
Nondepreciable assets:				
Land	\$ 9,993,940	\$ -	\$ -	\$ 9,993,940
Construction in progress	607,051	318,257	347,087	578,221
Total Nondepreciable Assets	10,600,991	318,257	347,087	10,572,161
Depreciable assets:				
Buildings	5,855,904	166,081	-	6,021,985
Infrastructure	34,106,567	1,070,104	35,429	35,141,242
Equipment and Vehicles	7,692,736	387,107	481,099	7,598,744
Total Depreciable Assets	47,655,207	1,623,292	516,528	48,761,971
Less, accumulated depreciation for:				
Buildings	3,663,076	170,954	-	3,834,030
Infrastructure	21,146,511	1,470,789	20,760	22,596,540
Equipment and Vehicles	4,897,808	581,563	495,766	4,983,605
Total accumulated depreciation	29,707,395	2,223,306	516,526	31,414,175
Total Depreciable, Net of Accumulated Depreciation	17,947,812	(600,014)	2	17,347,796
Governmental activities capital assets, net	<u>\$ 28,548,803</u>	<u>\$ (281,757)</u>	<u>\$ 347,089</u>	<u>\$ 27,919,957</u>
Business-type activities:				
Nondepreciable assets:				
Land	\$ 606,548	\$ -	\$ -	\$ 606,548
Construction in progress	2,012,103	3,598,375	1,450	5,609,028
Total Nondepreciable Assets	2,618,651	3,598,375	1,450	6,215,576
Depreciable assets:				
Buildings	343,689	-	-	343,689
Infrastructure	48,360,069	52,614	-	48,412,683
Equipment and Vehicles	10,129,381	760,409	713,118	10,176,672
Total Depreciable Assets	58,833,139	813,023	713,118	58,933,044
Less, accumulated depreciation for:				
Buildings	300,423	12,935	-	313,358
Infrastructure	21,995,956	1,958,984	-	23,954,940
Equipment and Vehicles	6,950,929	836,150	713,118	7,073,961
Total accumulated depreciation	29,247,308	2,808,069	713,118	31,342,259
Total Depreciable, Net of Accumulated Depreciation	29,585,831	(1,995,046)	-	27,590,785
Business-type activities capital assets, net	<u>\$ 32,204,482</u>	<u>\$ 1,603,329</u>	<u>\$ 1,450</u>	<u>\$ 33,806,361</u>

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 4 – CAPITAL ASSETS (continued):**

Depreciation expense was charged to governmental functions as follows:

	Amount
General government	\$ 290,677
Law enforcement	4,604
Fire protection	297,756
Building department	4,731
Physical environment	6,416
Transportation	453,336
Library	287,782
Parks and recreation	878,004
Total depreciation expense	\$ 2,223,306

Depreciation expense for the Water and Sewer Fund, Solid Waste Fund, and the Stormwater Fund is \$1,878,042, \$515,717, and \$414,310, respectively.

Construction projects actively underway as of September 30, 2021 were as follows:

Project	Spent to Date	Remaining Commitment
<u>Governmental Activities</u>		
Production Equipment	\$ 11,549	\$ 5,037
Bridge Improvements	83,955	2,225
Channel Dredging - Construction	22,244	23,731
Replace 2003 Pierce Fire Engine (Vehicle 852)	683,944	32,840
Replace 2006 Chevrolet Pickup (Vehicle 802)	5,562	69,111
City-wide Roof Replacements	43,029	17,512
Park Signage Improvements	15,751	7,411
Sidewalk & Bicycle Mater Plan	10,315	67,010
LED Lighting	18,680	4,640
Library 2nd Floor Meeting Room Addition	101,731	89,310
Total Governmental Activities	\$ 996,760	\$ 318,827
<u>Business-Type Activities</u>		
Pipe Relining	\$ 165,159	\$ 51,595
Trimble Readers (3)	28,150	750
Intangible Asset / Software	92,404	29,926
Espiritu Santo Springs/Washington Brennan Water Main	1,172,307	936,607
Pinellas Avenue Water Main & Fire Protection	29,166	16,605
Philippe Pointe Pedestrian Bridge Water Main	13,888	1,378
North Bay Hills Water Main Replacement Phase III- Surv/Des	14,291	290,874
South Green Springs Subdivision Reline Sewer Main	340,086	659,914
Baywoods Subdivision	811,051	231,812
Master Lift Station Repair Pump #2	28,624	25,922
9th Ave/Marshall St. Master Pump	122,487	24,339
Total Business-Type Activities	\$ 2,817,613	\$ 2,269,722

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:**

Interfund transfers for the year ended September 30, 2021, consisted of the following:

Transfers to governmental funds:	
General fund	\$ 157,000
Capital Projects fund	767,210
Street Improvement Fund	300,000
Debt Service Fund	1,070,600
Street Lighting Fund	7,650
Total transfers from	<u>\$ 2,302,460</u>
Transfers from governmental funds:	
General fund	\$ 974,860
Community Redevelopment Agency	289,000
Capital Projects fund	1,038,600
Total transfers to	<u>\$ 2,302,460</u>

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

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CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 6 – LONG-TERM LIABILITIES:**

The following is a summary of changes in long-term liabilities for the year ended September 30, 2021:

	Balance			Balance Sep 30, 2021	Amount Due	
	Sep 30, 2020	Increases	Decreases		Within One Year	Long Term Debt
<b>Governmental Activities</b>						
Direct borrowings:						
Revenue Note, Series 2018	\$ 1,146,100	\$ -	\$ 126,700	\$ 1,019,400	\$ 131,100	\$ 888,300
Refunding Revenue Bond, Series 2012	620,000	-	305,000	315,000	315,000	-
Capital Improvement Revenue Note, Series 2008	537,000	-	537,000	-	-	-
Capital Improvement Revenue Note, Series 2006	196,522	-	18,993	177,529	19,652	157,877
Total direct borrowings	2,499,622	-	987,693	1,511,929	465,752	1,046,177
Capital lease of real property	210,000	-	5,000	205,000	5,000	200,000
Compensated absences	925,661	541,331	485,392	981,600	73,620	907,980
<b>Governmental activities total</b>	<b>3,635,283</b>	<b>541,331</b>	<b>1,478,085</b>	<b>2,698,529</b>	<b>544,372</b>	<b>2,154,157</b>
<b>Business-Type Activities</b>						
Direct borrowings:						
Water and Sewer Revenue Note, Series 2018	8,211,500	7,744,300	8,211,500	7,744,300	483,100	7,261,200
Refunding Revenue Bond, Series 2012	325,000	-	160,000	165,000	165,000	-
Capital Improvement Revenue Note, Series 2006	4,499,248	-	434,014	4,065,234	449,359	3,615,875
Total direct borrowings	13,035,748	7,744,300	8,805,514	11,974,534	1,097,459	10,877,075
Compensated absences	312,795	157,201	166,865	303,131	22,735	280,396
<b>Business-type activities totals</b>	<b>13,348,543</b>	<b>7,901,501</b>	<b>8,972,379</b>	<b>12,277,665</b>	<b>1,120,194</b>	<b>11,157,471</b>
<b>Total all activities</b>	<b>\$ 16,983,826</b>	<b>\$ 8,442,832</b>	<b>\$ 10,450,464</b>	<b>\$ 14,976,194</b>	<b>\$ 1,664,567</b>	<b>\$ 13,311,627</b>

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 6 – LONG-TERM LIABILITIES (continued):**

**DEBT SERVICE**

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

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

**2012 Refunding Revenue Bond** – On January 19, 2012, the City issued a \$4,275,000 Refunding Revenue Bond, Series 2012 Refunding & New Money, at a fixed interest rate of 2.34% with Branch Banking and Trust Company, which matures on November 1, 2021. The bond was issued in the amount of \$1,500,000 to refund \$1,445,000 of outstanding Series 2001A revenue bonds, with variable interest rates of 4.75% to 5.25% and to purchase parkland on the waterfront (New Money) for \$2,775,000. Debt service payments are made semiannually. The loan repayment obligations of the City are secured by a lien upon and a pledge of non-ad valorem funds budgeted and appropriated for purposes of payment.

**2008 Capital Improvement Revenue Note** – On April 25, 2008, the City issued a \$5,412,000 Capital Improvement Revenue Note, Series 2008, at a fixed interest rate of 3.3396% with Regions Bank, which matures on October 1, 2021. The note was issued for the acquisition and construction of certain capital improvements of the City. Debt service payments are made semi-annually. The loan repayment obligations of the City are payable from and secured by a lien upon and a pledge of non-ad valorem funds budgeted and appropriated for purposes of payment.

**2006 Capital Improvement Revenue Note and Line of Credit** – On June 21, 2006, the City issued a \$9,000,000 Capital Improvement Revenue Note, Series 2006, at a variable rate per annum equal to the one month London Interbank Offered Rate (LIBOR Rate) plus .23 basis points (.023%) with Bank of America. The line of credit was issued to finance various capital improvements as well as capital improvements for the City's water and sewer system. The line of credit converted to a fixed rate of 2.860% on April 1, 2009 with debt service payable annually. The note matures on July 1, 2029. Payment of the loan is from a covenant to budget and appropriate non-ad valorem revenues.

See Note 13 for subsequent event information regarding this debt.



CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 6 – LONG-TERM LIABILITIES (continued):**

**DEBT SERVICE**

	Governmental Activities				Business - Type Activities					
	Land Purchase	Land Purchase	Capital Improvements	Total	Water & Sewer Capital Improvements <sup>(1)</sup>	Refunding Water & Sewer Capital Improvements	Stormwater Capital Improvements	Water & Sewer Capital Improvements	Solid Waste Capital Improvements	Total
Issue Date	2019	2012	2006		2019	2012	2006	2006	2006	
Retirement Date	2028	2022	2029		2034	2022	2029	2029	2029	
Debt at Issuance	\$ 1,395,500	\$ 2,775,000	\$ 385,198	\$ 9,967,698	\$ 8,663,200	\$ 1,500,000	\$ 1,425,296	\$ 6,393,426	\$ 796,080	\$ 18,778,002
Outstanding Principal	\$ 1,019,400	\$ 315,000	\$ 177,529	\$ 1,511,929	\$ 7,744,300	\$ 165,000	\$ 676,215	\$ 3,013,580	\$ 375,439	\$ 11,974,534
Interest Rate	3.4300%	2.3400%	3.4800%		1.9900%	2.3400%	3.4800%	3.4800%	3.4800%	
<u>Annual Debt Service</u>										
2022	\$ 163,817	\$ 318,686	\$ 25,838	\$ 508,341	\$ 575,897	\$ 166,931	\$ 98,293	\$ 437,940	\$ 54,573	\$ 1,333,634
2023	163,743	-	25,837	189,580	680,174	-	98,293	437,940	54,573	1,270,980
2024	163,810	-	25,837	189,647	680,199	-	98,293	437,940	54,573	1,271,005
2025	163,810	-	25,837	189,647	680,244	-	98,293	437,940	54,573	1,271,050
2026	163,839	-	25,837	189,676	680,186	-	98,293	437,940	54,573	1,270,992
2027-2031	327,552	-	77,291	404,843	3,400,911	-	294,879	1,314,550	163,719	5,174,059
2032-2034					2,040,718					
Total	\$ 1,146,571	\$ 318,686	\$ 206,477	\$ 1,671,734	\$ 8,738,329	\$ 166,931	\$ 786,344	\$ 3,504,250	\$ 436,584	\$ 11,591,720

**DEBT SERVICE REQUIREMENTS**

The annual debt service requirements for the governmental activities long-term debt as of September 30, 2021 are as follow:

Year Ending September 30,	Series 2006, Capital Improvement Revenue Note		
	Principal	Interest	Total
2022	\$ 19,652	\$ 6,186	\$ 25,838
2023	20,335	5,502	25,837
2024	21,043	4,794	25,837
2025	21,775	4,062	25,837
2026	22,533	3,304	25,837
2027 - 2031	72,191	5,100	77,291
Total debt service	\$ 177,529	\$ 28,948	\$ 206,477
Year Ending September 30,	Series 2012, Refunding Revenue Bond		
	Principal	Interest	Total
2022	\$ 315,000	\$ 3,686	\$ 318,686
Total debt service	\$ 315,000	\$ 3,686	\$ 318,686

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 6 – LONG-TERM LIABILITIES (continued):**

**DEBT SERVICE REQUIREMENTS**

Year Ending September 30,	Series 2018, Revenue Note		
	Principal	Interest	Total
2022	\$ 131,100	\$ 32,717	\$ 163,817
2023	135,600	28,143	163,743
2024	140,400	23,410	163,810
2025	145,300	18,510	163,810
2026	150,400	13,439	163,839
2027 - 2031	316,600	10,952	327,552
Total debt service	<u>\$ 1,019,400</u>	<u>\$ 127,171</u>	<u>\$ 1,146,571</u>

The annual debt service requirements for the business-type activities long-term debt as of September 30, 2021 are as follow:

Year Ending September 30,	Series 2006, Capital Improvement Revenue Note		
	Principal	Interest	Total
2022	\$ 449,359	\$ 141,447	\$ 590,806
2023	464,997	125,809	590,806
2024	481,179	109,627	590,806
2025	497,924	92,882	590,806
2026	515,252	75,554	590,806
2027 - 2031	1,656,523	116,625	1,773,148
Total debt service	<u>\$ 4,065,234</u>	<u>\$ 661,944</u>	<u>\$ 4,727,178</u>

Year Ending September 30,	Series 2012, Refunding Revenue Bond		
	Principal	Interest	Total
2022	<u>\$ 165,000</u>	<u>\$ 1,931</u>	<u>\$ 166,931</u>
Total debt service	<u>\$ 165,000</u>	<u>\$ 1,931</u>	<u>\$ 166,931</u>

CITY OF SAFETY HARBOR, FLORIDA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2021

**NOTE 6 – LONG-TERM LIABILITIES (continued):**

**DEBT SERVICE REQUIREMENTS**

Year Ending September 30,	Series 2018, Water and Sewer Revenue Note		
	Principal	Interest	Total
2022	\$ 483,100	\$ 92,797	\$ 575,897
2023	541,060	139,114	680,174
2024	551,960	128,239	680,199
2025	563,100	117,144	680,244
2026	574,360	105,826	680,186
2027 - 2031	3,049,660	351,251	3,400,911
2032 - 2034	1,981,060	59,658	2,040,718
Total debt service	<u>\$ 7,744,300</u>	<u>\$ 994,029</u>	<u>\$ 8,738,329</u>

Capital Lease

On February 1, 2013, the City entered into a lease-purchase agreement with the School Board of Pinellas County, Florida for property located at 0 Elm Street, Safety Harbor, which is the site of the former Secondary School that was demolished in 2009. The lease term is fifty (50) years for a purchase price of \$250,000 and requires annual installments of \$5,000 with no annual interest rate. The City may pay in full any time during the term of the lease the outstanding balance of the lease. The future minimum lease payments as of September 30, 2021 are \$205,000.

**NOTE 7 – PENSION PLANS:**

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

A. Florida Retirement System

**Plan Description**

The City contributes to the Florida Retirement System (FRS), a cost-sharing multiple employer Public Employees Retirement System (PERS) defined benefit pension plan controlled by the State Legislature and administered by the Florida Department of Administration and Division of Retirement and covers twenty-seven percent of all the City’s full-time employees. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, health insurance subsidy, and survivor benefits to plan members and beneficiaries, respectively. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the law can be made only by an act of the Florida Legislature. Rules governing the operations and

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

administration of the System may be found in Chapter 60S of the Florida Administrative Code. A comprehensive annual financial report of the Florida Retirement System, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website: [www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

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

*Deferred Retirement Option Program (DROP)*

The FRS pension plan allows eligible members to participate in the Deferred Retirement Option Program (DROP). This program allows members to retire and continue working, drawing both salary and retirement benefits during participation in this program, up to 60 months.

