

# City of Safety Harbor, Florida

Comprehensive Annual Financial Report  
FYE September 30, 2019





**CITY OF SAFETY HARBOR, FLORIDA**  
**BASIC FINANCIAL STATEMENTS AND**  
**REGULATORY REPORTS**  
**SEPTEMBER 30, 2019**



**City of Safety Harbor, Florida**

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2019



Prepared by:  
Finance Department

June Solanes  
Finance Director

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**CITY OF SAFETY HARBOR, FLORIDA**

**September 30, 2019**

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**CITY COMMISSION  
2019**

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

**CITY ADMINISTRATION  
2019**

City Manager  
Matthew Spoor

City Clerk  
Karen Sammons

City Attorney  
Nikki Day

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CITY OF SAFETY HARBOR, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 2019

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## **INTRODUCTORY SECTION**

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# City of Safety Harbor Florida

HOME OF ESPIRITU SANTO MINERAL SPRINGS

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

June 25, 2020

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, 2019, 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, 2019. The independent auditors' 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, 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 18,031. 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, sewer, solid waste and stormwater services are provided under an enterprise fund concept with user charges set by the City Commission to ensure adequate coverage of operating expenses and payment of outstanding debt.

### ***Local economy***

The City continues to take a guarded financial approach and monitors accounts very closely. The City budgets conservatively and in the current fiscal year has managed accordingly given the impact of a 7.2 percent increase in the City's property tax base and an unemployment rate for the local metropolitan area of 2.9 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.

### ***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 giving consideration to the projects that are matched by grant funds and/or a dedicated funding source.

Relative to operations and economic conditions, in Fiscal Year 2019/2020, the City budgeted for a 5.3 percent increase in property taxable value and maintained the millage rate at 3.95 adding \$195,870 to General Fund reserves. Citywide budgeted revenues, excluding transfers and debt proceeds, were assumed to increase by \$98,180 or 0.03 percent over the prior years adopted budget with budgeted appropriations excluding transfers decreasing by \$448,096 or .01 percent.

Planning for FY 2019/2020 year-end estimates has brought many challenges with the onset of the COVID-19 pandemic. The economic impacts at the state and local levels are to date unknown. At April 30, 2020, Tampa-St. Petersburg-Clearwater Metropolitan area unemployment is at 13.0 percent while national unemployment is 14.7. Governor DeSantis declared a state of emergency in Florida on March 9, 2020. Currently effective June 5, 2020, Florida entered phase 2 recovery under Governor DeSantis Executive Order 20-139. The fiscal impact on the city's revenues from state tax revenues are currently unknown.

### ***Relevant financial policies***

It is a policy of the City Commission to maintain a General Fund minimum reserve of seventeen (17) percent of General Fund expenditures of the prior years audited financial statements. Additionally, the City Commission approved by resolution a fund balance policy 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 2019/2020 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 19/20 to FY 2023/24 is \$41.2 million, of which \$11.7 million is appropriated in FY 2019/2020. Proprietary fund infrastructure projects make up 62.7 percent of the \$41.2 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 (design), and streets. The city is replacing its current Enterprise Resource Planning accounting software with a new system that allows for enhanced reporting, electronic approvals and resident and contractor online functionality.

In fiscal 2020, the City Commission prioritized economic and development activities to include the continued promotion of the competitive advantages of living, working and doing business in Safety Harbor; service development to include parks and recreation programs; capital improvement projects and funding to include opportunities to purchase properties and budget development to include the fourth year of rate increases for long-term sustainability of the City's water and sewer and stormwater proprietary funds as well as increases in sanitation rates effective January 1, 2020.

### ***Awards and Acknowledgements***

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,



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Matthew Spoor  
City Manager



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June Solanes  
Finance Director

CITY OF SAFETY HARBOR



**LIST OF PRINCIPAL OFFICIALS**

September 30, 2019

**CITY COMMISSION**

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

**City Manager**  
Matthew Spoor

**City Clerk**  
Karen Sammons

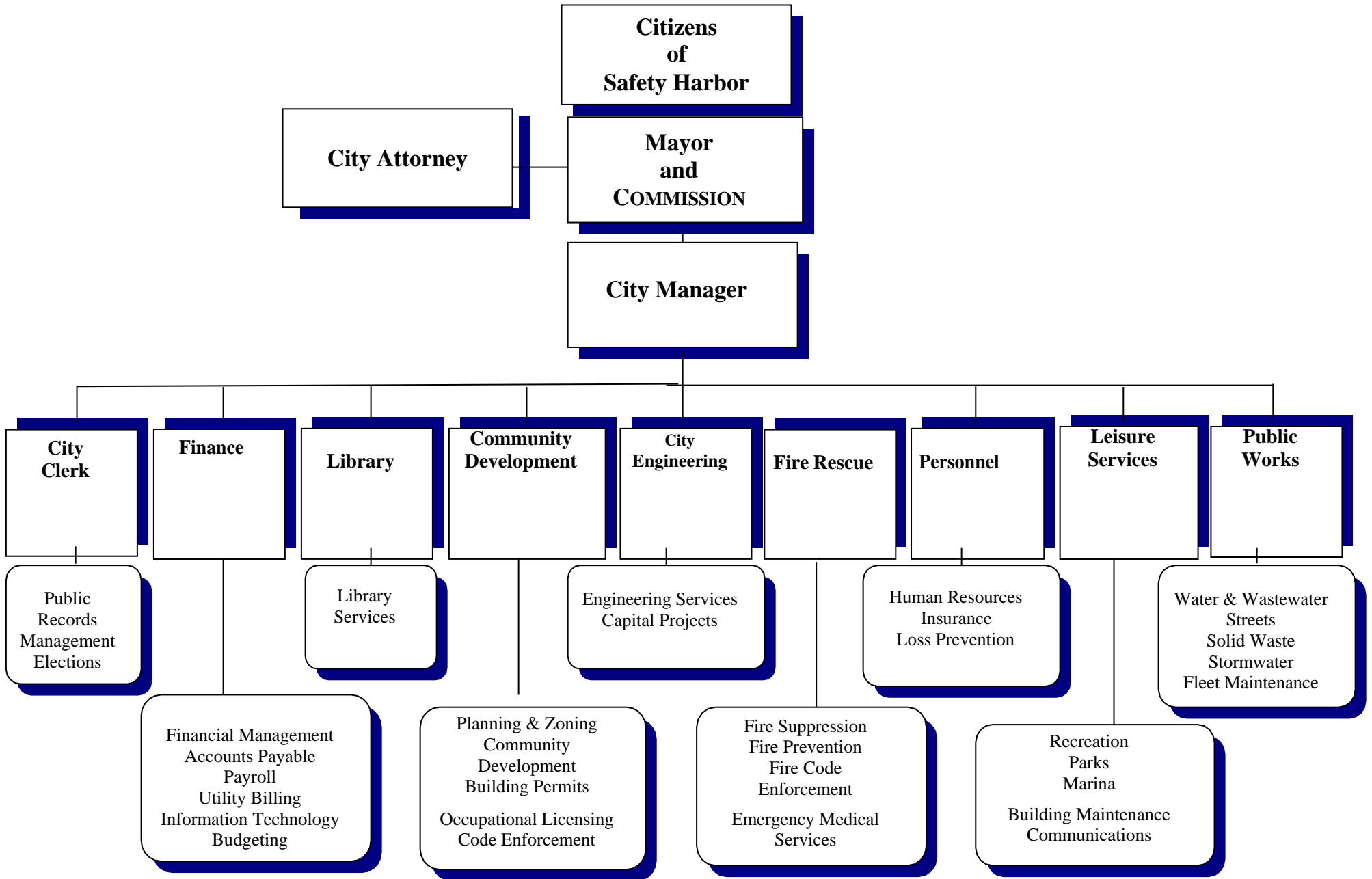
**City Attorney**  
Nikki Day

**EXECUTIVE MANAGEMENT STAFF**

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

John Powell  
Marcie Stenmark  
June Solanes  
Josh Stefancic  
Kim Nicholls  
Andrea Norwood  
Lisa Kothe  
Ray Boler

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, 2019, 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2019, and the respective changes in financial position and cash flows, where applicable, 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 (MD&A), budgetary comparison schedules for the general fund and community redevelopment 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 nonmajor fund financial statements, and 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 nonmajor 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 June 25, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Tampa, Florida  
June 25, 2020

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

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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, 2019. Please read it in conjunction with the transmittal letter at the front of this report (beginning on page v) and the City's basic financial statements (beginning on page 18).

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the City of Safety Harbor exceeded its liabilities and deferred inflows at September 30, 2019 by \$77,310,203 (net position). Of this amount, \$14,707,796 (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 \$5,787,784 or 8.1 percent. Governmental net position increased by \$2,598,474 or 7.6 percent while business type net position increased by \$3,189,310 or 8.5 percent as of September 30, 2019.
- As of September 30, 2019, the City of Safety Harbor's governmental funds reported combined ending fund balances of \$12,565,349, an increase of \$343,258 in comparison with the prior year. Of this total amount, committed, assigned and unassigned fund balances of \$10,747,642 or 85.5 percent are available for spending.
- The City's total debt for revenue bonds and notes increased by \$1,990,911 or 22.2 percent during the fiscal year. Repayments of principal on outstanding revenue notes and bonds totaled \$1,371,011. Two pieces of debt were issued during the fiscal year. Governmental fund debt was issued in the amount of \$1,395,500 to purchase land for the Baranoff Oak Park and to purchase land adjacent to the Public Work facility for the future addition of a new building maintenance facility. Additionally, debt for water and wastewater was issued in the amount of \$8,663,200 as a non-revolving line of credit allowing for the City to draw up to the total amount of debt issued or a series of draws. The City drew \$2,093,422 prior to the end of the fiscal year and the balance was paid on October 31, 2019.

### **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 government-wide financial statements are located on pages 18 through 20 of this report.

*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.

*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 of the 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 government-wide 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. The basic governmental fund financial statements can be found on pages 21 through 24 of this report.

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 fifteen 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 and Capital Projects Funds, which are considered to be major funds. Data from twelve 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, following the Notes to the Financial Statements on pages 92 and 93.

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. The budgetary comparison reporting can be found on pages 80 through 82 and 94 through 105, respectively, of this report.

**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. The basic proprietary fund financial statements can be found on pages 25 through 28 of this report.

**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. The basic fiduciary fund financial statements can be found on pages 29 and 30 of this report.

**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. The notes to the financial statements can be found on pages 31 through 79 of this report.

**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. *Required supplementary information* and the *notes to the required supplementary information* can be found on pages 80 through 91 of this report.

## 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 \$77.3 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 on page 18.