*Benefits Provided*

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

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

*Contributions*

Presently, the System requires a 3.00% contribution from covered members in the regular, special risk and senior management classes. The City is required to contribute an actuarially determined rate. The employer's contribution rates are based upon employees' gross earnings and are effective from July 1 thru June 30. The rates effective for July 1, 2021 thru June 30, 2022 are: regular employees, 9.10%; special risk, 24.17%; senior management, 27.29%; and DROP, 16.98%. The rates effective for July 1, 2020 thru June 30, 2021 are: regular employees, 8.28%; special risk, 22.73%; senior management, 25.57%; and DROP, 15.32%. The contribution requirements of the City are established by and may be amended by the State Legislature. The City's contributions to the System for the fiscal year ending September 30, 2021 was \$127,709 equal to the required contribution for this year.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

*Pension Costs*

At September 30, 2021, the City reported a liability of \$244,973 for its proportionate share of the FRS pension plan’s net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City’s proportion of the net pension liability was based on contributions made by the city to FRS during the measurement period relative to the total employer contributions made to FRS by all participating employers. At June 30, 2021, the City’s proportion was .003243011%, which was a decrease of 0.0000587% from the proportion measured as of June 30, 2020.

The City recognized a pension contra-expense of \$235,797 for its proportionate share at September 30, 2021. The proportionate share of deferred outflows of resources and deferred inflows of resources were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 41,989	\$ -
Changes in Actuarial Assumptions	167,622	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	854,648
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	15,128	511,365
City Contributions Subsequent to the Measurement Date	36,795	-
<b>Total</b>	<b>\$ 261,534</b>	<b>\$ 1,366,013</b>

A total of \$36,795 was reported as deferred outflows of resources as a result of contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30	Amount
2022	\$ (320,495)
2023	(282,800)
2024	(269,976)
2025	(271,655)
2026	3,652
Thereafter	-

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

*Investments*

Investment management of assets contributed and held on behalf of the Florida Retirement System is provided by the State Board of Administration. Accounting and administration of benefits and contributions, commissions, actuarial studies and proposal rules and regulations for the administration of the FRS is provided by the Florida Division of Retirement. The State Legislature is responsible for setting contribution and benefit levels and providing the statutory guidance for the administration of the FRS. Plan target allocation as of September 30, 2021 was as follows:

<u>Investment Category</u>	<u>Target Allocations</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Totals	<u>100.0%</u>			
Assumed Inflation - mean			2.4%	1.2%

*Actuarial Methods and Assumptions:* Total pension liability was determined by actuarial valuation as of July 1, 2021, using the following actuarial assumptions:

<u>Florida Retirement System</u>	
Valuation date	7/1/2021
Measurement date	6/30/2021
Inflation	2.40%
Salary increases (including inflation)	3.25%
Mortality	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018
Actuarial cost Method	Individual Entry Age
Municipal Bond Rate	6.80%

The actuarial assumptions that determined the total pension liability as of June 30, 2021, were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability calculated using the current discount rate of 6.80%, along with what the net pension liability would be if the discount rate used was 1-percentage-point lower (5.80 percent) and 1-percentage-point higher (7.80 percent).

	1% Decrease 5.80%	Current Rate 6.80%	1% Increase 7.80%
FRS Net Pension Liability	\$ 33,781,383,454	\$ 7,553,863,454	\$ (14,369,402,546)
City's proportion of net pension liability	1,095,534	244,993	(466,001)

Amounts presented were determined as of June 30

**B. Retiree Health Insurance Subsidy Program**

**Plan Description**

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

*Plan Benefits*

The Program provides a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

*Contributions*

The HIS plan is funded by required contributions from FRS participating employers set by the Florida Legislature. Employer contributions are a percentage of gross compensation for active FRS members. The City is required to contribute an actuarially determined rate. The contribution requirements of the City are established by and may be amended by the State Legislature. Pursuant to Section 112.363, Florida Statutes, for the plan fiscal year ended June 30, 2021, the contribution rate was 1.66 percent of gross compensation. The City's contribution to the HIS plan for fiscal year ending September 30, 2021 was \$13,634, equal to the required contribution for this year.

*Pension Costs*

At September 30, 2021, the City reported a liability of \$289,299 for its proportionate share of the HIS pension plan's net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, and update procedures were used to determine liabilities as of July 1, 2021. The City's proportion of the net pension liability was based on contributions made by the city during the measurement period relative to the total employer contributions made by all participating employers. At June 30, 2021, the City's proportion was .002358448%, which was a decrease of -0.0001741% from the same as the proportion measured as of June 30, 2020.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

The City recognized a pension contra-expense in the amount of \$75,918 for its proportionate share at September 30, 2021. The proportionate share of deferred outflows of resources and deferred inflows of resources were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 9,681	\$ 121
Changes in Actuarial Assumptions	22,732	11,920
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	302	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	258,068
City Contributions Subsequent to the Measurement Date	3,570	-
<b>Total</b>	<b>\$ 36,285</b>	<b>\$ 270,109</b>

A total of \$3,570 was reported as deferred outflows of resources as a result of contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30	Amount
2022	\$ (77,583)
2023	(71,775)
2024	(45,459)
2025	(26,471)
2026	(13,386)
Thereafter	(2,720)



CITY OF SAFETY HARBOR, FLORIDA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

*Actuarial Assumptions*

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

HIS Pension Plan Assumptions	
Valuation date	7/1/2020
Measurement date	6/30/2021
Inflation	2.40%
Salary increases (including inflation)	3.25%
Mortality	Generational PUB-2010 with Projection Scale MP-2018
Actuarial cost Method	Individual Entry Age
Municipal Bond Rate*	2.16%

\*The municipal bond rate used to determine total pension liability decreased from 2.21% to 2.16%

The actuarial assumptions that determined the total pension liability as of June 30, 2021, were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

The discount rate used to measure the total pension liability was 2.16% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the municipal bond index.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability calculated using the current discount rate of 2.16 percent, along with what the net pension liability would be if the discount rate used was 1-percentage-point lower (1.16 percent) and 1-percentage-point higher (3.16 percent).

	1% Decrease 1.16%	Current Rate 2.16%	1% Increase 3.16%
HIS Net Pension Liability	\$ 14,181,266,208	\$ 12,266,503,481	\$ 10,697,783,617
City's proportion of net pension liability (asset)	334,458	289,299	252,302

Amounts presented were determined as of June 30

**C. Defined Contribution Plan**

The City contributes to one defined contribution plan for employees starting after January 1, 1996 (Opt-Out Plan). Plan provisions and contributions are established by City Resolution. The plan is administered by ICMA Retirement Corporation. Plan investments are recorded at fair value. The Opt-Out Plan is fully vested upon completion of five or more years of service. The City contributes 8% of participants' earnings to the 401(a) plan accounts for general employees. Employees are not permitted to contribute to this

CITY OF SAFETY HARBOR, FLORIDA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

plan. Employer contributions are recognized in the period that the contributions are due. The City contribution to the 401(a) plan accounts for general employees was \$433,707 for the year ended September 30, 2021. For the City Manager, retirement participation is in a 401(a) plan with the ICMA with a 12.5% City contribution. The total plan contribution for fiscal year 2021 for the City Manager was \$19,709.

D. Firefighters’ Pension Plan

**Plan Description**

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

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

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

*Plan Membership.* At September 30, 2021, pension plan membership consists of the following:

Membership Classification	Number of Plan Members
Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	24
Total	32

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

*Contributions.* Plan members are required to contribute 1 percent of their annual covered salary. The City’s contribution to the fund is determined by actuarial valuation. The City is required to contribute an amount equal to the minimum required contribution as a percentage of covered payroll. The employee contribution requirement may be amended by City ordinance, but the employer contribution requirement is subject to State minimums. The City’s contribution of \$442,796 (25.74 percent of covered payroll) for 2021 is reflected in the departmental expenditures section of the General Fund. The state of Florida levies a tax on property, casualty and auto insurance premiums, the proceeds of which are distributed to the Plan. The state of Florida’s contribution to the retirement trust fund was \$111,899 for 2021 and represents on-behalf payments of fringe benefits and salaries that are reflected as both revenue and expenditures in the General Fund and government wide statements.

*Pension Expense and Deferred Outflows and Inflows of Resources.* At September 30, 2021, the City reported a net pension asset of \$3,669,076. The net pension asset was measured as of September 30, 2021. The City recognized pension expense of \$142,601 at September 30, 2021. Deferred outflows of resources and deferred inflows of resources were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 256,337	\$ 789,288
Changes in Actuarial Assumptions	979,575	305,927
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,186,195
Total	<u>\$ 1,235,912</u>	<u>\$ 2,281,410</u>

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

Year Ending September 30	Amount
2022	\$ (215,145)
2023	(206,511)
2024	(234,536)
2025	(238,733)
2026	38,495
Thereafter	(51,778)

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

*Investment Policy.* The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Florida League of Cities. The primary investment objective is long-term capital and income growth consistent with capital conservation. Consistent returns and avoiding extreme market value volatility is emphasized. Plan target allocation as of September 30, 2021 was as follows:

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

For the year ended September 30, 2021, the long-term investment rate of return assumption was 4.38%. The money-weighted rate of return, which expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested, was 19.20% for the year ended September 30, 2021.

**Net Pension Liability (Asset)**

The components of the net pension liability (asset) at September 30, 2021, were as follows:

Total pension liability	\$	9,853,792
Plan fiduciary net position		(13,522,868)
City's net pension liability (asset)	\$	(3,669,076)
 Plan fiduciary net position as a percentage of total pension liability		-137.24%

CITY OF SAFETY HARBOR, FLORIDA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

*Actuarial Methods and Assumptions:* Total pension liability was determined by actuarial valuation as of September 30, 2021, using the following actuarial assumptions:

	Firefighters Pension Plan
Valuation date	10/1/2020
Measurement date	9/30/2021
Actuarial cost Method	Aggregate Cost**
Asset valuation method	Market value
Discount rate*	7.00% per annum
Salary increases	4.50% per annum
Cost of living increases	2.00% per annum

Since the prior measurement date, the mortality basis was changed from the RP-2000 Blue Collar Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.

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

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

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

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

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

*Rate of Return:* The long-term expected real rate of return on plan asset classes as of September 30, 2021 are as follows:

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

*Changes in Net Pension Liability:*

Changes in Net Pension Liability			
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance as of September 30, 2020	\$ 8,738,726	\$ (10,871,759)	\$ (2,133,033)
Changes due to:			
Service Cost	608,221	-	608,221
Expected Interest Growth	649,367		649,367
Unexpected Investment Income	-	(1,386,148)	(1,386,148)
Demographic Experience	(14,154)	-	(14,154)
Employer Contributions	-	(442,796)	(442,796)
Employee Contributions	-	(77,463)	(77,463)
State Contributions	-	(111,899)	(111,899)
Net investment income - projected		(777,786)	(777,786)
Benefit Payments and Refunds	(102,278)	102,278	-
Administrative Expenses	-	42,705	42,705
Assumption Changes	(26,090)	-	(26,090)
Balance as of September 30, 2021	<u>\$ 9,853,792</u>	<u>\$ (13,522,868)</u>	<u>\$ (3,669,076)</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2021

**NOTE 7 – PENSION PLANS (continued):**

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Total pension liability	\$ 11,564,387	\$ 9,853,792	\$ 8,502,494
Fiduciary net position	(13,522,868)	(13,522,868)	(13,522,868)
Net pension liability (asset)	<u>\$ (1,958,481)</u>	<u>\$ (3,669,076)</u>	<u>\$ (5,020,374)</u>

E. Summary

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

Description	Firefighters			Total
	Plan	FRS Plan	HIS Plan	
Net Pension Asset	\$3,669,076	\$ -	\$ -	\$ 3,669,076
Net Pension Liability	-	244,993	289,299	534,292
Deferred Outflows of Resources Related to Pensions	1,235,912	261,534	36,285	1,533,731
Deferred Inflows of Resources Related to Pensions	2,281,410	1,366,013	270,109	3,917,532
Pension Expense	142,601	(235,797)	(75,918)	(169,114)

F. Firefighters’ Pension Plan – Share Plan

**Plan Description**

In accordance with Chapter 175, Section 351(6) of Florida Statutes, the Firefighters Plan has a defined contribution plan component (Share Plan) which provides special benefits to firefighters enrolled in the defined benefit plan. This Share Plan is funded solely by State of Florida Chapter 175 premium tax monies allocated to the plan. There is no employer or employee contributions. Since 1999 annual premium tax proceeds have been set aside for extra benefits and in fiscal year 2014, City Commission adopted a resolution allowing firefighters enrolled in the Firefighters Plan a share of these proceeds based on years of service until retirement. Normal vesting in this plan occurs after 10 years of employment. The Share Plan balance as of September 30, 2021 is \$1,200,465. The Share Plan balance is reported in the City’s fiduciary trust fund financial statements.

**NOTE 8 – DEFERRED COMPENSATION PLAN:**

The City offers an optional deferred compensation plan, created in accordance with Internal Revenue Code Section 457, to all employees in addition to pension plans. Under the provisions of Internal Revenue Code Section 457, *Deferred Compensation Plans*, and GASB Statement No. 32, *Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans*, all assets and income of the plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the plan are not reported within the City’s financial statements at September 30, 2021.

CITY OF SAFETY HARBOR, FLORIDA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2021

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

Plan Description

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

Benefits Provided

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

Plan Membership. At September 30, 2021, pension plan membership consists of the following:

Membership Classification	Number of Plan Members
Inactive plan members or beneficiaries currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	140
Total	165

Contributions

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

Total OPEB Liability

The City’s OPEB Liability was measured as of September 30, 2021, and was determined by an actuarial valuation as of that date.



CITY OF SAFETY HARBOR, FLORIDA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2021

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

Actuarial Assumptions

Total OPEB liability was determined by actuarial valuation as of September 30, 2021 using the following actuarial assumptions:

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Other Postemployment Benefit Plan

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Actuarial valuation date      10/1/2020  
 Measurement date              9/30/2021

Discount rate                    2.14% per annum (BOY)  
     2.26% per annum (EOY)  
     *Source: Bond Buyer 20-Bond GO Index*

Salary increases                 3.00% per annum

Healthcare cost trend rates    The health care cost trend assumptions are used to project the cost of healthcare in future years. The following annual trends are based on the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.25% each year until reaching the ultimate trend rate.

Expense Type	Select	Ultimate
Pre-Medicare Medical and Rx Benefits	7.00%	4.00%
Medicare Benefits	6.00%	4.00%
Stop Loss Fees	7.00%	4.00%
Administration Fees	4.00%	4.00%

Mortality                            PUB-2010 mortality table with generation scale MP-2020

Changes                              The discount rate was updated from 2.14% to 2.26%. The retirement rates were changed from the earliest eligible age to the July 1, 2020 Florida Retirement System rates. The termination rates were changed from the Society of Actuaries' table to the July 1, 2020 Florida Retirement System rates. The morbidity scale was changed from 3.50% at every age to the 2013 Society of Actuaries' morbidity scale. The trend rates were updated from 7.0% grading down to 5.0% by 0.5% each year. The Medicare participation rate was changed from 33% to 10%.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

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

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

Discount Rate Liability

The discount rate used to measure total OPEB Liability was 2.26%. This rate is based on the Bond Buyer 20-GO Index as of the measurement date.

Changes on Total OPEB Liability

	Total OPEB Liability
Balance as of September 30, 2020	\$ 1,386,639
Changes due to:	
Service Cost	105,885
Interest Cost	31,255
Differences between expected and actual experience	(334,629)
Changes in assumptions or other inputs	(369,153)
Benefit payment	(63,998)
Net change in total OPEB Liability	(630,640)
Balance as of September 30, 2021	\$ 755,999

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability calculated using the current discount rate of 2.26%, along with what the total OPEB liability would be if the discount rate used was 1-percentage-point lower (1.26 percent) and 1-percentage-point higher (3.26 percent).

	1% Decrease 1.26%	Current Rate 2.26%	1% Increase 3.26%
Total OPEB liability	<u>\$ 689,000</u>	<u>\$ 755,999</u>	<u>\$ 843,000</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability calculated using the current healthcare cost trend rate of 7.00 percent graded down to 4.00 percent, along with what the total OPEB liability would be if the healthcare cost trend rate used was 1-percentage-point lower (6.00 percent graded down to 3.00 percent) and 1-percentage-point higher (8.00 percent graded down to 5.00 percent).

	1% Decrease 6.00% graded down to 3.00%	Trend Rate 7.00% graded down to 4.00%	1% Increase 8.00% graded down to 5.00%
Total OPEB liability	<u>\$ 675,000</u>	<u>\$ 755,999</u>	<u>\$ 861,000</u>

OPEB Costs – For the year ended September 30, 2021, the City recognized OPEB expense of \$92,973. In addition, the City reported OPEB deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 68,390	\$ (391,058)
Changes of assumptions/inputs	137,553	(504,281)
Total	<u>\$ 205,943</u>	<u>\$ (895,339)</u>

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

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

Amounts reported as deferred inflows of resources will be recognized as an increase (decrease) in OPEB expense as follows:

Year Ending September 30,	Amount
2022	\$ (44,167)
2023	(44,167)
2024	(44,167)
2025	(44,167)
2026	(44,167)
Thereafter	(468,561)

**NOTE 10 – REDEVELOPMENT TRUST FUND:**

Pursuant to Florida Statute 163.387, the schedule below provides a summary of the sources of deposits into, and the amount and purpose of withdrawals from, the Redevelopment Trust Fund (Community Redevelopment Agency Fund) for the fiscal year ended September 30, 2021.

	Deposits	Withdrawals
Sources of deposits:		
Ad valorem taxes	\$ 525,096	\$ -
Ad valorem taxes from Pinellas County	715,193	-
Parking - In lieu of fee	22,035	-
Interest and investment income	87	-
Purpose of withdrawals:		
Personal services	-	49,015
District fees	-	670
Facade and partnership incentives	-	95,843
Finding of Necessity Study	-	33,597
Land lease - CSX	-	669
LED lighting	-	2,782
Main Street sidewalk	-	9,950
Signage	-	803
Special Event Holiday Lighting	-	25,029
Streetscaping - benches, trash cans, planter, ballasts	-	16,858
Gazebo improvements	-	14,558
Marina restroom improvements	-	2,919
Design Library second floor expansion	-	52,629
LED lighting upgrade design Library second floor expansion	-	18,680
Parks and Main Street signage improvements	-	7,402
Speed feedback sign	-	19,535
North Bayshore sidewalk survey at Bayshore and Jefferson	-	2,400
Brick Street Restoration - Main St. and 3rd St. North	-	65,891
Transfer to General fund for Waterfront Park repayment	-	157,000
Transfer to Series 2018 Debt for Baranoff Oak	-	132,000
Totals	\$ 1,262,411	\$ 708,230

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 11 – RISK MANAGEMENT:**

The City is a member of Public Risk Management (PRM), a local government liability risk pool. PRM administers insurance activities relating to property, general, automobile, and public officials' liability, employees' health, and auto physical damage. PRM absorbs losses up to a specified amount annually and purchases excess and other specific coverages from third-party carriers. PRM assesses each member their pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, PRM can make additional limited assessments. Losses, if any, in excess of PRM's ability to assess its members would revert back to the member that incurred the loss. No additional assessments were levied by PRM to the City for the fiscal year ended September 30, 2021. The City had no significant reductions in insurance coverage during the fiscal year ended September 30, 2021. In addition, there have been no settlements that exceeded the City's insurance coverage in any of the past three fiscal years.

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

**NOTE 12 – STATE AND FEDERAL GRANT CONTINGENCIES:**

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

**NOTE 13 – SUBSEQUENT EVENTS:**

On October 8, 2021, the City refunded the existing Capital Improvement Revenue Note, Series 2016. The Revenue Refunding Note, Series 2021, is the amount of \$4,296,700 and matures on July, 1, 2029. It reduces the interest rate to 1.15%.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 MAJOR GOVERNMENTAL FUND – GENERAL FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (inflows):</b>				
Property taxes	\$ 5,553,790	\$ 5,553,790	\$ 5,105,491	\$ (448,299)
Utility taxes	2,529,250	2,529,250	2,566,340	37,090
Local business tax	150,000	150,000	145,664	(4,336)
Franchise fees	1,478,160	1,478,160	1,474,949	(3,211)
Licenses and permits	700,400	700,400	350,358	(350,042)
Sales tax	1,056,600	1,056,600	1,288,238	231,638
Intergovernmental	1,849,870	1,849,870	2,421,563	571,693
Charges for services	1,004,930	1,004,930	884,790	(120,140)
Fines and forfeitures	30,750	30,750	77,466	46,716
Investment income	130,190	130,190	(5,553)	(135,743)
Contributions and donations	18,500	18,500	2,000	(16,500)
Other	1,102,820	1,102,820	1,195,393	92,573
Amounts available for appropriation	<u>15,605,260</u>	<u>15,605,260</u>	<u>15,506,699</u>	<u>(98,561)</u>
<b>Charges to appropriations (outflows):</b>				
<b>General Government:</b>				
City Commission	164,760	162,260	153,089	9,171
City Manager	268,890	268,890	255,831	13,059
City Clerk	162,896	219,138	204,712	14,426
Elections	24,418	28,418	26,739	1,679
Finance	291,290	291,234	285,647	5,587
Human Resources	286,364	286,024	258,429	27,595
Community Development	325,578	325,578	305,620	19,958
City Attorney	169,660	169,660	164,738	4,922
Nondepartmental	590,341	559,806	333,264	226,542
Maintenance	730,583	713,830	659,627	54,203
Nonoperating	327,490	327,490	327,490	-
Total general government	<u>3,342,270</u>	<u>3,352,328</u>	<u>2,975,186</u>	<u>377,142</u>
<b>Public Safety:</b>				
Law enforcement	1,449,250	1,449,252	1,449,252	-
Fire protection	4,060,667	4,035,997	3,959,526	76,471
Building department	876,848	803,498	603,355	200,143
Total public safety	<u>6,386,765</u>	<u>6,288,747</u>	<u>6,012,133</u>	<u>276,614</u>
Physical environment	478,310	426,310	384,752	41,558
Transportation	816,144	807,606	626,563	181,043

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 MAJOR GOVERNMENTAL FUND – GENERAL FUND (CONTINUED)  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Culture and recreation:				
Library	\$ 1,170,392	\$ 1,161,605	\$ 1,081,667	\$ 79,938
Parks and recreation	<u>3,889,951</u>	<u>3,896,488</u>	<u>3,399,152</u>	<u>497,336</u>
Total culture and recreation	5,060,343	5,058,093	4,480,819	577,274
Capital outlay	97,912	122,130	120,492	1,638
Other Financing Sources (Uses)				
Transfers in from other funds	157,000	157,000	157,000	-
Transfers out to other funds	<u>(207,650)</u>	<u>(974,860)</u>	<u>(974,860)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(50,650)</u>	<u>(817,860)</u>	<u>(817,860)</u>	<u>-</u>
Total charges to appropriations	<u>16,131,094</u>	<u>15,237,354</u>	<u>13,782,085</u>	<u>1,455,269</u>
Excess (deficiency) of resources over (under) charges to appropriations	(627,134)	(1,267,814)	88,894	1,356,708
Appropriated fund balance	<u>627,134</u>	<u>1,267,814</u>	<u>-</u>	<u>(1,267,814)</u>
Deficiency of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,894</u>	<u>\$ 88,894</u>

Notes:

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

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 MAJOR GOVERNMENTAL FUND – COMMUNITY REDEVELOPMENT AGENCY FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
Resources (inflows):				
Property taxes	\$ 1,071,750	\$ 1,071,750	\$ 1,240,289	\$ 168,539
Investment income	1,380	1,380	87	(1,293)
Other	-	-	22,035	22,035
Amounts available for appropriation	<u>1,073,130</u>	<u>1,073,130</u>	<u>1,262,411</u>	<u>189,281</u>
Charges to appropriations (outflows):				
General Government	228,210	235,234	235,216	18
Capital outlay	542,307	509,207	184,014	325,193
Transfers out to other funds	<u>289,000</u>	<u>289,000</u>	<u>289,000</u>	<u>-</u>
Total charges to appropriations	<u>1,059,517</u>	<u>1,033,441</u>	<u>708,230</u>	<u>325,211</u>
Excess (deficiency) of resources over (under) charges to appropriations	13,613	39,689	554,181	514,492
Appropriated fund balance	<u>(13,613)</u>	<u>(39,689)</u>	<u>-</u>	<u>39,689</u>
Deficiency of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 554,181</u>	<u>\$ 554,181</u>

Notes:

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

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

\$ 708,230

Differences - budget to GAAP

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

289,000

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

\$ 419,230

CITY OF SAFETY HARBOR, FLORIDA  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN<sup>1</sup>  
LAST TEN FISCAL YEARS

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

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

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

CITY OF SAFETY HARBOR, FLORIDA  
SCHEDULE OF THE CITY'S CONTRIBUTIONS –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN<sup>1</sup>  
LAST TEN FISCAL YEARS

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

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

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

CITY OF SAFETY HARBOR, FLORIDA  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –  
 HEALTH INSURANCE SUBSIDY PENSION PLAN<sup>1</sup>  
 LAST TEN FISCAL YEARS

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

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

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

CITY OF SAFETY HARBOR, FLORIDA  
 SCHEDULE OF THE CITY'S CONTRIBUTIONS –  
 HEALTH INSURANCE SUBSIDY PENSION PLAN<sup>1</sup>  
 LAST TEN FISCAL YEARS

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

\* Amounts presented were determined as of September 30.

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

CITY OF SAFETY HARBOR, FLORIDA  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –  
FIREFIGHTERS’ RETIREMENT FUND<sup>1</sup>  
LAST TEN FISCAL YEARS

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

\*Amounts presented as of September 30

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

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



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

Year Ended September 30,	Actuarially Determined Contribution	Contributions Recognized By the Plan	Contribution Excess (Deficiency)	Covered Payroll	Contributions Recognized as a % of Covered Payroll
	(a)	(b)	(b-a)	(d)	(b/d)
2021	\$ 548,552	\$ 554,695	\$ 6,143	\$ 1,720,479	32.24%
2020	490,099	482,530	(7,569)	1,584,365	30.46%
2019	544,685	530,342	(14,343)	1,488,212	35.64%
2018	510,920	512,791	1,871	1,541,067	33.28%
2017	393,136	497,252	104,116	1,367,798	36.35%
2016	337,319	389,600	52,281	1,133,154	34.38%
2015	235,025	403,688	168,663	1,062,547	37.99%
2014	253,234	395,359	142,125	1,076,940	13.20%
2013	276,436	276,436	-	996,003	0.00%
2012	305,507	305,507	-	907,930	0.00%

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

<u>Year Ended September 30,</u>	<u>Money-Weighted Rate of Return</u>
2021	19.20%
2020	6.67%
2019	5.98%
2018	8.20%
2017	4.39%
2016	7.91%
2015	-0.05%
2014	9.97%
2013	10.45%
2012	17.70%

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

Year ending September 30,	2021	2020	2019	2018
Total OPEB Liability:				
Changes due to:				
Service Cost	\$ 105,885	\$ 103,667	\$ 82,391	\$ 77,955
Expected Interest Growth	31,255	28,064	47,770	46,189
Unexpected Investment Income	-	-	-	-
Demographic Experience	(334,629)	(91,102)	94,100	-
Employer Contributions	-	-	-	-
Employee Contributions	-	-	-	-
Benefit Payments & Refunds	(63,998)	(55,927)	(51,698)	(74,401)
Administrative Expenses	-	-	-	-
Changes in Benefit Terms	-	-	-	-
Assumption Changes	(369,153)	166,389	(214,592)	-
Net Change in Total OPEB Liability	(630,640)	151,091	(42,029)	49,743
Total OPEB Liability/(Asset)-Beginning	\$ 1,386,639	\$ 1,235,548	\$ 1,277,577	\$ 1,227,834
Total OPEB Liability/(Asset)-Ending (a)	\$ 755,999	\$ 1,386,639	\$ 1,235,548	\$ 1,277,577
Fiduciary Net Position:				
Changes due to:				
Service Cost	\$ -	\$ -	\$ -	\$ -
Expected Interest Growth	-	-	-	-
Unexpected Investment Income	-	-	-	-
Demographic Experience	-	-	-	-
Employer Contributions	-	-	-	-
Employee Contributions	-	-	-	-
Benefit Payments & Refunds	-	-	-	-
Administrative Expenses	-	-	-	-
Changes in Benefit Terms	-	-	-	-
Assumption Changes	-	-	-	-
Net Change in Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position-Beginning	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position-Ending (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability/(Asset) (a) + (b)	755,999	1,386,639	1,235,548	1,277,577
Plan Fiduciary Net Position as a percentage of Total OPEB Liability/(Asset)	0%	0%	0%	0%
Covered Employee Payroll	\$ 7,211,087	\$ 6,589,674	\$ 6,816,718	\$ 6,752,698
Net OPEB Liability/(Asset) as a percentage of Covered Employee Payroll	10%	21%	18%	19%

Note: Amounts presented as of September 30

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

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**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

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CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION SEPTEMBER 30, 2021

Firefighters' Pension Plan

Actuarial assumptions and methods.

The amounts reported for the year ended September 30, 2021 are based on the October 1, 2020 actuarial valuation.