	Net Position								
	Governmental Activities			Business-Type Activities			Total Primary Government		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
<b>Assets</b>									
Current and other assets	\$ 17,093,629	\$ 15,987,397	\$ 14,500,893	\$ 19,208,996	\$ 17,781,406	\$ 18,687,737	\$ 36,302,625	\$ 33,768,803	\$ 33,188,630
Capital assets	28,390,502	25,780,914	26,033,038	33,046,632	29,086,354	26,813,468	61,437,134	54,867,268	52,846,506
Total assets	45,484,131	41,768,311	40,533,931	52,255,628	46,867,760	45,501,205	97,739,759	88,636,071	86,035,136
Deferred Outflows	1,689,443	1,782,519	2,107,514	267,484	372,879	414,135	1,956,927	2,155,398	2,521,649
<b>Liabilities</b>									
Current and other liabilities	3,013,940	2,715,024	1,839,827	3,231,327	2,032,085	2,163,372	6,245,267	4,747,109	4,003,199
Long-term liabilities	5,221,229	5,095,034	5,861,863	7,910,468	7,035,596	7,447,099	13,131,697	12,130,630	13,308,962
Total liabilities	8,235,169	7,810,058	7,701,690	11,141,795	9,067,681	9,610,471	19,376,964	16,877,739	17,312,161
Deferred Inflows	2,323,798	1,724,639	1,760,212	685,721	666,672	526,685	3,009,519	2,391,311	2,286,897
<b>Net Position</b>									
Invested in capital assets, net of related debt	24,716,131	22,559,405	22,503,388	24,816,184	22,904,068	19,839,464	49,532,315	45,463,473	42,342,852
Restricted	1,738,084	2,499,538	2,113,838	11,332,008	10,321,373	10,568,422	13,070,092	12,820,911	12,682,260
Unrestricted	10,160,392	8,957,190	8,562,317	4,547,404	4,280,845	5,370,298	14,707,796	13,238,035	13,932,615
<b>Total Net Position</b>	<b>\$ 36,614,607</b>	<b>\$ 34,016,133</b>	<b>\$ 33,179,543</b>	<b>\$ 40,695,596</b>	<b>\$ 37,506,286</b>	<b>\$ 35,778,184</b>	<b>\$ 77,310,203</b>	<b>\$ 71,522,419</b>	<b>\$ 68,957,727</b>

The largest portion of the City's net position, 64.1 percent, reflects its 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 \$13.1 million (16.9 percent) of net position. The remaining balance of unrestricted net position or \$14.7 million (19.0 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

At September 30, 2019, 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.

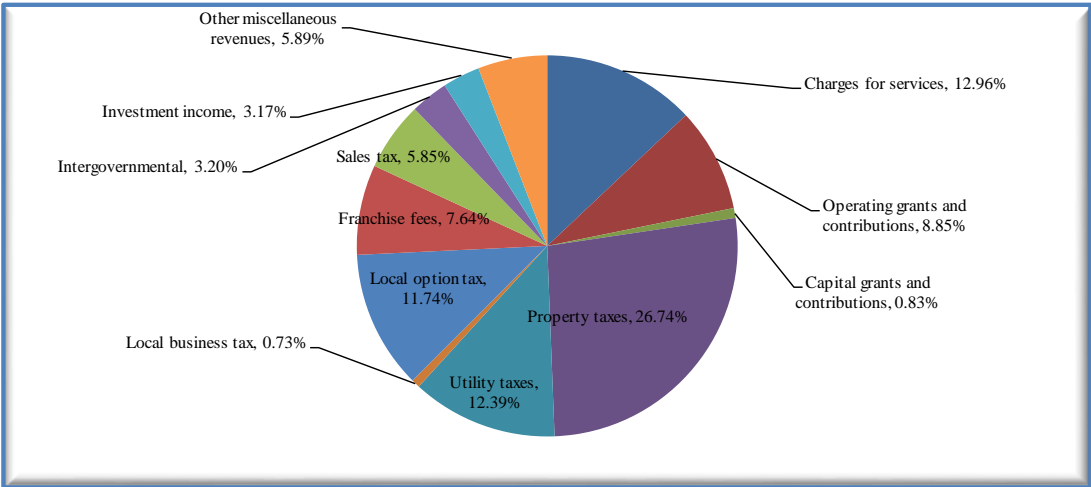
**Statement of Activities.** The following schedule compares the revenues and expenses for the current and previous fiscal year. More detailed information regarding the Statement of Activities can be found on pages 19 and 20 of this report.