Discount rate: 7.00% per annum

Salary increases: 4.50% per annum

Cost-of-living increases: 2.00% per annum

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

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

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

Changes: Since the prior measurement date, the mortality basis was changed from the RP-2000 Blue Collar Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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CITY OF SAFETY HARBOR, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds										Total Special Revenue Funds	Debt Service Fund	Total Governmental Funds	
	Public Safety Fund	Street Improvement Fund	Street Assessment Fund	Marina Boat Basin Fund	City Tree Bank Fund	Multimodal Impact Fees Fund	Library Impact Fee Fund	Law Enforcement Trust Fd	Street Lighting Fund	Parkland Fund				
<b>Assets</b>														
Pooled cash and investments	\$ 96,037	\$ 532,847	\$ 35,616	\$ 185,645	\$ 133,345	\$ 591,568	\$ 97,875	\$ 289	\$ 117,954	\$ 247,426	\$ 2,038,602	\$ 235,489	\$ 2,274,091	
Receivables, net:														
Accounts receivable	107	532	1,153	7,836	139	641	106	-	18,241	261	29,016	-	29,016	
Due from other governments	-	56,218	-	-	-	-	-	-	-	-	56,218	-	56,218	
<b>Total assets</b>	<b>\$ 96,144</b>	<b>\$ 589,597</b>	<b>\$ 36,769</b>	<b>\$ 193,481</b>	<b>\$ 133,484</b>	<b>\$ 592,209</b>	<b>\$ 97,981</b>	<b>\$ 289</b>	<b>\$ 136,195</b>	<b>\$ 247,687</b>	<b>\$ 2,123,836</b>	<b>\$ 235,489</b>	<b>\$ 2,359,325</b>	
<b>Liabilities and Fund Balances</b>														
<b>Liabilities:</b>														
Accounts payable	\$ -	\$ 3,418	\$ -	\$ -	\$ 1,949	\$ 27,298	\$ -	\$ -	\$ 19,630	\$ -	\$ 52,295	\$ -	\$ 52,295	
Accrued liabilities	-	-	-	745	-	-	-	-	-	-	745	-	745	
Customer deposits	-	-	-	6,019	-	-	-	-	-	-	6,019	-	6,019	
Unearned revenue	-	-	153	-	-	-	-	-	-	-	153	-	153	
<b>Total liabilities</b>	<b>-</b>	<b>3,418</b>	<b>153</b>	<b>6,764</b>	<b>1,949</b>	<b>27,298</b>	<b>-</b>	<b>-</b>	<b>19,630</b>	<b>-</b>	<b>59,212</b>	<b>-</b>	<b>59,212</b>	
<b>Fund Balances:</b>														
<b>Restricted for:</b>														
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fire protection	85,103	-	-	-	-	-	-	-	-	-	85,103	-	85,103	
Transportation	-	-	36,616	-	-	40,225	-	-	61,607	-	138,448	-	138,448	
Library	-	-	-	-	-	-	91,922	-	-	-	91,922	-	91,922	
Parks and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt service	-	-	-	-	-	-	-	-	-	-	-	235,489	235,489	
<b>Committed to:</b>														
Physical environment	-	-	-	120,466	-	-	-	-	-	-	120,466	-	120,466	
Public safety	-	-	-	-	123,746	-	-	-	-	-	123,746	-	123,746	
<b>Assigned to:</b>														
Fire protection	11,041	-	-	-	-	-	-	-	-	-	11,041	-	11,041	
Library	-	-	-	-	-	-	6,059	-	-	-	6,059	-	6,059	
Parks and recreation	-	-	-	-	-	-	-	-	-	247,687	247,687	-	247,687	
Public safety	-	-	-	-	7,789	-	-	289	-	-	8,078	-	8,078	
Physical environment	-	-	-	66,251	-	-	-	-	-	-	66,251	-	66,251	
Transportation	-	586,179	-	-	-	524,686	-	-	54,958	-	1,165,823	-	1,165,823	
<b>Unassigned:</b>														
Total fund balances	<b>96,144</b>	<b>586,179</b>	<b>36,616</b>	<b>186,717</b>	<b>131,535</b>	<b>564,911</b>	<b>97,981</b>	<b>289</b>	<b>116,565</b>	<b>247,687</b>	<b>2,064,624</b>	<b>235,489</b>	<b>2,300,113</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 96,144</b>	<b>\$ 589,597</b>	<b>\$ 36,769</b>	<b>\$ 193,481</b>	<b>\$ 133,484</b>	<b>\$ 592,209</b>	<b>\$ 97,981</b>	<b>\$ 289</b>	<b>\$ 136,195</b>	<b>\$ 247,687</b>	<b>\$ 2,123,836</b>	<b>\$ 235,489</b>	<b>\$ 2,359,325</b>	

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds										Total Special Revenue Funds	Debt Service Fund	Total Governmental Funds
	Public Safety Fund	Street Improvement Fund	Street Assessment Fund	Marina Boat Basin Fund	City Tree Bank Fund	Multimodal Impact Fees Fund	Library Impact Fee Fund	Law Enforcement Trust Fd	Street Lighting Fund	Parkland Fund			
Revenues:													
Local option tax	\$ -	\$ 223,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,570	\$ -	\$ 223,570
Impact fees	8,400	-	-	-	-	17,279	9,192	-	-	7,245	42,116	-	42,116
Special assessments	-	-	-	-	-	-	-	-	246,751	-	246,751	-	246,751
Charges for services	-	5,250	-	54,168	28,907	-	-	-	-	-	88,325	-	88,325
Investment income	(74)	(567)	-	(129)	(76)	(436)	(57)	(2)	(61)	(167)	(1,569)	-	(1,569)
Contributions and donations	-	-	-	-	-	-	-	-	-	200	200	-	200
<b>Total revenues</b>	<b>8,326</b>	<b>228,253</b>	<b>-</b>	<b>54,039</b>	<b>28,831</b>	<b>16,843</b>	<b>9,135</b>	<b>(2)</b>	<b>246,690</b>	<b>7,278</b>	<b>599,393</b>	<b>-</b>	<b>599,393</b>
Expenditures:													
Current operating:													
Building department	-	-	-	-	15,370	-	-	-	-	-	15,370	-	15,370
Physical environment	-	-	-	50,724	-	-	-	-	-	-	50,724	-	50,724
Transportation	-	107,235	-	-	-	-	-	-	235,400	-	342,635	-	342,635
Parks and recreation	-	-	-	-	-	-	-	-	-	2,994	2,994	-	2,994
Capital outlay	18,378	676,441	-	7,706	-	10,315	-	1,785	-	-	714,625	-	714,625
Debt service:													
Capital lease principal	-	-	-	-	-	-	-	-	-	5,000	5,000	-	5,000
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	987,693	987,693
Interest and other charges	-	-	-	-	-	-	-	-	-	-	-	63,891	63,891
<b>Total expenditures</b>	<b>18,378</b>	<b>783,676</b>	<b>-</b>	<b>58,430</b>	<b>15,370</b>	<b>10,315</b>	<b>-</b>	<b>1,785</b>	<b>235,400</b>	<b>7,994</b>	<b>1,131,348</b>	<b>1,051,584</b>	<b>2,182,932</b>
Excess (deficiency) of revenues over (under) expenditures	(10,052)	(555,423)	-	(4,391)	13,461	6,528	9,135	(1,787)	11,290	(716)	(531,955)	(1,051,584)	(2,115,494)
Other financing sources (uses):													
Transfers in	-	300,000	-	-	-	-	-	-	7,650	-	307,650	1,070,600	1,378,250
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,650</b>	<b>-</b>	<b>307,650</b>	<b>1,070,600</b>	<b>1,685,900</b>
<b>Net change in fund balances</b>	<b>(10,052)</b>	<b>(255,423)</b>	<b>-</b>	<b>(4,391)</b>	<b>13,461</b>	<b>6,528</b>	<b>9,135</b>	<b>(1,787)</b>	<b>18,940</b>	<b>(716)</b>	<b>(224,305)</b>	<b>19,016</b>	<b>(205,289)</b>
Fund balances, beginning of year	106,196	841,602	36,616	191,108	118,074	558,383	88,846	2,076	97,625	248,403	2,288,929	216,473	2,505,402
<b>Fund balances, end of year</b>	<b>\$ 96,144</b>	<b>\$ 586,179</b>	<b>\$ 36,616</b>	<b>\$ 186,717</b>	<b>\$ 131,535</b>	<b>\$ 564,911</b>	<b>\$ 97,981</b>	<b>\$ 289</b>	<b>\$ 116,565</b>	<b>\$ 247,687</b>	<b>\$ 2,064,624</b>	<b>\$ 235,489</b>	<b>\$ 2,300,113</b>

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – PUBLIC SAFETY FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Impact fees	\$ 10,000	\$ 10,000	\$ 8,400	\$ (1,600)
Investment income	1,460	1,460	(74)	(1,534)
Amounts available for appropriation	<u>11,460</u>	<u>11,460</u>	<u>8,326</u>	<u>(3,134)</u>
Charges to appropriations (outflows):				
Capital outlay	<u>18,540</u>	<u>18,540</u>	<u>18,378</u>	<u>162</u>
Total charges to appropriations	<u>18,540</u>	<u>18,540</u>	<u>18,378</u>	<u>162</u>
Excess (deficiency) of resources over (under) charges to appropriations	(7,080)	(7,080)	(10,052)	(2,972)
Appropriated fund balance	<u>7,080</u>	<u>7,080</u>	<u>-</u>	<u>(7,080)</u>
Deficiency of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,052)</u>	<u>\$ (10,052)</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – STREET IMPROVEMENT FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Local option tax	\$ 220,990	\$ 220,990	\$ 223,570	\$ 2,580
Charges for services	-	-	5,250	5,250
Investment income	7,250	7,250	(567)	(7,817)
Transfers in from other funds	300,000	300,000	300,000	-
Amounts available for appropriation	528,240	528,240	528,253	13
Charges to appropriations (outflows):				
Transportation	33,068	131,545	107,235	24,310
Capital outlay	1,055,387	674,467	676,441	(1,974)
Total charges to appropriations	1,088,455	806,012	783,676	22,336
Excess (deficiency) of resources over (under) charges to appropriations	(560,215)	(277,772)	(255,423)	22,349
Appropriated fund balance	560,215	277,772	-	(277,772)
Excess of resources under charges to appropriations	\$ -	\$ -	\$ (255,423)	\$ (255,423)
Notes:				
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriations from the budgetary comparisons schedule			\$ 528,253	
Differences - budget to GAAP				
Transfers from other funds are inflows of budgetary resources but are not resources for financial reporting purposed			300,000	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			\$ 228,253	

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – MARINA BOAT BASIN FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
Resources (inflows):				
Charges for services	\$ 59,480	\$ 59,480	\$ 54,168	\$ (5,312)
Investment income	2,190	2,190	(129)	(2,319)
Amounts available for appropriation	<u>61,670</u>	<u>61,670</u>	<u>54,039</u>	<u>(7,631)</u>
Charges to appropriations (outflows):				
Physical environment	52,287	57,637	50,724	6,913
Capital outlay	156,437	132,706	7,706	125,000
Total charges to appropriations	<u>208,724</u>	<u>190,343</u>	<u>58,430</u>	<u>131,913</u>
Excess (deficiency) of resources over (under) charges to appropriations	(147,054)	(128,673)	(4,391)	124,282
Appropriated fund balance	<u>147,054</u>	<u>128,673</u>	-	<u>(128,673)</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,391)</u>	<u>\$ (4,391)</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – CITY TREE BANK FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
Resources (inflows):				
Charges for services	\$ 25,000	\$ 25,000	\$ 28,907	\$ 3,907
Investment income	1,390	1,390	(76)	(1,466)
Amounts available for appropriation	<u>26,390</u>	<u>26,390</u>	<u>28,831</u>	<u>2,441</u>
Charges to appropriations (outflows):				
Building Department	<u>38,145</u>	<u>19,715</u>	<u>15,370</u>	<u>4,345</u>
Total charges to appropriations	<u>38,145</u>	<u>19,715</u>	<u>15,370</u>	<u>4,345</u>
Excess (deficiency) of resources over (under) charges to appropriations	(11,755)	6,675	13,461	6,786
Appropriated fund balance	<u>11,755</u>	<u>(6,675)</u>	<u>-</u>	<u>6,675</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,461</u>	<u>\$ 13,461</u>

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



CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – MULTIMODAL IMPACT FEE FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
Resources (inflows):				
Impact fees	\$ 48,000	\$ 48,000	\$ 17,279	\$ (30,721)
Investment income	7,970	7,970	(436)	(8,406)
Amounts available for appropriation	<u>55,970</u>	<u>55,970</u>	<u>16,843</u>	<u>(39,127)</u>
Charges to appropriations (outflows):				
Capital outlay	-	22,674	10,315	12,359
Total charges to appropriations	<u>-</u>	<u>22,674</u>	<u>10,315</u>	<u>12,359</u>
Excess (deficiency) of resources over (under) charges to appropriations	55,970	33,296	6,528	(26,768)
Appropriated fund balance	<u>(55,970)</u>	<u>(33,296)</u>	<u>-</u>	<u>33,296</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,528</u>	<u>\$ 6,528</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – LIBRARY IMPACT FEE FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
Resources (inflows):				
Impact fees	\$ 10,000	\$ 10,000	\$ 9,192	\$ (808)
Investment income	1,030	1,030	(57)	(1,087)
Amounts available for appropriation	<u>11,030</u>	<u>11,030</u>	<u>9,135</u>	<u>(1,895)</u>
Charges to appropriations (outflows):				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of resources over (under) charges to appropriations	11,030	11,030	9,135	(1,895)
Appropriated fund balance	<u>(11,030)</u>	<u>(11,030)</u>	<u>-</u>	<u>11,030</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,135</u>	<u>\$ 9,135</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – LAW ENFORCEMENT TRUST FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
Resources (inflows):				
Investment income	\$ -	\$ -	\$ (2)	\$ (2)
Contributions and donations	-	1,785	-	(1,785)
Amounts available for appropriation	-	1,785	(2)	(1,787)
Charges to appropriations (outflows):				
Capital outlay	-	-	1,785	(1,785)
Total charges to appropriations	-	-	1,785	(1,785)
Excess (deficiency) of resources over (under) charges to appropriations	-	1,785	(1,787)	(3,572)
Appropriated fund balance	-	(1,785)	-	1,785
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,787)</u>	<u>\$ (1,787)</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – STREET LIGHTING FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
Resources (inflows):				
Special Assessments	\$ 245,770	\$ 245,770	\$ 246,751	\$ 981
Investment income	1,030	1,030	(61)	(1,091)
Transfers in from other funds	<u>7,650</u>	<u>7,650</u>	<u>7,650</u>	<u>-</u>
Amounts available for appropriation	<u>254,450</u>	<u>254,450</u>	<u>254,340</u>	<u>(110)</u>
Charges to appropriations (outflows):				
Transportation	<u>237,700</u>	<u>237,700</u>	<u>235,400</u>	<u>2,300</u>
Total charges to appropriations	<u>237,700</u>	<u>237,700</u>	<u>235,400</u>	<u>2,300</u>
Excess (deficiency) of resources over (under) charges to appropriations	16,750	16,750	18,940	2,190
Appropriated fund balance	<u>(16,750)</u>	<u>(16,750)</u>	<u>-</u>	<u>16,750</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,940</u>	<u>\$ 18,940</u>

Notes:

Explanation of differences between budgetary inflows and GAAP Revenues:

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

\$ 254,340

Differences - budget to GAAP

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

7,650

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

\$ 246,690

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – PARKLAND FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
Resources (inflows):				
Impact fees	\$ 20,150	\$ 20,150	\$ 7,245	\$ (12,905)
Investment income	900	900	(167)	(1,067)
Contributions and donations	-	-	200	200
Amounts available for appropriation	<u>21,050</u>	<u>21,050</u>	<u>7,278</u>	<u>(13,772)</u>
Charges to appropriations (outflows):				
Parks and recreation	27,994	27,994	2,994	25,000
Capital outlay	95,000	95,000	-	95,000
Capital lease principal	5,000	5,000	5,000	-
Total charges to appropriations	<u>127,994</u>	<u>127,994</u>	<u>7,994</u>	<u>120,000</u>
Excess (deficiency) of resources over (under) charges to appropriations	(106,944)	(106,944)	(716)	106,228
Appropriated fund balance	<u>106,944</u>	<u>106,944</u>	-	<u>(106,944)</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (716)</u>	<u>\$ (716)</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – DEBT SERVICE FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
Resources (inflows):				
Transfers in from other funds	\$ 1,070,600	\$ 1,070,600	\$ 1,070,600	\$ -
Amounts available for appropriation	<u>1,070,600</u>	<u>1,070,600</u>	<u>1,070,600</u>	<u>-</u>
Charges to appropriations (outflows):				
Capital lease principal	-	-	-	-
Principal retirement	987,693	987,693	987,693	-
Interest and other charges	<u>64,040</u>	<u>64,040</u>	<u>63,891</u>	<u>149</u>
Total charges to appropriations	<u>1,051,733</u>	<u>1,051,733</u>	<u>1,051,584</u>	<u>149</u>
Excess (deficiency) of resources over (under) charges to appropriations	18,867	18,867	19,016	149
Appropriated fund balance	<u>(18,867)</u>	<u>(18,867)</u>	<u>-</u>	<u>18,867</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,016</u>	<u>\$ 19,016</u>

Notes:

Explanation of differences between budgetary inflows and GAAP Revenues:

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

\$ 1,070,600

Differences - budget to GAAP

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

1,070,600

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

\$ -

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 MAJOR GOVERNMENTAL FUND – CAPITAL PROJECTS FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (inflows):</b>				
Local option tax	\$ 1,885,360	\$ 1,885,360	\$ 2,196,052	\$ 310,692
Intergovernmental	4,340	4,340	-	(4,340)
Investment income	10,090	10,090	(160)	(10,250)
Contributions and donations	57,030	57,030	55,973	(1,057)
Transfers in from other funds	-	767,209	767,210	1
Other	-	-	11,000	11,000
Amounts available for appropriation	<u>1,956,820</u>	<u>2,724,029</u>	<u>3,030,075</u>	<u>306,046</u>
<b>Charges to appropriations (outflows):</b>				
Transportation	29,766	29,766	18,829	10,937
Capital outlay	1,281,922	1,910,847	575,331	1,335,516
Transfers out to other funds	1,038,600	1,038,600	1,038,600	-
Total charges to appropriations	<u>2,350,288</u>	<u>2,979,213</u>	<u>1,632,760</u>	<u>1,346,453</u>
Excess (deficiency) of resources over (under) charges to appropriations	(393,468)	(255,184)	1,397,315	1,652,499
Appropriated fund balance	<u>393,468</u>	<u>255,184</u>	<u>-</u>	<u>(255,184)</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,397,315</u>	<u>\$ 1,397,315</u>

Explanation of differences between budgetary inflows and GAAP revenues:

Actual amounts (budgetary basis) available for appropriation from the budgetary comparisons schedule	\$ 3,030,075
Differences - budget to GAAP	
Transfers from other funds are inflows of budgetary resources but are not resources for financial reporting purposes	<u>767,210</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds	<u>\$ 2,262,865</u>

Explanation of differences between budgetary outflows and GAAP revenues:

Actual amounts (budgetary basis) charges to appropriations per the budgetary comparisons schedule	\$ 1,632,760
Differences - budget to GAAP	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>1,038,600</u>
Total expenditures as reported on the statement of revenues expenditures and changes in fund balances governmental funds	<u>\$ 594,160</u>

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**OTHER SUPPLEMENTAL SCHEDULES**

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CITY OF SAFETY HARBOR, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET  
FIRE DISTRICT AND EMERGENCY MEDICAL SERVICES SUB-FUNDS  
YEAR ENDED SEPTEMBER 30, 2021

	Actual Amounts				Total Amounts	Variance Favorable (Unfavorable)
	Fire Budget	City Amounts	Fire District Amounts	EMS Amounts		
Revenue:						
Municipality - City of						
Safety Harbor	\$ 3,468,734	\$ 2,713,709	\$ -	\$ -	\$ 2,713,709	\$ (755,025)
Donation	32,030	32,030	-	-	32,030	-
Intergovernmental	-	2,804	-	-	2,804	2,804
EMS District funds	992,740	-	-	992,737	992,737	(3)
EMS District funds <sup>a</sup>	10,650	(10,243)	-	10,243	-	(10,650)
Pinellas County EMS						
Water Rescue Grant Program	10,000	(10,000)	-	10,000	-	(10,000)
Safety Harbor Fire District	163,930	-	163,078	-	163,078	(852)
State Excise Pass Thru	100,000	111,154	-	-	111,154	11,154
Total revenues	<u>4,778,084</u>	<u>2,839,454</u>	<u>163,078</u>	<u>1,012,980</u>	<u>4,015,512</u>	<u>(762,572)</u>
Expenditures:						
Personnel services	3,478,770	2,368,092	163,078	850,122	3,381,292	97,478
Contractual/other services	310,404	255,818	-	64,590	320,408	(10,004)
State Excise Passing Thru	100,000	111,154	-	-	111,154	(11,154)
Station/Overhead allowable costs <sup>a</sup>	-	(10,243)	-	10,243	-	-
EMS Water Rescue	-	(10,000)	-	10,000	-	-
Materials and supplies	146,825	90,608	-	56,062	146,670	155
Capital outlay	742,085	55,988	-	-	55,988	686,097
Total expenditures	<u>4,778,084</u>	<u>2,861,417</u>	<u>163,078</u>	<u>991,017</u>	<u>4,015,512</u>	<u>762,572</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ (21,963)</u>	<u>\$ -</u>	<u>\$ 21,963</u>	<u>\$ -</u>	<u>\$ -</u>

<sup>a</sup> Reference Emergency Medical Services ALS First Responder Agreement October 1, 2017, Article VII, Section 701(e)

CITY OF SAFETY HARBOR, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET  
LIBRARY SUB-FUNDS  
YEAR ENDED SEPTEMBER 30, 2021

	<u>Actual Amounts</u>			Total Amounts	Variance Favorable (Unfavorable)
	Library Budget	City Amounts	Cooperative Amounts		
Revenue:					
Municipality - City of Safety Harbor	\$ 1,208,533	\$ 1,016,271	\$ -	\$ 1,016,271	\$ (192,262)
Intergovernmental	233,930	-	233,934	233,934	4
Chrissie Shull Elmore Trust	25,000	23,943	-	23,943	(1,057)
<b>Total revenues</b>	<b>1,467,463</b>	<b>1,040,214</b>	<b>233,934</b>	<b>1,274,148</b>	<b>(193,315)</b>
Expenditures:					
Personnel services	927,840	727,486	169,740	897,226	30,614
Contractual/other services	208,216	166,561	-	166,561	41,655
Materials and supplies	25,741	17,881	-	17,881	7,860
Capital outlay	305,666	128,286	64,194	192,480	113,186
<b>Total expenditures</b>	<b>1,467,463</b>	<b>1,040,214</b>	<b>233,934</b>	<b>1,274,148</b>	<b>193,315</b>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA  
SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET  
WATER AND SEWER FUND  
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 11,796,400	\$ 12,303,062	\$ 506,662
Other	<u>415,360</u>	<u>412,096</u>	<u>(3,264)</u>
Total operating revenue	<u>12,211,760</u>	<u>12,715,158</u>	<u>503,398</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages, and employee benefits	1,892,920	1,749,928	(142,992)
Materials and supplies	261,231	170,360	(90,871)
Contractual and other services	5,874,915	4,559,540	(1,315,375)
Capital outlay	<u>11,747,563</u>	<u>3,585,484</u>	<u>(8,162,079)</u>
Total operating expenses	<u>19,776,629</u>	<u>10,065,312</u>	<u>(9,711,317)</u>
Operating income (loss)	<u>(7,564,869)</u>	<u>2,649,846</u>	<u>(9,207,919)</u>
<b>NONOPERATING INCOME (EXPENSES)</b>			
Investment income	226,300	(12,695)	(238,995)
Interest and other charges	430,460	(416,594)	(847,054)
Gain on the sale of capital assets	5,750	13,126	7,376
Debt service principal retirement	<u>1,061,460</u>	<u>-</u>	<u>(1,061,460)</u>
Total nonoperating income (expenses)	<u>1,723,970</u>	<u>(416,163)</u>	<u>(2,140,133)</u>
Income (loss) before appropriated net position	(5,840,899)	2,233,683	(11,348,052)
Appropriated net position	<u>5,840,899</u>	<u>-</u>	<u>(5,840,899)</u>
Changes in net position	<u>\$ -</u>	2,233,683	<u>\$ (17,188,951)</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(1,868,434)	
Capital outlay		3,585,484	
Debt service principal repayment		<u>-</u>	
Change in net position GAAP basis		<u>\$ 3,950,733</u>	

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA  
SCHEDULE OF OPERATIONS – ACUTAL AND BUDGET  
SOLID WASTE FUND  
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 3,261,070	\$ 3,419,589	\$ 158,519
Intergovernmental	13,100	12,570	(530)
Other	<u>11,600</u>	<u>56,568</u>	<u>44,968</u>
Total operating revenue	<u>3,285,770</u>	<u>3,488,727</u>	<u>202,957</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages, and employee benefits	1,333,130	1,088,181	(244,949)
Materials and supplies	261,730	208,640	(53,090)
Contractual and other services	1,239,922	1,140,081	(99,841)
Capital outlay	<u>1,225,720</u>	<u>608,139</u>	<u>(617,581)</u>
Total operating expenses	<u>4,060,502</u>	<u>3,045,041</u>	<u>(1,015,461)</u>
Operating income (loss)	<u>(774,732)</u>	<u>443,686</u>	<u>(812,504)</u>
<b>NONOPERATING INCOME (EXPENSES)</b>			
Investment income	32,540	(1,923)	(34,463)
Interest and other charges	-	(15,390)	(15,390)
Gain on the sale of capital assets	<u>10,000</u>	<u>9,435</u>	<u>(565)</u>
Total nonoperating income (expenses)	<u>42,540</u>	<u>(7,878)</u>	<u>(50,418)</u>
Income (loss) before appropriated net position	(732,192)	435,808	(862,922)
Appropriated net position	<u>732,192</u>	<u>-</u>	<u>(732,192)</u>
Changes in net position	<u>\$ -</u>	435,808	<u>\$ (1,595,114)</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(515,717)	
Capital outlay		<u>608,139</u>	
Change in net position GAAP basis		<u>\$ 528,230</u>	

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA  
SCHEDULE OF OPERATIONS – ACUTAL AND BUDGET  
STORMWATER FUND  
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,550,150	\$ 1,544,164	\$ (5,986)
Total operating revenue	<u>1,550,150</u>	<u>1,544,164</u>	<u>(5,986)</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages, and employee benefits	380,480	240,671	(139,809)
Materials and supplies	87,665	55,533	(32,132)
Contractual and other services	272,261	191,231	(81,030)
Capital outlay	<u>731,054</u>	<u>216,323</u>	<u>(514,731)</u>
Total operating expenses	<u>1,471,460</u>	<u>703,758</u>	<u>(767,702)</u>
Operating income (loss)	<u>78,690</u>	<u>840,406</u>	<u>(773,688)</u>
<b>NONOPERATING INCOME (EXPENSES)</b>			
Investment income	28,580	(1,747)	(30,327)
Interest and other charges	-	(27,723)	(27,723)
Gain on the sale of capital assets	<u>4,800</u>	<u>-</u>	<u>(4,800)</u>
Total nonoperating income (expenses)	<u>33,380</u>	<u>(29,470)</u>	<u>(62,850)</u>
Income (loss) before appropriated net position	112,070	810,936	(836,538)
Appropriated net position	<u>(112,070)</u>	<u>-</u>	<u>112,070</u>
Changes in net position	<u>\$ -</u>	810,936	<u>\$ (724,468)</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(414,310)	
Capital outlay		216,323	
Debt service principal repayment		<u>-</u>	
Change in net position GAAP basis		<u>\$ 612,949</u>	

See Independent Auditors' Report.

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**STATISTICAL SECTION**

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CITY OF SAFETY HARBOR, FLORIDA  
STATISTICAL SECTION

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

**Contents**

**Financial Trends**

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

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

**Revenue Capacity**

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

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

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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

CITY OF SAFETY HARBOR, FLORIDA  
STATISTICAL SECTION

**Demographic and Economic Information**

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

Schedule 16 Demographic and Economic Statistics

Schedule 17 Principal Employers

**Operating Information**

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

Schedule 18 Full-time Equivalent City Government Employees by Function

Schedule 19 Operating Indicators by Function

Schedule 20 Capital Asset Statistics by Function

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

SCHEDULE 1  
CITY OF SAFETY HARBOR, FLORIDA  
NET POSITION BY COMPONENT  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	2021	2020	2019	2018*	2017	2016	2015	2014*	2013	2012
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 26,175,658	\$ 25,839,181	\$ 24,716,131	\$ 22,559,405	\$ 22,503,388	\$ 20,413,796	\$ 18,705,536	\$ 18,038,191	\$ 18,127,134	\$ 17,747,220
Restricted	6,012,532	1,201,497	1,738,084	2,499,538	2,113,838	2,158,213	2,175,369	2,638,130	6,211,733	6,703,478
Unrestricted	9,418,244	11,950,569	10,160,392	8,957,190	8,562,317	9,981,724	10,212,509	8,559,267	4,850,303	4,828,789
Total governmental activities net position	<u>\$ 41,606,434</u>	<u>\$ 38,991,247</u>	<u>\$ 36,614,607</u>	<u>\$ 34,016,133</u>	<u>\$ 33,179,543</u>	<u>\$ 32,553,733</u>	<u>\$ 31,093,414</u>	<u>\$ 29,235,588</u>	<u>\$ 29,189,170</u>	<u>\$ 29,279,487</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 23,116,018	\$ 19,116,813	\$ 24,816,184	\$ 22,904,068	\$ 19,839,464	\$ 19,967,583	\$ 19,179,343	\$ 18,085,216	\$ 18,413,858	\$ 16,597,580
Restricted	4,606,106	16,232,120	11,332,008	10,321,373	10,568,422	10,231,976	10,538,939	8,685,536	6,854,934	6,065,933
Unrestricted	22,668,436	9,949,715	4,547,404	4,280,845	5,370,298	4,144,658	4,083,783	6,239,990	7,456,566	8,467,665
Total business-type activities net position	<u>\$ 50,390,560</u>	<u>\$ 45,298,648</u>	<u>\$ 40,695,596</u>	<u>\$ 37,506,286</u>	<u>\$ 35,778,184</u>	<u>\$ 34,344,217</u>	<u>\$ 33,802,065</u>	<u>\$ 33,010,742</u>	<u>\$ 32,725,358</u>	<u>\$ 31,131,178</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 49,291,676	\$ 44,955,994	\$ 49,532,315	\$ 45,463,473	\$ 42,342,852	\$ 40,381,379	\$ 37,884,879	\$ 36,123,407	\$ 36,540,992	\$ 34,344,800
Restricted	10,618,638	17,433,617	13,070,092	12,820,911	12,682,260	12,390,189	12,714,308	11,323,666	13,066,667	12,769,411
Unrestricted	32,086,680	21,900,284	14,707,796	13,238,035	13,932,615	14,126,382	14,296,292	14,799,257	12,306,869	13,296,454
Total primary government net position	<u>\$ 91,996,994</u>	<u>\$ 84,289,895</u>	<u>\$ 77,310,203</u>	<u>\$ 71,522,419</u>	<u>\$ 68,957,727</u>	<u>\$ 66,897,950</u>	<u>\$ 64,895,479</u>	<u>\$ 62,246,330</u>	<u>\$ 61,914,528</u>	<u>\$ 60,410,665</u>