	Changes in Net Position								
	Governmental Activities			Business-Type Activities			Total Primary Government		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
<b>REVENUES</b>									
Program revenues:									
Charges for services	\$ 2,548,084	\$ 1,998,503	\$ 1,928,904	\$ 14,572,423	\$ 13,686,232	\$ 12,689,858	\$ 17,120,507	\$ 15,684,735	\$ 14,618,762
Operating grants and contributions	1,740,458	1,419,324	1,296,499	76,627	5,884	-	1,817,085	1,425,208	1,296,499
Capital grants and contributions	163,842	73,297	335,104	1,145	56,908	-	164,987	130,205	335,104
General revenues:									
Property taxes	5,257,349	4,913,710	4,571,161	-	-	-	5,257,349	4,913,710	4,571,161
Utility taxes	2,436,400	2,324,144	2,288,535	-	-	-	2,436,400	2,324,144	2,288,535
Local business tax	144,019	149,597	140,393	-	-	-	144,019	149,597	140,393
Local option tax	2,307,990	2,215,907	2,113,583	-	-	-	2,307,990	2,215,907	2,113,583
Franchise fees	1,502,259	1,416,403	1,315,493	-	-	-	1,502,259	1,416,403	1,315,493
Sales tax	1,150,183	1,125,671	1,078,525	-	-	-	1,150,183	1,125,671	1,078,525
Intergovernmental	628,185	611,561	593,293	-	-	55,231	628,185	611,561	648,524
Investment income and net depreciation in fair value of investments	623,432	(58,532)	42,800	830,015	(107,028)	62,990	1,453,447	(165,560)	105,790
Other miscellaneous revenues	1,157,139	1,273,426	1,261,376	697,159	656,820	750,612	1,854,298	1,930,246	2,011,988
Gain on sale of capital assets	-	-	-	53,879	35,888	67,405	53,879	35,888	67,405
<b>Total Revenues</b>	<b>19,659,340</b>	<b>17,463,011</b>	<b>16,965,666</b>	<b>16,231,248</b>	<b>14,334,704</b>	<b>13,626,096</b>	<b>35,890,588</b>	<b>31,797,715</b>	<b>30,591,762</b>
<b>EXPENSES</b>									
Function/program activities									
Primary government:									
Governmental activities:									
General government	3,454,214	3,180,590	3,257,408	-	-	-	3,454,214	3,180,590	3,257,408
Law enforcement	1,359,740	1,313,651	1,277,859	-	-	-	1,359,740	1,313,651	1,277,859
Fire protection	4,096,325	3,881,364	4,000,144	-	-	-	4,096,325	3,881,364	4,000,144
Building department	548,162	542,380	484,448	-	-	-	548,162	542,380	484,448
Physical environment	501,629	500,711	491,636	-	-	-	501,629	500,711	491,636
Transportation	1,306,846	1,318,998	1,594,249	-	-	-	1,306,846	1,318,998	1,594,249
Library	1,593,137	1,577,190	1,542,784	-	-	-	1,593,137	1,577,190	1,542,784
Parks and recreation	4,050,804	3,740,028	3,545,138	-	-	-	4,050,804	3,740,028	3,545,138
Interest on long-term debt	150,009	54,488	146,190	-	-	-	150,009	54,488	146,190
Business-type activities:									
Water and sewer	-	-	-	9,214,092	8,423,410	8,287,692	9,214,092	8,423,410	8,287,692
Solid waste	-	-	-	2,917,406	2,807,743	2,861,263	2,917,406	2,807,743	2,861,263
Stormwater	-	-	-	910,440	1,166,631	1,043,174	910,440	1,166,631	1,043,174
<b>Total Expenses</b>	<b>17,060,866</b>	<b>16,109,400</b>	<b>16,339,856</b>	<b>13,041,938</b>	<b>12,397,784</b>	<b>12,192,129</b>	<b>30,102,804</b>	<b>28,507,184</b>	<b>28,531,985</b>
Excess before contributions	\$ 2,598,474	\$ 1,353,611	\$ 625,810	\$ 3,189,310	\$ 1,936,920	\$ 1,433,967	\$ 5,787,784	\$ 3,290,531	\$ 2,059,777
Transfers in (out)	-	-	-	-	-	-	-	-	-
<b>Change in net position</b>	<b>2,598,474</b>	<b>1,353,611</b>	<b>625,810</b>	<b>3,189,310</b>	<b>1,936,920</b>	<b>1,433,967</b>	<b>5,787,784</b>	<b>3,290,531</b>	<b>2,059,777</b>
Net position, beginning of year	34,016,133	33,179,543	32,553,733	37,506,286	35,778,184	34,344,217	71,522,419	68,957,727	66,897,950
Restatement of beginning net position	-	(517,021)	-	-	(208,818)	-	-	(725,839)	-
Net position, beginning of year as restated	34,016,133	32,662,522	32,553,733	37,506,286	35,569,366	34,344,217	71,522,419	68,231,888	66,897,950
<b>Net position, end of year</b>	<b>\$ 36,614,607</b>	<b>\$ 34,016,133</b>	<b>\$ 33,179,543</b>	<b>\$ 40,695,596</b>	<b>\$ 37,506,286</b>	<b>\$ 35,778,184</b>	<b>\$ 77,310,203</b>	<b>\$ 71,522,419</b>	<b>\$ 68,957,727</b>



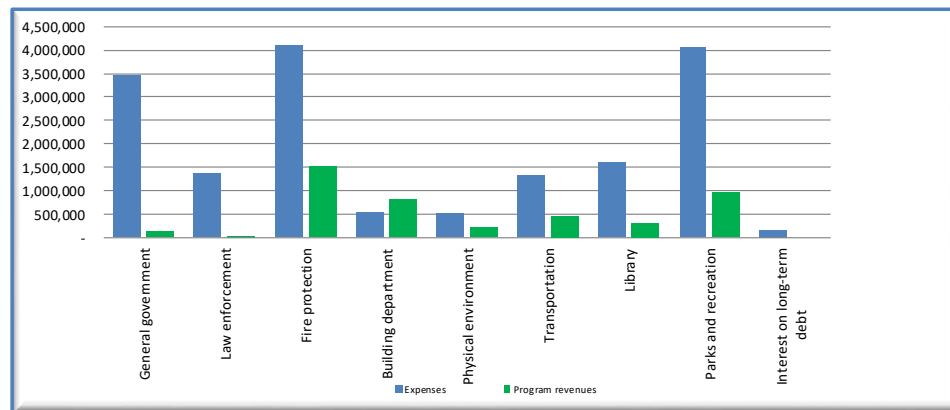
**Governmental activities.** The net position for the City’s governmental activities increased by \$2,598,474. Total revenues for the City’s governmental activities increased by \$2,196,329 (12.6 percent) over prior year. Key elements are as follows:

- Program revenues increased by 27.53 percent or \$961,260.
  - Charges for services increased by \$549,581. Of the total increase, revenues of \$596,556 were collected in the governmental funds for building permit fees for the new hospital pavilion at Mease Countryside.
  - Operating grants and contributions increased by a net amount of \$321,134. Of this increase, public safety revenue for EMS increased by 5.2 percent or \$51,085; library revenue from the Pinellas Public Library Cooperative increased by 32.9 percent or \$63,591; and federal and state grant revenue for Hurricane Irma was received in the amount of \$188,429.
  - Capital grants and contributions increased by \$90,545. Current year revenue of \$163,842 is funding the Waterfront Park Living Shoreline via a grant from the Tampa Bay Estuary Program, \$25,000 in private donations for capital and amenity improvements at the Baranoff Oak Park and \$45,688 in private donations for capital and amenity improvements at Folly Farms.
  