\*Restated

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 3,506,083	\$ 3,283,817	\$ 3,454,214	\$ 3,180,590	\$ 3,257,408	\$ 2,965,594	\$ 2,808,975	\$ 2,922,955	\$ 2,931,779	\$ 3,139,084
Law enforcement	1,453,856	1,427,226	1,359,740	1,313,651	1,277,859	1,260,699	1,213,281	1,179,493	1,224,491	1,268,788
Fire protection	3,958,157	4,011,958	4,096,325	3,881,364	4,000,144	3,942,197	3,585,085	3,894,577	3,788,045	3,724,329
Building department	588,892	690,456	548,162	542,380	484,448	390,407	334,862	307,766	290,904	296,574
Physical environment	445,092	460,790	501,629	500,711	491,636	467,017	374,898	423,295	405,422	414,406
Transportation	1,415,505	1,318,193	1,306,846	1,318,998	1,594,249	1,614,526	1,851,031	1,520,855	1,588,963	2,009,562
Library	1,345,498	1,396,194	1,593,137	1,577,190	1,542,784	1,498,730	1,461,672	1,466,178	1,467,129	1,528,418
Parks and recreation	4,231,580	4,025,073	4,050,804	3,740,028	3,545,138	3,274,817	3,006,095	2,934,957	2,786,955	2,737,957
Interest and other charges on long-term debt	71,516	80,545	150,009	54,488	146,190	119,243	239,418	189,032	208,644	183,650
<b>Total governmental activities expenses</b>	<b>17,016,179</b>	<b>16,694,252</b>	<b>17,060,866</b>	<b>16,109,400</b>	<b>16,339,856</b>	<b>15,533,230</b>	<b>14,875,317</b>	<b>14,839,108</b>	<b>14,692,332</b>	<b>15,302,768</b>
<b>Business-type activities:</b>										
Water and wastewater	8,764,856	8,601,867	9,214,092	8,423,410	8,287,692	8,235,173	7,701,878	7,669,583	7,762,326	7,080,853
Solid waste	2,968,009	3,007,606	2,917,406	2,807,743	2,861,263	2,586,702	2,546,132	2,688,181	2,637,708	2,662,998
Stormwater	929,468	981,637	910,440	1,166,631	1,043,174	1,050,346	936,715	871,193	828,019	818,113
<b>Total business-type activities expenses</b>	<b>12,662,333</b>	<b>12,591,110</b>	<b>13,041,938</b>	<b>12,397,784</b>	<b>12,192,129</b>	<b>11,872,221</b>	<b>11,184,725</b>	<b>11,228,957</b>	<b>11,228,053</b>	<b>10,561,964</b>
<b>Total primary government expenses</b>	<b>\$ 29,678,512</b>	<b>\$ 29,285,362</b>	<b>\$ 30,102,804</b>	<b>\$ 28,507,184</b>	<b>\$ 28,531,985</b>	<b>\$ 27,405,451</b>	<b>\$ 26,060,042</b>	<b>\$ 26,068,065</b>	<b>\$ 25,920,385</b>	<b>\$ 25,864,732</b>
<b>Program Revenues (see Schedule 3)</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 28,434	\$ 134,716	\$ 145,743	\$ 122,823	\$ 153,275	\$ 78,602	\$ 77,093	\$ 67,995	\$ 129,579	\$ 90,475
Law enforcement	6,854	10,441	17,052	15,384	17,262	13,442	11,412	10,381	45,377	77,056
Fire protection	17,375	12,820	54,650	85,787	31,425	31,567	9,450	16,794	23,376	6,845
Building department	487,883	483,373	811,984	532,923	322,968	250,257	222,337	215,144	311,272	169,407
Physical environment	-	-	215,135	53,485	252,343	39,435	46,166	46,550	42,964	49,913
Transportation	269,280	264,817	453,586	261,768	283,183	282,396	275,797	344,165	343,274	40,550
Library	23,600	22,423	47,934	41,169	55,144	51,460	42,663	49,311	49,077	47,223
Parks and recreation	856,380	964,841	802,000	885,164	813,304	798,929	895,477	854,196	859,165	743,694
Operating grants and contributions	1,629,871	1,648,240	1,740,458	1,419,324	1,296,499	1,287,503	1,255,345	1,481,182	1,452,065	1,234,112
Capital grants and contributions	56,173	39,200	163,842	73,297	335,104	868,643	693,263	62,633	42,210	166,567
<b>Total governmental activities program revenues</b>	<b>3,375,850</b>	<b>3,580,871</b>	<b>4,452,384</b>	<b>3,491,124</b>	<b>3,560,507</b>	<b>3,702,234</b>	<b>3,529,003</b>	<b>3,148,351</b>	<b>3,298,359</b>	<b>2,625,842</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water and wastewater	12,303,062	11,470,343	10,135,847	9,331,647	8,585,590	7,461,978	7,149,079	7,857,807	8,059,551	7,952,369
Solid waste	3,419,589	3,134,459	2,989,087	2,955,565	2,954,431	2,923,310	2,894,957	2,900,306	2,847,160	2,797,521
Stormwater	1,544,164	1,501,379	1,447,489	1,399,020	1,149,837	1,012,228	1,000,016	996,899	993,034	661,809
Operating grants and contributions	-	8,388	76,627	5,884	55,231	32,934	-	12,988	12,959	13,067
Capital grants and contributions	-	-	1,145	56,908	-	-	-	4,839	413,289	1,057,627
<b>Total business-type activities program revenues</b>	<b>17,266,815</b>	<b>16,114,569</b>	<b>14,650,195</b>	<b>13,749,024</b>	<b>12,745,089</b>	<b>11,430,450</b>	<b>11,044,052</b>	<b>11,772,839</b>	<b>12,325,993</b>	<b>12,482,393</b>
<b>Total primary government program revenues</b>	<b>\$ 20,642,665</b>	<b>\$ 19,695,440</b>	<b>\$ 19,102,579</b>	<b>\$ 17,240,148</b>	<b>\$ 16,305,596</b>	<b>\$ 15,132,684</b>	<b>\$ 14,573,055</b>	<b>\$ 14,921,190</b>	<b>\$ 15,624,352</b>	<b>\$ 15,108,235</b>

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

Page 2 of 2

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (13,640,329)	\$ (13,113,381)	\$ (12,608,482)	\$ (12,618,276)	\$ (12,779,349)	\$ (11,830,996)	\$ (11,346,314)	\$ (11,690,757)	\$ (11,393,973)	\$ (12,676,926)
Business-type activities	4,604,482	3,523,459	1,608,257	1,351,241	552,960	(441,771)	(140,673)	543,882	1,097,940	1,920,429
Total primary government net expense	\$ (9,035,847)	\$ (9,589,922)	\$ (11,000,225)	\$ (11,267,035)	\$ (12,226,389)	\$ (12,272,767)	\$ (11,486,987)	\$ (11,146,875)	\$ (10,296,033)	\$ (10,756,497)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 6,345,780	\$ 5,723,956	\$ 5,257,349	\$ 4,913,710	\$ 4,571,161	\$ 4,390,452	\$ 4,193,398	\$ 3,722,248	\$ 3,215,616	\$ 3,267,040
Utility taxes	2,566,340	2,521,486	2,436,400	2,324,144	2,288,535	2,322,071	2,423,913	2,459,059	2,386,797	2,473,714
Local business tax	145,664	141,507	144,019	149,597	140,393	141,389	162,446	135,802	150,074	154,396
Local option tax	2,419,622	2,211,086	2,307,990	2,215,907	2,113,583	2,082,591	2,039,692	1,884,907	1,798,283	1,721,958
Franchise fees	1,474,949	1,473,793	1,502,259	1,416,403	1,315,493	1,347,753	1,462,318	1,473,646	1,361,010	1,435,731
Sales tax	1,288,238	1,090,262	1,150,183	1,125,671	1,078,525	1,151,421	1,018,441	980,143	928,330	889,029
Intergovernmental	793,692	595,815	628,185	611,561	593,293	568,087	554,343	529,971	494,362	469,506
Investment income	(7,195)	363,095	623,432	(58,532)	42,800	228,367	260,606	204,396	(44,637)	198,116
Other	1,228,426	1,369,021	1,157,139	1,273,426	1,261,376	1,059,184	968,183	898,056	916,748	1,018,166
Gain on sale of capital assets	-	-	-	-	-	-	-	-	18,632	-
Transfers	-	-	-	-	-	-	120,800	120,800	120,800	(806,520)
Total governmental activities	16,255,516	15,490,021	15,206,956	13,971,887	13,405,159	13,291,315	13,204,140	12,409,028	11,346,015	10,821,136
Business-type activities:										
Intergovernmental	12,570	-	-	-	-	-	-	-	-	-
Investment income	(16,365)	611,328	830,015	(107,028)	62,990	289,499	322,693	247,524	(48,331)	209,919
Other	468,664	457,347	697,159	656,820	750,612	656,365	706,309	698,586	722,038	696,670
Proceeds from sale of capital assets	22,561	10,918	53,879	35,888	67,405	38,059	23,794	14,305	(1,791)	18,135
Transfers	-	-	-	-	-	-	(120,800)	(120,800)	(120,800)	806,520
Total business-type activities	487,430	1,079,593	1,581,053	585,680	881,007	983,923	931,996	839,615	551,116	1,731,244
Total primary government	\$ 16,742,946	\$ 16,569,614	\$ 16,788,009	\$ 14,557,567	\$ 14,286,166	\$ 14,275,238	\$ 14,136,136	\$ 13,248,643	\$ 11,897,131	\$ 12,552,380
<b>Change in Net Position</b>										
Governmental activities	\$ 2,615,187	\$ 2,376,640	\$ 2,598,474	\$ 1,353,611	\$ 625,810	\$ 1,460,319	\$ 1,857,826	\$ 718,271	\$ (47,958)	\$ (1,855,790)
Business-type activities	5,091,912	4,603,052	3,189,310	1,936,921	1,433,967	542,152	791,323	1,383,497	1,649,056	3,651,673
Total primary government	\$ 7,707,099	\$ 6,979,692	\$ 5,787,784	\$ 3,290,532	\$ 2,059,777	\$ 2,002,471	\$ 2,649,149	\$ 2,101,768	\$ 1,601,098	\$ 1,795,883

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Function/Program</b>										
<b>Governmental activities:</b>										
General government	\$ 28,434	\$ 134,716	\$ 145,743	\$ 122,823	\$ 153,275	\$ 83,602	\$ 87,093	\$ 77,995	\$ 129,579	\$ 240,475
Law enforcement	6,854	10,441	17,052	15,384	19,535	13,442	11,412	12,492	45,377	77,056
Fire protection	1,405,910	1,397,706	1,521,128	1,280,284	1,181,764	1,103,427	1,099,660	1,286,708	1,277,703	1,013,478
Building department	487,883	483,373	811,984	536,239	322,968	250,257	222,337	215,144	311,272	169,407
Physical environment	-	-	215,135	53,485	252,343	39,435	46,166	46,550	42,964	49,913
Transportation	274,682	270,061	458,678	266,711	337,114	290,095	281,295	349,283	348,022	46,986
Library	257,534	263,708	319,602	252,737	216,339	257,791	251,109	287,149	284,277	278,199
Parks and recreation	914,553	1,020,866	963,062	963,461	1,077,169	1,664,185	1,529,931	873,030	859,165	750,328
Total governmental activities program revenues	<u>3,375,850</u>	<u>3,580,871</u>	<u>4,452,384</u>	<u>3,491,124</u>	<u>3,560,507</u>	<u>3,702,234</u>	<u>3,529,003</u>	<u>3,148,351</u>	<u>3,298,359</u>	<u>2,625,842</u>
<b>Business-type activities:</b>										
Water and wastewater	12,303,062	11,470,343	10,196,879	9,324,805	8,623,997	7,464,998	7,149,079	7,857,807	8,059,551	7,952,369
Solid waste	3,419,589	3,142,847	3,004,682	2,968,291	2,972,346	2,952,133	2,894,957	2,913,294	2,860,119	2,810,588
Stormwater	1,544,164	1,501,379	1,448,634	1,455,928	1,148,746	1,013,319	1,000,016	1,001,738	1,406,323	1,719,436
Total business-type activities program revenues	<u>17,266,815</u>	<u>16,114,569</u>	<u>14,650,195</u>	<u>13,749,024</u>	<u>12,745,089</u>	<u>11,430,450</u>	<u>11,044,052</u>	<u>11,772,839</u>	<u>12,325,993</u>	<u>12,482,393</u>
Total primary government program revenues	<u>\$ 20,642,665</u>	<u>\$ 19,695,440</u>	<u>\$ 19,102,579</u>	<u>\$ 17,240,148</u>	<u>\$ 16,305,596</u>	<u>\$ 15,132,684</u>	<u>\$ 14,573,055</u>	<u>\$ 14,921,190</u>	<u>\$ 15,624,352</u>	<u>\$ 15,108,235</u>



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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,606,544
Unrestricted	-	-	-	-	-	-	-	-	-	5,829,922
Nonspendable	54,664	37,106	47,227	56,861	49,054	55,115	70,326	32,752	34,784	33,461
Committed	3,406,014	3,090,454	3,094,602	3,105,626	2,959,770	3,277,514	2,941,837	2,593,469	2,580,409	2,573,083
Assigned	-	-	-	-	-	-	-	1,626,050	68,270	397,680
Unassigned	6,706,315	6,950,539	5,572,409	4,121,377	4,686,532	5,043,036	4,835,512	4,539,230	5,637,597	5,432,242
Total general fund	<u>\$ 10,166,993</u>	<u>\$ 10,078,099</u>	<u>\$ 8,714,238</u>	<u>\$ 7,283,864</u>	<u>\$ 7,695,356</u>	<u>\$ 8,375,665</u>	<u>\$ 7,847,675</u>	<u>\$ 8,791,501</u>	<u>\$ 8,321,060</u>	<u>\$ 8,436,466</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,699,254
Nonspendable	683,944	-	-	-	-	-	-	-	-	-
Restricted	2,370,508	1,220,924	1,770,480	2,539,831	793,526	2,219,447	2,247,003	2,638,130	2,536,772	2,700,566
Committed	244,212	234,938	270,368	305,950	136,495	1,101,979	1,865,060	278,536	267,150	265,067
Assigned	2,271,070	2,367,665	1,810,263	2,092,446	1,178,449	1,158,634	1,181,291	907,201	724,348	733,621
Unassigned	-	-	-	-	(351,469)	-	-	-	-	-
Total all other governmental funds	<u>\$ 5,569,734</u>	<u>\$ 3,823,527</u>	<u>\$ 3,851,111</u>	<u>\$ 4,938,227</u>	<u>\$ 1,757,001</u>	<u>\$ 4,480,060</u>	<u>\$ 5,293,354</u>	<u>\$ 3,823,867</u>	<u>\$ 3,528,270</u>	<u>\$ 3,699,254</u>

Notes: The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. The change in the classification of fund balance

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Property taxes	\$ 6,345,780	\$ 5,723,956	\$ 5,257,349	\$ 4,913,710	\$ 4,571,161	\$ 4,390,452	\$ 4,193,398	\$ 3,722,248	\$ 3,215,616	\$ 3,267,040
Utility taxes	2,566,340	2,521,486	2,436,400	2,324,144	2,288,535	2,322,071	2,423,913	2,459,059	2,386,797	2,473,714
Local business tax	145,664	141,507	144,019	149,597	140,393	141,389	162,446	135,802	150,074	154,396
Local option tax	2,419,622	2,211,086	2,307,990	2,215,907	2,113,583	2,082,591	2,039,692	1,884,907	1,798,283	1,721,958
Franchise fees	1,474,949	1,473,793	1,502,259	1,416,403	1,315,493	1,347,753	1,462,318	1,473,646	1,361,010	1,435,731
Licenses and permits	350,358	456,010	546,706	356,505	313,308	244,417	219,997	215,144	311,272	169,407
Impact fees	42,116	231,593	434,211	98,772	282,018	66,932	42,030	44,430	59,875	43,729
Special assessments	246,751	248,548	246,398	246,527	246,399	246,523	247,516	317,863	312,657	10,696
Sales tax	1,288,238	1,090,262	1,150,183	1,125,671	1,078,525	1,151,421	1,018,441	980,143	928,330	889,029
Intergovernmental	2,421,563	2,201,862	2,435,214	2,005,369	2,087,631	1,938,918	1,844,722	1,982,488	1,967,332	1,850,861
Charges for services	973,115	893,524	1,394,621	1,403,501	1,124,691	947,888	1,021,620	995,188	1,037,575	860,674
Fines and forfeitures	77,466	64,109	17,052	15,384	84,544	40,328	49,232	31,911	77,530	140,659
Investment income	(7,195)	363,094	623,432	(58,527)	42,800	228,367	260,606	204,396	(44,637)	198,116
Contributions and donations	58,173	81,393	91,271	93,813	137,265	24,387	648,229	81,298	-	-
Other	1,228,428	1,369,021	1,072,235	1,156,235	1,139,320	1,064,184	978,183	908,056	961,860	1,037,488
<b>Total revenues</b>	<b>19,631,368</b>	<b>19,071,244</b>	<b>19,659,340</b>	<b>17,463,011</b>	<b>16,965,666</b>	<b>16,237,621</b>	<b>16,612,343</b>	<b>15,436,579</b>	<b>14,523,574</b>	<b>14,253,498</b>
<b>Expenditures</b>										
General government	3,210,402	2,964,213	3,175,775	2,937,077	3,019,755	2,683,451	2,505,098	2,591,242	2,584,760	2,798,564
Law enforcement	1,449,252	1,366,127	1,355,163	1,312,142	1,277,165	1,260,277	1,211,298	1,177,579	1,221,973	1,264,935
Fire protection	3,959,526	3,684,135	3,964,948	3,881,238	3,814,412	3,716,483	3,703,257	3,726,465	3,672,859	3,566,685
Building department	618,725	676,660	532,507	519,765	477,770	386,078	360,833	302,451	288,643	293,273
Physical environment	435,476	460,197	493,901	491,378	476,995	469,248	390,432	406,815	425,653	403,240
Transportation	988,027	928,641	934,366	973,410	1,093,147	1,096,530	1,324,730	972,351	1,051,453	1,466,218
Library	1,081,667	1,111,312	1,307,317	1,330,932	1,278,687	1,204,159	1,187,566	1,141,108	1,095,553	1,157,376
Parks and recreation	3,402,146	3,220,158	3,370,197	3,347,990	3,078,040	2,799,249	2,570,983	2,477,869	2,329,512	2,287,102
Capital outlay	1,594,462	2,265,258	4,476,774	1,357,742	2,605,597	2,025,945	2,058,101	1,098,447	1,422,734	4,096,731
Debt service										
Capital lease principal	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	-
Principal retirement	987,693	959,752	937,728	303,141	1,254,309	746,860	722,400	702,982	628,982	414,062
Interest and other charges	63,891	93,514	157,906	65,287	156,332	129,645	167,784	189,032	208,644	179,572
<b>Total expenditures</b>	<b>17,796,267</b>	<b>17,734,967</b>	<b>20,711,582</b>	<b>16,525,102</b>	<b>18,537,209</b>	<b>16,522,925</b>	<b>16,207,482</b>	<b>14,791,341</b>	<b>14,930,766</b>	<b>17,927,758</b>
Excess (deficiency) of revenues over (under) expenditures	1,835,101	1,336,277	(1,052,242)	937,909	(1,571,543)	(285,304)	404,861	645,238	(407,192)	(3,674,260)
<b>Other Financing Sources (Uses)</b>										
Transfers in	2,302,460	2,016,250	2,206,153	1,743,553	1,610,096	1,158,780	2,662,020	1,018,770	1,104,830	921,720
Transfers out	(2,302,460)	(2,016,250)	(2,206,153)	(1,743,553)	(1,610,096)	(1,158,780)	(2,541,220)	(897,970)	(984,030)	(1,728,240)
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	(24,521)
Issuance of Debt	-	-	1,395,500	-	-	-	-	-	-	2,775,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,395,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,800</b>	<b>120,800</b>	<b>120,800</b>	<b>1,943,959</b>
<b>Net change in fund balances</b>	<b>\$ 1,835,101</b>	<b>\$ 1,336,277</b>	<b>\$ 343,258</b>	<b>\$ 937,909</b>	<b>\$ (1,571,543)</b>	<b>\$ (285,304)</b>	<b>\$ 525,661</b>	<b>\$ 766,038</b>	<b>\$ (286,392)</b>	<b>\$ (1,730,301)</b>
Debt service as a percentage of noncapital expenditures	6.52%	6.84%	6.78%	2.46%	8.89%	6.08%	6.33%	6.55%	6.20%	4.29%

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

Fiscal Year	Tax Year	Direct Rate	Estimated Actual Value			Exemptions <sup>a</sup>			Taxable Assessed Value			Total	Total Direct Tax Rate
			Real Property	Personal Property	Centrally Assessed Property	Real Property	Personal Property	Centrally Assessed Property	Real Property	Personal Property	Centrally Assessed Property		
2021	2020	3.9500	\$ 2,068,085,614	\$ 102,791,337	\$ 795,702	\$ 542,349,271	\$ 54,790,783	\$ 77,548	\$ 1,525,736,343	\$ 48,000,554	\$ 718,154	\$ 1,574,455,051	3.9500
2020	2019	3.9500	1,951,334,197	93,439,896	792,601	522,055,998	46,721,064	81,585	1,429,278,199	46,718,832	711,016	1,476,708,047	3.9500
2019	2018	3.9500	1,808,313,627	92,176,036	716,344	490,208,700	45,892,913	78,633	1,318,104,927	46,283,123	637,711	1,365,025,761	3.9500
2018	2017	3.9500	1,717,274,331	89,681,666	745,210	465,654,538	45,625,521	95,548	1,251,619,793	44,056,145	649,662	1,296,325,600	3.9500
2017	2016	3.9500	1,617,262,554	80,152,457	718,032	453,337,192	35,535,741	90,822	1,163,925,362	44,616,716	627,210	1,209,169,288	3.9500
2016	2015	4.0479	1,470,927,244	77,370,817	677,057	445,683,442	35,182,791	82,188	1,025,243,802	42,188,026	594,869	1,068,026,697	4.0479
2015	2014	4.0479	1,416,453,116	80,194,102	660,616	440,330,500	37,192,041	76,876	976,122,616	43,002,061	583,740	1,019,708,417	4.0479
2014	2013	3.7343	1,350,918,291	87,330,535	322,856	430,748,290	41,114,325	36,904	920,170,001	46,216,210	285,952	966,672,163	3.7343
2013	2012	3.3808	1,325,154,475	86,034,159	305,709	422,178,220	41,069,670	33,173	902,976,255	44,964,489	272,536	948,213,280	3.3808
2012	2011	3.3808	1,332,938,921	85,821,501	299,945	419,300,089	41,271,998	32,050	913,638,832	44,549,503	267,895	958,456,230	3.3808

Source: Pinellas County Property Appraiser Revised Recapitulation of the Ad Valorem Assessment Rolls of Safety Harbor, Form DR-403V 2021 Interim Roll (dated 12/15/21)

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

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

Fiscal Year	Taxable Year	Direct Rate	Overlapping Rates					Total
		City of Safety Harbor Operating	Pinellas County	School District	Emergency Medical Services <sup>a</sup>	Transit District <sup>a</sup>	Other <sup>b</sup>	
2021	2020	3.9500	5.2092	6.3250	0.9158	0.7500	1.1666	18.3166
2020	2019	3.9500	5.3590	6.4270	0.9158	0.7500	1.1800	18.5818
2019	2018	3.9500	5.3590	6.5840	0.9158	0.7500	1.1932	18.7520
2018	2017	3.9500	5.2755	7.0090	0.9158	0.7500	1.3097	19.2100
2017	2016	3.9500	5.2755	7.3180	0.9158	0.7500	1.3070	19.5163
2016	2015	4.0479	5.2755	7.7700	0.9158	0.7305	1.3251	20.0648
2015	2014	4.0479	5.2755	7.8410	0.9158	0.7305	1.3421	20.1528
2014	2013	3.7343	5.2755	8.0600	0.9158	0.7305	1.3581	20.0742
2013	2012	3.3808	5.0105	8.3020	0.9158	0.7305	1.3656	19.7052
2012	2011	3.3808	4.8730	8.3850	0.8506	0.7305	1.2390	19.4589

Source: Pinellas County Tax Collector's Office

<sup>a</sup> Emergency Medical Services and Transit District assessed on Real Property only.

<sup>b</sup> Other includes:

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

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

Taxpayer	2021		2012	
	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation
Safety Harbor Property Holdings, LLC	\$ 20,000,000	1.31%	\$ -	0.00%
Mease Hospital Inc	-	0.00%	14,954,217	1.66%
Preedom Land Trust	19,135,000	1.25%	12,348,693	1.37%
SHS Resort LLC	-	0.00%	11,050,874	1.23%
Adelphia 4 LLC	17,074,315	1.12%	-	0.00%
Northwood Oaks LLC	-	0.00%	9,010,000	1.00%
E C A Elle Northwood Partners LLC	10,360,000	0.68%	-	0.00%
Leisure Associates Ltd Partnership	9,550,000	0.63%	5,120,000	0.57%
Baycare Properties, LLC	8,736,000	0.57%	-	0.00%
Northwood Pinellas, LLC	7,960,000	0.52%	-	0.00%
Wickshire Countryside Propco LLC	7,437,000	0.49%	-	0.00%
201 Main Street LLC	6,909,137	0.45%	-	0.00%
ARHC CSCLWFL01 LLC	6,270,000	0.41%	-	0.00%
Bayshore Palms Apartments Inc	-	0.00%	6,700,000	0.74%
Northwood Commons LLC	-	0.00%	6,530,000	0.72%
Safety Harbor Inv Properties	-	0.00%	6,100,000	0.68%
Health Care Property Inv Inc	-	0.00%	4,965,503	0.55%
AW Countryside LLC	-	0.00%	3,861,000	0.43%
	<u>\$ 113,431,452</u>	<u>7.43%</u>	<u>\$ 80,640,287</u>	<u>8.94%</u>
Total Taxable Assessed Value	<u>\$ 1,525,736,343</u>		<u>\$ 902,100,671</u>	

Source: Pinellas County Property Appraiser

Note: 2021 data pulled from 2021 Top Ten Taxpayers-RP-Preliminary report and 2021 Interim Roll. Final data not available at the time this schedule was completed.

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

Taxpayer	2021		2012	
	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation
Duke Energy Florida	\$ 10,555,412	21.99%	\$ -	0.00%
Florida Power Corp	-	0.00%	7,414,030	16.49%
Verizon Florida LLC	-	0.00%	3,112,046	6.92%
Mastercut Tool Corp	5,579,237	11.62%	3,011,841	6.70%
Florida Gas Transmission	3,589,993	7.48%	3,929,699	8.74%
Spectrum Sunshine State LLC	2,092,387	4.36%	-	0.00%
Frontier Communications	1,937,758	4.04%	-	0.00%
Countryside Surgi-Center	948,214	1.98%	1,110,853	2.47%
WOW! Internet, Cable, & Phone	823,824	1.72%	-	0.00%
Bright House Networks LLC	-	0.00%	2,492,077	5.54%
Angelica Textile Services	815,606	1.70%	2,208,377	4.91%
Nice Services, Inc.	763,960	1.59%	-	0.00%
K&M Custom Cabinetry	721,518	1.50%	-	0.00%
US Bank National Association	-	0.00%	1,789,661	3.98%
Safety Harbor Resort and Spa	-	0.00%	1,668,109	3.71%
Diagnostic Clinic	-	0.00%	845,602	1.88%
	<u>\$ 27,827,909</u>	<u>57.97%</u>	<u>\$ 27,582,295</u>	<u>61.34%</u>
Total Taxable Assessed Value	<u>\$ 48,000,554</u>		<u>\$ 44,964,489</u>	

Source: Pinellas County Property Appraiser

Note: 2021 data pulled from 2021 Top Ten Taxpayers-TPP-Preliminary report and 2021 Interim Roll. Final data not available at the time this schedule was completed.

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

Fiscal Year	Taxable Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Delinquent Tax Collections <sup>b</sup>	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2021	2020	\$ 5,553,790	\$ 5,105,491	91.93%	\$ 5,608	\$ 5,111,099	92.03%
2020	2019	5,391,852	4,816,836	89.34%	4,523	4,821,360	89.42%
2019	2018	5,120,486	4,693,889	91.67%	639	4,694,528	91.68%
2018	2017	4,776,219	4,419,680	92.54%	21,524	4,441,204	92.99%
2017	2016	4,467,829	4,138,275	92.62%	13,386	4,151,661	92.92%
2016	2015	4,323,266	4,012,278	92.81%	8,072	4,020,350	92.99%
2015	2014	4,127,679	3,840,246	93.04%	15,908	3,856,154	93.42%
2014	2013	3,610,112	3,358,137	93.02%	70,048	3,428,185	94.96%
2013	2012	3,217,132	2,945,922	91.57%	5,509	2,951,431	91.74%
2012	2011	3,243,229	3,015,807	92.99%	4,367	3,020,174	93.12%

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

<sup>a</sup> Discounts are allowed for early payment: 4% for November, 3% for December, 2% for January and 1% for February. No discount is allowed for payment in March. Payments must be made by March 31 to avoid becoming delinquent.

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

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

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Debt as a Ratio to Personal Income <sup>a</sup>	Debt per Capita <sup>a</sup>
	Public Improvement Revenue Bonds	Capital Improvement Revenue Note	Capital Leases	Water and Wastewater Refunding Bond	Capital Improvement Revenue Note			
2021	\$ 315,000	\$ 1,196,929	\$ 205,000	\$ 7,909,300	\$ 4,065,234	\$ 13,691,463	1.68%	\$ 759
2020	620,000	1,879,622	210,000	8,536,500	4,499,248	15,745,370	2.02%	874
2019	920,000	2,539,371	215,000	2,578,422	4,918,892	11,171,685	1.47%	620
2018	1,210,000	1,791,509	220,000	640,000	5,324,265	9,185,774	1.21%	509
2017	1,495,000	1,809,650	225,000	790,000	5,739,147	10,058,797	1.49%	571
2016	1,775,000	2,783,958	230,000	935,000	6,135,453	11,859,411	1.88%	679
2015	2,050,000	3,255,818	235,000	1,075,000	6,520,665	13,136,483	2.07%	753
2014	2,315,000	3,713,218	240,000	1,215,000	6,895,187	14,378,405	2.93%	839
2013	2,575,000	4,156,290	245,000	1,355,000	7,259,260	15,590,550	2.51%	891
2012	2,775,000	4,585,182	-	1,500,000	7,612,848	16,473,030	2.94%	976

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

<sup>a</sup> See Schedule 16 for personal income and population data.

<sup>b</sup> Issued \$4,275,000 in Capital Improvement Refunding Revenue Bonds, Series 2012.

<sup>c</sup> Issued \$5,412,000 in Capital Improvement Revenue Bonds, Series 2008.

<sup>d</sup> Issued \$1,395,500 Revenue Note, Series 2012 and draws of \$2,093,422 for total debt issued of \$8,663,200 Water and Sewer Revenue Note, Series 2018.



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

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

SCHEDULE 13  
CITY OF SAFETY HARBOR, FLORIDA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
As of September 30, 2021

Government Unit	Debt Outstanding	Applicable to City of Safety Harbor	
		Percent <sup>a</sup>	Amount
<b>Bonded Debt:</b>			
Pinellas County School Board <sup>b</sup>	\$ 6,000	1.48%	\$ 89
Pinellas County <sup>b</sup>	12,005,521	1.61%	193,289
<b>Capital Leases:</b>			
Pinellas County School Board <sup>b</sup>	2,974,407	1.48%	44,021
Pinellas County <sup>b</sup>	<u>433,171</u>	1.61%	<u>6,974</u>
Total Overlapping Debt	<u>\$ 15,419,099</u>		244,373
Total Direct Debt <sup>c</sup>			<u>1,716,929</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 1,961,302</u>
Total Direct and Overlapping Governmental Activities Debt Per Capita <sup>d</sup>			<u>\$ 108.79</u>

Source: Pinellas County, Florida

<sup>a</sup> Applicable net debt percentage is based on ratio of City to County-wide taxable values for tax year 2021.