- General revenues increased by 8.8 percent or \$1,235,069.
  - Property tax revenue increased by \$343,639 (7.0 percent). Gross taxable values in the City increased by 5.29 percent over prior year. City taxable values in the Community Redevelopment District increased by 40.66 percent over prior year. The millage rate remained at 3.95 consistent with prior year.
  - Investment income and market value adjustments increased by \$623,432 over prior year, with interest earnings of \$308,019 and a market value increase of \$315,413. The annual average yield on the city’s agency and mortgage obligations increased to 2.69 percent from prior year 2.64 percent.
  - The local option tax increased by \$92,083 (4.2 percent) over prior year. The Penny tax for local government infrastructure improvements throughout the city reflected the largest increase with 5.2 percent over prior year. Transportation (street improvements) decreased nominally by 1.6 percent and the insurance premium tax for Fire Fighters pension decreased by 2.2 percent.
  - Franchise fees increased by \$85,856 (6.1 percent) over prior year. The city collects franchise fees of 6.0 percent of gross receipts levied on businesses in exchange for the purpose of operating a franchise for an electric power plant (Duke Energy) or a gas system (Clearwater Gas).



Expenses for the City’s governmental activities increased by \$951,466 or 5.9 percent. Key elements of the net increase are as follows:

- General government expenses increased by 8.6 percent. Expenses not requiring the use of current financial resources including a minor change of \$25,541 in depreciation was offset by a decrease in pension related amounts and compensated absences with other post-employment benefits nominally increasing. The Community Redevelopment realized an increase of \$191,783, excluding capital outlay.
- Fire department expenses increased by 5.5 percent. Expenses not requiring the use of current financial resources including a relatively flat change in depreciation was offset by a decrease in pension related amounts and compensated absences with other post-employment benefits nominally increasing. Further, materials and supplies decreased by 6.6 percent and salaries and fringes decreased by 1.7 percent; however, a required reimbursement to Pinellas County for EMS related expenditures increased overall fire operations expenditures by \$97,208.
- Parks and recreation expenses increased by 8.3 percent. Expenses not requiring the use of current financial resources include a 55.1 percent increase in depreciation, an 84.9 percent decrease in pension related amounts and a 32.5 percent increase in compensated absences.



**Business-type activities.** Business-type activities resulted in an increase in the City’s net position by \$3,189,310.

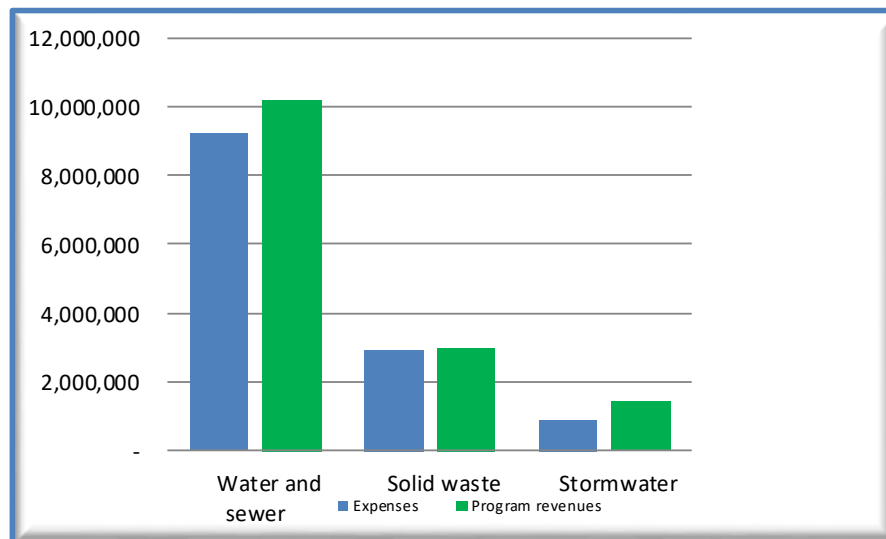
Total revenues for the City’s business-type activities increased by \$1,896,544 (13.2 percent) over prior year. Key elements are as follows:

- Program revenues increased by \$901,171, which is a 6.6 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 third 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 revenue increased by \$803,391, which is a combined increase of 8.6 percent over prior year. In the current fiscal year, combined consumption for water, irrigation and sewer dropped by 3.4 percent under prior year.
    - The city implemented the first year of a five-year rate change on January 1<sup>st</sup> of 2017. The increase in stormwater rates effective October 1<sup>st</sup> of the current fiscal year was 3.0 percent. Stormwater revenue in the third year of the rate change increased by \$48,469, which is a 3.5 percent increase over prior year.
    - Even though evaluated, no rate changes were implemented in solid waste in the current fiscal year. Solid waste realized an increase of \$35,888 or 1.2 percent.

- General revenues increased by \$995,373, which is a 170.0 percent increase.
  - Investment income increased by a net amount of \$937,043, which is a 876.0 percent increase. Interest earnings increased from \$355,707 to \$414,017 (16.4 percent) current fiscal year. Market value increased from a decline in market value of \$462,735 in the prior fiscal year to an increase in market value of \$878,733 to \$415,998 current year, which is 190.0 percent.
  - Other miscellaneous revenues increased by \$40,339 (6.1 percent). Revenues increased due to the indirect allocation of information technology services for water and sewer software and hardware support.
  - The gain on sale of equipment of \$53,879 from the Enterprise funds increased by \$17,991 for assets across the water, sewer, and stormwater funds.

Expenses, including operating and nonoperating, for the City’s business-type activities increased by \$644,154, which is 5.2 percent. Key elements of the increase are as follows:

- Water and sewer expenses increased by \$790,682, which is 9.4 percent over prior year. Net of the total, salaries and fringes and materials and supplies decreased by 4.2 and 31.3 percent, respectively. Contractual and other services increased by a net amount \$627,411 (12.2 percent). For the second consecutive fiscal year. The largest increase is in the purchase of sewer for the city’s portion of the Northeast Treatment Plant at \$595,572 or 35.7 percent over prior year for a total expense of \$5,263,322; and, the purchases of water from Pinellas County decreased under prior year in the amount of \$93,374 or 4.3 percent for a total of \$2,066,604. Additionally, nonoperating expense for interest on debt increased by \$32,340 (21.6 percent) due to the issuance of new debt in the current fiscal year. Depreciation and amortization increased by 25.2 percent to \$1,370,807.
- Solid waste expenses increased by \$109,663 or 3.9 percent over prior year. Of the net increase, personal services increased by \$81,021 primarily driven by an increase in the FRS pension valuation. Of the 14.8 percent decrease in materials and supply, purchases of special equipment decreased by \$33,883. Depreciation and amortization increased by 12.3 percent.
- Stormwater expenses decreased by \$256,191 or 22.0 percent under prior year. Salaries and fringes decreased by 22.0 percent, due to the net impact of a net reduction in the Florida Retirement System liability for stormwater employees in the plan. Drainage related materials and supplies decreased by 69.3 percent. Contractual and other services decreased by 10.9 percent to include land fill fees and other fees and contracts.



## 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. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2019, the City's governmental funds reported combined ending fund balances of \$12,565,349, an increase of \$343,258 (2.8 percent) in comparison with the prior year. Of this total amount, \$5,572,409 or 44.4 percent is unassigned and available for spending at the City's discretion. The remainder of fund balance, \$6,992,940 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, 2019, committed (emergency/stabilization) and unassigned fund balance was \$8,667,011. 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 0.3 percent of total general fund expenditures excluding transfers out, while committed and unassigned fund balance is 59.7 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 (\$2,541,630). As of September 30, 2019, the City's unassigned fund balance meets this goal at 37.3 percent of prior year's operating expenditures.

General Fund balance increased by \$1,430,374 in the current fiscal year. Key elements of the increase are as follows:

- Revenues, including transfers in, total \$16,147,955, which is a net increase of \$1,608,682 (11.1 percent) over prior year.
  - Ad valorem revenue increased by \$274,116 with a millage rate of 3.95 consistent with prior year and an increase in property values of 7.21 percent.
  - Utility taxes are increased over prior year by a net amount of \$112,256 or 4.8 percent. Electric utility taxes increase by 8.6 percent, while the communications service tax decreased by 1.9 percent.
  - Franchise fees increased by \$85,856 (6.1 percent for electric and gas). Fees for electric are based on gross receipts for all retail electrical sales less governmental services not subject to franchise fees, the increase in electric is a result of an increase in gross retail sales for the City's local energy provider Duke Energy.
  - Sales tax increased by \$24,512 or 2.2 percent over prior year. This is based on economic conditions in the current fiscal year.
  - Charges for services increased by \$55,626 (4.5 percent). Building permit and inspections revenues increased overall by \$190,201 (53.4 percent) over prior year. Recreation programs revenue decreased by \$83,159 (9.4 percent) under prior year; however, revenue from recreation programs generated \$802,000 in general fund revenue.
  - Interest income and net depreciation in the fair value of investments increased by \$466,903, with an increase in market value of \$452,026 at September 30, 2019.
  - Intergovernmental revenues increased by 17.1 percent or \$343,565. Revenue from the Pinellas Public Library Consortium increased by 32.9 percent or \$63,591 over prior year. While revenues from Pinellas County EMS increased by \$51,085, EMS was overfunded in the current fiscal year and \$97,208 will be repaid to Pinellas County EMS in FY 2020. Revenue from grantors for Hurricane Irma (2017) reimbursement totaled \$188,429.

- Expenditures of \$14,717,581, including transfers out of \$207,650, reflect a net decrease of \$233,184 or 1.6 percent under prior year. Operating expenditures excluding transfers increased by 1.0 percent.
  - Personnel services of \$9,512,064 are increased over prior year by \$156,542 or 1.7 percent. Several factors impacting the current year increase includes:
    - 3 percent merit increases;
    - net impact of turnover and staff vacancies;
    - increase of 12.0 percent programmed resulting in an actual increase of a \$114,098 (8.6 percent).
  - Materials and supplies of \$437,840 decreased by \$30,469 under prior year, primarily within the fire and recreation departments.
  - Contracted/other operating expenses, including interfund allocations and grants to non- profits, of \$4,475,081 increased by \$42,537 or 1.0 percent.
  - Capital outlay of \$84,951 decreased by \$26,106 under prior year. The purchase of library books and audio visual decreased by \$6,310 under prior year. Public Works allocated a portion of the automatic gate installed at the PW facility to streets resulting in an addition of \$4,998 in capital outlay.
  - Transfers out of \$207,650 are \$375,638 lower higher than prior year with funds transferred from General Fund to the Street Improvement fund for street resurfacing (\$200,000) and Street Light assessment (\$7,650) for the governmental assessment. In the prior year, funds were transferred for the deposit to escrow for land acquisitions and property that were purchased in the current fiscal year.

The **Community Redevelopment Agency (CRA)** fund balance is \$76,346 as of September 30, 2019. Revenue of \$580,253 is 17.8 over prior year. Municipal taxable values and County taxable values increased by 9.0 and 9.0 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 \$69,523 over prior year. Expenditures of \$855,882, including a transfer of \$157,000 to the General Fund for Waterfront Park and a transfer of \$166,000 to Capital Projects to service debt on the acquisition of Baranoff Oak Park, are 31.3 percent higher than the prior year's expenditures. Economic Development in the tax increment district totaled \$181,522, Main Street bricks totaled \$89,353 and improvements at the Baranoff Oak Tree Park totaled \$65,889. The details for all CRA activities are included in Note 10 on page 78 within this document.