<sup>b</sup> The City of Safety Harbor is not responsible for the debt of the County or the School Board.

<sup>c</sup> The City of Safety Harbor currently does not have any general obligation bonded debt.

<sup>d</sup> 2021 permanent Safety Harbor population is estimated at 18,028.

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

Governmental Activities							
Fiscal Year	Gross Revenues <sup>a</sup>	Operating Expenses <sup>b</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2021	\$ 12,664,073	\$ 8,383,964	\$ 4,280,109	\$ 465,752	\$ 42,589	\$ 508,341	8.42
2020	12,503,587	7,903,774	4,599,813	987,691	63,892	1,051,583	4.37
2019	13,121,302	8,143,281	4,978,021	959,752	93,513	1,053,265	4.73
2018	11,791,319	7,925,975	3,865,344	810,735	76,688	887,423	4.36
2017	11,378,861	7,950,654	3,428,207	1,254,309	156,332	1,410,641	2.43
2016	11,190,207	7,521,407	3,668,800	746,860	129,645	876,505	4.19
2015	11,143,161	7,319,171	3,823,990	722,400	167,784	890,184	4.30
2014	11,005,175	7,347,963	3,657,212	702,982	187,865	890,847	4.11
2013	10,403,622	7,944,315	2,459,307	628,892	208,644	837,536	2.94
2012	10,199,565	7,403,103	2,796,462	414,062	179,572	593,634	4.71

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

<sup>a</sup> Gross revenues include general fund and capital project revenues, less ad valorem.

<sup>b</sup> Operating expenses include general government, law enforcement, and fire protection.

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

Business-type Activities							
Fiscal Year	Gross Revenues <sup>a</sup>	Operating Expenses Less Depreciation <sup>b</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2021	\$ 17,731,684	\$ 9,404,165	\$ 8,327,519	\$ 1,097,459	\$ 236,175	\$ 1,333,634	6.24
2020	17,174,856	9,563,347	7,611,509	1,061,447	430,349	1,491,796	5.10
2019	16,099,597	10,597,306	5,502,291	1,031,344	464,134	1,495,478	3.68
2018	14,236,024	10,318,787	3,917,237	560,531	198,438	758,969	5.16
2017	13,503,460	10,058,446	3,445,014	541,326	194,822	736,148	4.68
2016	12,343,380	9,798,220	2,545,160	525,211	209,229	734,440	3.47
2015	11,750,361	9,205,579	2,544,782	514,522	223,980	738,502	3.45
2014	12,453,598	9,127,514	3,326,084	504,072	237,716	741,788	4.48
2013	12,621,783	9,373,205	3,248,578	495,588	251,525	747,113	4.35
2012	12,108,369	8,971,037	3,137,332	454,175	299,044	753,219	4.17

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

<sup>a</sup> Gross revenues include charges for services, interest income, and other revenue.

<sup>b</sup> Operating expenses include personnel services, material and supplies, and other operating expenses.

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

<u>Fiscal Year</u>	<u>Population<sup>a</sup></u>	<u>Estimated Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Median Age<sup>d</sup></u>	<u>Public School Enrollment<sup>e</sup></u>	<u>Unemployment Rate<sup>f</sup></u>
2021	18,028	\$ 816,686,428	\$ 45,301	48.0	1,827	3.9%
2020	18,016	781,335,904	43,369	48.0	1,881	6.0%
2019	18,031	758,762,511	42,081	47.5	1,882	2.6%
2018	17,844	702,429,060	39,365	49.3	2,073	3.0%
2017	17,606	674,521,072	38,312	51.4	2,073	3.4%
2016	17,454	632,498,052	36,238	50.8	2,073	4.7%
2015	17,454	635,744,496	36,424	48.6	2,073	6.4%
2014	17,139	490,723,848	28,632	49.6	2,073	6.2%
2013	17,496	621,265,464	35,509	48.0	2,073	6.4%
2012	16,884	559,721,484	33,151	47.7	2,073	8.8%

Sources:

<sup>a</sup> World Population Review

<sup>b</sup> Estimated personal income is calculated by multiplying population by per capita personal income.

<sup>c</sup> World Population Review

<sup>d</sup> World Population Review

<sup>e</sup> U.S. News and World Report: Safety Harbor Elementary/Middle

<sup>f</sup> U.S. Bureau of Labor Statistics, Tamp-St. Petersburg-Clearwater, FL; Labor Force Data - Sept. 2021

SCHEDULE 17  
CITY OF SAFETY HARBOR, FLORIDA  
PRINCIPAL EMPLOYERS  
Current Year\*

Employer <sup>a</sup>	Employees <sup>a</sup>	Percentage of Total City Employment
Mease Countryside Hospital	1,000	10.87%
Bay to Bay Properties LLC	200	2.17%
Angelica Corporation	150	1.63%
Safety Harbor Middle School	143	1.56%
Medsource Travelers	134	1.46%
Consulate Health Care	131	1.42%
Master Cut Tool Corp	100	1.09%
Preble College Prep	100	1.09%
Safety Harbor Elementary School	94	1.02%
Tijuan Grimes LMHC	78	0.85%
Total Employed Population <sup>b</sup>	9,196	

<sup>a</sup> Source: AtoZ Databases, current data.

<sup>b</sup> Pinellas County Economic Development, Safety Harbor 2021.

**SCHEDULE 18**  
**CITY OF SAFETY HARBOR, FLORIDA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**

	Full-time Equivalent Employees as of September 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Government</b>										
City Manager	1.80	1.80	1.30	1.30	1.30	1.30	1.30	1.30	3.18	1.95
City Clerk	1.20	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.38	1.30
Human Resources	2.50	2.50	2.50	2.00	2.00	2.00	2.00	1.88	2.00	3.50
Finance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Water and Wastewater Finance	9.00	9.00	9.00	9.00	9.00	9.00	10.00	9.70	9.20	9.35
Economic Dev. Director	-	-	-	-	-	-	-	-	-	-
Planning	3.36	3.36	3.36	3.30	3.30	3.30	3.70	3.45	3.30	3.15
Fleet Maintenance	3.15	3.10	3.10	3.10	3.10	3.10	3.05	3.15	3.15	3.15
Building Maintenance	6.00	6.00	6.62	6.45	6.45	5.95	5.70	5.70	5.80	5.80
CRA	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.60
<b>Total General Government</b>	<b>30.31</b>	<b>30.41</b>	<b>30.53</b>	<b>29.80</b>	<b>29.80</b>	<b>29.30</b>	<b>30.40</b>	<b>29.83</b>	<b>31.81</b>	<b>32.30</b>
<b>Public Safety</b>										
Building Department	6.63	6.50	6.50	6.50	5.50	5.00	5.00	4.00	4.00	4.00
Fire Control and EMS	30.50	30.50	30.50	30.00	30.00	30.00	29.00	32.00	32.00	29.50
<b>Total Public Safety</b>	<b>37.13</b>	<b>37.00</b>	<b>37.00</b>	<b>36.50</b>	<b>35.50</b>	<b>35.00</b>	<b>34.00</b>	<b>36.00</b>	<b>36.00</b>	<b>33.50</b>
<b>Physical Environment</b>										
Engineering	4.50	4.50	4.50	4.50	4.50	4.50	4.30	4.30	4.30	4.30
Information Systems	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Water	5.90	6.40	6.40	6.40	6.40	7.40	7.20	7.60	7.60	8.60
Stormwater	5.90	5.40	5.40	5.40	5.40	5.40	5.20	5.20	5.20	5.20
Wastewater	8.90	8.40	8.40	8.40	8.40	8.40	8.20	8.60	8.60	8.60
Sanitation	20.25	20.25	20.25	19.25	19.25	19.30	19.15	18.15	19.35	19.35
<b>Total Physical Environment</b>	<b>49.45</b>	<b>48.95</b>	<b>48.95</b>	<b>47.95</b>	<b>47.95</b>	<b>49.00</b>	<b>48.05</b>	<b>47.85</b>	<b>49.05</b>	<b>50.05</b>
<b>Transportation</b>										
Streets	9.75	10.40	10.40	10.40	10.40	10.40	10.20	10.30	10.30	10.30
<b>Culture and Recreation</b>										
Library	16.77	16.97	17.04	17.12	17.12	18.09	17.66	17.44	17.45	17.90
Parks	14.12	14.12	13.89	13.90	13.90	13.90	13.93	13.93	10.55	10.55
Recreation	28.06	28.46	29.11	26.04	26.04	24.91	22.07	21.63	19.93	18.75
<b>Total Culture and Recreation</b>	<b>58.95</b>	<b>59.55</b>	<b>60.04</b>	<b>57.06</b>	<b>57.06</b>	<b>56.90</b>	<b>53.66</b>	<b>53.00</b>	<b>47.93</b>	<b>47.20</b>
<b>Total City</b>	<b>185.59</b>	<b>186.31</b>	<b>186.92</b>	<b>181.71</b>	<b>180.71</b>	<b>180.60</b>	<b>176.31</b>	<b>176.98</b>	<b>175.09</b>	<b>173.35</b>

Source: City of Safety Harbor Annual Budget, Fiscal Years 2012 - 2021

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Public Safety</b>										
<b>Fire Control and EMS</b>										
Inspections	-	-	-	715	715	715	715	715	715	715
Investigations	-	-	-	22	22	22	20	20	12	10
Fire responses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EMS responses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Building Department</b>										
Building permits issued	2,082	3,039	3,268	3,054	2,762	1,903	1,924	1,935	1,700	1,823
Occupational licenses issued	963	1,125	1,177	1,177	1,166	1,212	1,246	1,110	1,267	1,375
<b>Stormwater</b>										
Storm drain/pipe cleaned (miles)	3.82	0.81	0.63	0.69	0.85	0.37	0.36	0.39	0.15	1.14
Ditches/creeks cleaned (miles)	26.50	26.29	5.34	7.11	7.83	15.00	13.81	18.03	13.88	25.76
<b>Water</b>										
Customer accounts	7,389	7,684	8,053	7,560	8,320	7,560	7,477	7,456	7,586	7,506
Average daily water consumption in millions of gallons	1.32	1.39	1.38	1.44	1.55	1.39	1.38	1.43	1.40	1.37
<b>Wastewater</b>										
Customer accounts	8,418	8,068	9,023	8,955	8,942	8,942	8,918	8,903	8,946	8,871
Average daily sewage flow in millions of gallons	1.52	1.53	1.47	1.52	1.61	1.53	1.52	1.11	1.40	1.44
<b>Sanitation (solid waste)</b>										
Refuse collected (tons)	11,637	11,249	11,077	11,361	11,493	12,544	11,309	10,923	12,016	12,618
Recyclables collected (tons)	3,284	3,499	3,636	3,606	3,835	3,484	3,396	3,299	2,600	2,141
<b>Streets</b>										
Streets swept (curb miles)	920	920	920	920	920	920	918	918	918	938
Curb/gutter/sidewalks replaced (cubic yds)	155	152	156	156	257	163	270	260	320	325
Pothole repairs (asphalt tons)	125	42	192	73	25	1299*	32	23	16	32
<b>Culture and Recreation</b>										
<b>Recreation - Persons listed in programs</b>										
Trips	703	1,037	1,943	2,087	1,919	2,324	2,400	2,666	2,355	2,445
Classes	27,041	22,493	31,237	31,363	31,505	30,362	34,100	29,680	33,630	26,377
Camps/After-school	19,344	15,596	17,606	29,158	30,166	25,989	27,397	28,452	35,257	19,617
Special events	7,474	3,749	2,423	1,336	1,740	3,201	3,558	6,252	3,761	843
Parks - Acres maintained	130.57	129.20	125.43	123.93	123.89	123.89	123.89	103.89	93.99	88.99
Library circulation	221,442	211,696	241,875	237,775	239,756	248,686	273,568	262,455	287,052	296,348
Library registered borrowers	18,139	16,753	19,275	16,053	15,156	14,140	14,844	10,082	10,043	10,056

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

Source: City of Safety Harbor Annual Budget, Fiscal Years 2012 - 2021

N/A - Information not available



**SCHEDULE 20**  
**CITY OF SAFETY HARBOR, FLORIDA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Government</b>										
Buildings	4	4	4	4	4	4	4	4	4	4
Vehicles	16	21	20	18	18	18	17	17	17	17
<b>Public Safety</b>										
Fire stations	2	2	2	2	2	2	2	2	2	2
Vehicles	11	14	13	12	12	12	11	11	11	11
<b>Physical Environment</b>										
Vehicles	40	44	42	35	35	35	35	35	35	36
<b>Stormwater</b>										
Drainage basins/creeks (sq. miles)	13.91	13.91	13.91	12.88	5.50	5.50	5.50	5.50	5.50	5.50
<b>Water</b>										
Pipeline (miles)	76.6	76.9	76.9	76.6	76.5	76.5	76.5	76.3	76.3	76.0
Fire hydrants maintained	570	566	566	560	554	554	554	552	552	548
<b>Wastewater</b>										
Lift stations	25	25	25	25	25	25	25	25	25	25
Mains in collection system (miles)	66.48	66.48	66.48	66.44	66.3	66.3	66.3	66.3	66.3	66.3
<b>Sanitation (solid waste)</b>										
Collection vehicles	20	21	20	19	21	21	21	19	21	20
<b>Streets</b>										
Curb miles of street	104	104	104	100	100	100	100	100	100	100
Vehicles	18	19	19	18	17	17	17	17	17	16
<b>Culture and Recreation</b>										
Parks	20	20	18	17	17	16	16	12	12	11
Dog park	3	3	3	3	2	2	2	1	1	1
Skate park	1	1	1	1	1	1	1	1	1	1
Football/Soccer Fields	3	3	3	3	3	3	3	3	3	3
Playgrounds	9	9	9	9	8	7	7	6	5	5
Gymnasiums	3	3	3	3	3	3	3	3	3	3
Recreation centers	2	2	2	2	2	2	2	2	2	2
Library	1	1	1	1	1	1	1	1	1	1
Marina	1	1	1	1	1	1	1	1	1	1
Boat Ramps	2	2	2	2	2	2	2	2	2	2
Picnic Shelters	13	13	13	12	12	12	12	12	12	10
Baseball fields	3	3	3	3	3	4	4	4	4	4
Softball fields	2	2	2	2	2	1	1	1	1	1
Tennis courts	4	4	4	4	4	4	4	4	4	4
Racquetball courts	2	2	2	2	2	2	2	2	2	2
Restroom facilities	16	16	16	16	16	16	16	16	14	8
<b>Basketball courts</b>										
Outdoor	7	7	7	4	4	4	4	4	4	4
Indoor	3	3	3	3	3	3	3	3	3	3
Vehicles	18	20	19	17	17	17	14	12	12	13
Museum/Cultural Center	1	1	1	1	1	1	1	1	1	-

Sources: City of Safety Harbor Annual Budget, Fiscal Years 2012 - 2021; Various City departments

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## **REGULATORY REPORTS**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Safety Harbor, Florida (City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2022.

**Internal Control Over Financial Reporting**

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

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

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

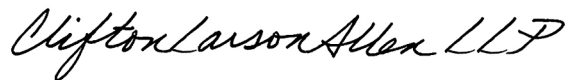
Honorable Mayor and  
Members of the City Commission  
City of Safety Harbor, Florida

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

**CliftonLarsonAllen LLP**

Tampa, Florida  
March 29, 2022



## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the City of Safety Harbor, Florida (City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 2022.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 29, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual 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. See Note 1 to the financial statements.

### Financial Condition and Management

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



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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

### **Special District Component Units**

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

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

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Tampa, Florida  
March 29, 2022





## INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the City of Safety Harbor, Florida (City)'s, compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Tampa, Florida  
March 29, 2022

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photo credit: Alice Anderson