The **Capital Projects** fund balance is \$1,506,371 at September 30, 2019. Revenue of \$1,980,903 from the Penny for Pinellas sales tax is \$98,033 (5.2 percent) over prior year. The "Penny" is eligible for capital infrastructure improvements as well as the servicing of debt. Revenue also includes \$8,780 from the county for fire equipment and \$85,160 in interest and market value adjustments. Debt issued from the Capital Projects fund current year, which increases long-term liabilities in the government wide statements, totaled \$1,395,500 to purchase the Baranoff Oak Property and the property adjacent to the Public Works facility to be used for the purchase of land to build a Building Maintenance facility on in future years. Current year capital improvements and acquisitions are \$2,805,223. The most significant capital outlay is for the purchase of land, building improvements at the Community Center to include a new Fitness Center and two vehicles, including required equipment, for the Fire Department.

More detail regarding the governmental funds can be found in the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance on pages 21 through 24 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 \$1,010,167, \$1,688,180 and \$1,849,057, respectively. Cumulatively, the unrestricted net position for the enterprise funds increased by \$266,559 over prior year or by 6.2 percent. Water/Sewer decreased by 28.5 percent and Sanitation decreased by 0.5 percent, and Stormwater increased by 57.9 percent. Funds restricted for debt service increased by \$138,165 and capital projects increased by \$872,470. The total increase in net position current year is \$3,189,810, of which investment in capital assets less related debt used to acquire the debt increased by \$1,912,116.

Total operating and non-operating revenue in the proprietary funds increased by \$1,896,544 with charges for services 6.5 percent or \$886,191 higher than prior year; total investment income and market value adjustment is \$937,043 higher than prior year. Other revenues, including miscellaneous and gain on the sale of capital assets, increased by 8.4 percent or \$58,330 over prior year. Of the total increase in revenue, water and sewer increased by \$1,582,558, sanitation revenue increased by \$217,774 and stormwater increased by \$96,212.

Total expenses in the City's proprietary funds increased by \$644,154 (5.2 percent) over prior year. Cumulatively the total of all funds in each category including salaries and fringes, materials and supplies and contracted/other services increased by \$278,519 while depreciation and amortization of assets increased by \$333,132. Overall, salaries and fringes decreased by 4.3 under prior year and materials and supplies decreased by 30.0 percent. Contracted services increased by 9.9 percent.

More detail regarding the proprietary funds can be found on pages 25 through 28 of this report.

#### **General Fund Budgetary Highlights**

During the current year, the total increase between adopted and final budget was \$302,443, with a final adopted General Fund budget of \$23,499,037, including budgeted reserve.

Supplemental budget amendments for budgeted revenue increased in federal revenue by \$134,493 for Irma reimbursement, a transfer in from Capital Projects in the amount of \$150,700, \$750 in miscellaneous for the Human Resources wellness program, and \$108,034 carried forward from the prior year. Carry forwards included \$91,534 for purchase orders remaining open in the prior year that were not completed and \$16,500 for a Recreation project from prior year that was not started but required completed in the current year.

Supplemental budget amendments for budgeted appropriations increased between the adopted and final budget by \$302,443 with a net increase in budgeted fund reserve of \$269,377. Overall, budgeted appropriations increased by a net amount of \$33,066, excluding budget fund reserve. Fire protection increased by \$29,267 due to EMS reimbursement to Pinellas County, legal services increased by \$12,000 due to union negotiations.

More details regarding the General Fund Budget can be found on pages 80 and 81 of 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, 2019 is \$61,437,134, net of accumulated depreciation. As reflected in the following schedule, the City’s investment in capital assets increased in land acquisition, buildings, equipment and improvements other than buildings in governmental activities with a decrease in construction in progress. In business-type activities, construction in progress, improvements other than buildings and equipment increased. The net increase in the City’s investment in capital assets is \$6,569,868 over prior year.

	Capital Assets								
	Governmental Activities			Business-Type Activities			Total Primary Government		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Land	\$ 9,654,746	\$ 8,071,070	\$ 8,071,070	\$ 606,548	\$ 606,548	\$ 606,548	\$ 10,261,294	\$ 8,677,618	\$ 8,677,618
Construction in progress	1,173,643	2,931,309	2,479,871	4,632,462	3,755,358	1,099,917	5,806,105	6,686,667	3,579,788
Buildings	4,909,235	4,882,336	4,899,393	343,689	343,689	343,689	5,252,924	5,226,025	5,243,082
Improvements other than buildings	33,197,249	29,102,615	28,616,622	44,289,375	40,431,925	39,854,110	77,486,624	69,534,540	68,470,732
Equipment	7,321,324	6,904,376	7,280,520	9,954,923	9,211,934	8,903,663	17,276,247	16,116,310	16,184,183
Less:									
Accumulated Depreciation	27,865,695	26,110,792	25,314,438	26,780,364	25,263,101	23,994,459	54,646,059	51,373,893	49,308,897
<b>Total</b>	<b>\$ 28,390,502</b>	<b>\$ 25,780,914</b>	<b>\$ 26,033,038</b>	<b>\$ 33,046,633</b>	<b>\$ 29,086,353</b>	<b>\$ 26,813,468</b>	<b>\$ 61,437,135</b>	<b>\$ 54,867,267</b>	<b>\$ 52,846,506</b>

The following schedule reflects current year capital asset additions excluding construction in progress:

<u>Governmental Activities</u>	<u>Additions</u>	<u>Governmental Activities</u>	<u>Additions</u>
Security System Improvements	\$ 4,998	SHCP RR & Concession Improvements	6,481
Library Floor Covering	3,993	MLK Sidewalk at Folly Farms	36,306
Library Books	59,174	Baranoff Park Improvement	65,889
Library Audio/Visual	16,786	Main Street Electrical, Irrigation & Landscaping	222,445
Security System Improvements	8,939	Veterans Memorial Improvements	69,073
Material Storage Containment System - Allocated	23,634	Mullet Creek Park	9,724
Replace 2002 3/4 Ton Dump Truck (Vehicle #348)	41,312	Brick Street Restoration	89,352
Sidewalk Repair and Replacement	33,707	Replace Vehicle #804	67,493
Curb Replacements	31,439		
Brick Street Restoration	15,000	<u>Business-type Activities</u>	<u>Additions</u>
Bridge Improvements	8,020	City-wide Phone System Replacement	\$ 130,271
Roadway Underdrain R&R	83,569	City Hall Network Server Replacement	130,317
Street Sign Improvement	6,697	City Hall Network Server UPS Battery Backup	5,099
Miscellaneous Street Repair (HAZ Tree Removal)	48,952	Security System Improvements	5,001
Replace Vehicle #505	25,646	Material Storage Containment System - Allocated	23,634
Replace Vehicle #801	79,978	Replace 3/4 Ton Pick Up Truck (Vehicle #203)	30,033
911 Portable Radio Replacement	39,981	Replace Portable Light Towers #618 and #639	22,592
Material Storage Containment System - Allocated	23,634	Replace Portable Air Compressor #629	20,000
Citywide Brick Street Restoration	18,297	Security System Improvements	5,001
Ver-Mac PCMS-548 (Variable Message Board) (Repla	12,000	Material Storage Containment System - Allocated	23,634
Facilities Panic Alarm Systems	15,741	Replace TV Step Van (Vehicle #206)	274,560
Library Partial Carpet Replacement	24,000	SCADA System Survey & Design & Phase I	52,616
Replace Community Center Flat Roof	21,941	John Deere Golf Cart	7,864
Rigsby Center Window	4,958	Security System Improvements	5,001
Replacement of Vehicle #453 Air Conditioner	14,950	Material Storage Containment System - Allocated	26,329
Floor Cleaning Machine	13,056	Dumpster Transporter (Vehicle #318)	100,198
Parks & BM Admin Land Acq	356,501	Replace Front Loader (Vehicle #310)	279,999
Parks Land Acquisition	1,010,133	Replace Side Truck 317	299,005
Waterfront Park	2,307,025	Cold Saw	5,500
Boat Ramp Decking Replacement	44,446	Green Springs Area Galvanized Water Line	1,411,566
Mease Park Playground Replacement	89,259	Huntington Office Park/North City Park Water Main	265,167
SHCP Ball Field Improvements	14,731	Radio Frequency Meter Replacement	91,279
NCP Improvements	24,411	Briar Creek	27,671
Replace Vehicle #400	30,144	Bay Woods (2017 project moved to 2018)	205,275
Parks Equipment Replacement & Renewal	42,723	Sanitary Sewer pipe lining carried from 2017	792,442
Folly Farms	10,046	Briar Creek Mobile Home Community Reline Sewer Main	881,392
Weiss Property Purchase	217,043	Cypress Trace Force Main Relocation	34,573
Waterfront Park Living Shoreline/Spring Feature/Phase II	898,058	MLK Sewer Line Repairs	77,184
Baranoff Park I	16,991		

The following reconciliation summarizes the Changes in Capital Assets, which is presented in detail on page 54 of the notes to the financial statements.

#### Changes in Capital Assets

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>
Beginning Balance	\$ 25,780,914	\$ 29,086,353	\$ 54,867,267
Additions	9,465,921	10,040,291	19,506,212
Depreciation	(1,867,534)	(2,223,911)	(4,091,445)
Disposals (net of depreciation)	(4,988,799)	(3,856,100)	(8,844,899)
<b>Ending Balance</b>	<b>\$ 28,390,502</b>	<b>\$ 33,046,633</b>	<b>\$ 61,437,135</b>

**Long-term debt.** As of fiscal year end, the City's outstanding long-term debt from revenue bonds and notes decreased by \$1,371,011 and increased by \$3,361,922 for a net change of \$1,990,911. Pages 58 through 60 of the notes to the financial statements provide details for the following summary.

#### Outstanding Debt at Year-end

		<b>2019</b>	<b>2018</b>	<b>Change</b>	<b>Percent Change</b>
Governmental Activities					
2018	Purchase land for Baranoff Oak Park and land for Building Maintenance facility	\$ 1,268,500	\$ -	\$ 1,268,500	#DIV/0!
2012	Purchase of land for Waterfront Park	920,000	1,210,000	(290,000)	-24.0%
2008	Library expansion	1,056,000	1,559,000	(503,000)	-32.3%
2006	General government improvements	214,871	232,509	(17,638)	-7.6%
Governmental activities total		<u>3,459,371</u>	<u>3,001,509</u>	<u>457,862</u>	<u>15.3%</u>
Business-Type Activities					
2018	Water and Sewer infrastructure improvements	2,093,422	-	2,093,422	#DIV/0!
2012	Refunding for utility system improvements	485,000	640,000	(155,000)	-24.2%
2006	Utility system improvements	4,918,892	5,324,265	(405,373)	-7.6%
Business-type activities total		<u>7,497,314</u>	<u>5,964,265</u>	<u>1,533,049</u>	<u>25.7%</u>
<b>Total Outstanding Debt</b>		<b>\$ 10,956,685</b>	<b>\$ 8,965,774</b>	<b>\$ 1,990,911</b>	<b>22.2%</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, 2019 was 2.9 percent compared to the prior year's 3.2 percent. This compares favorably to Florida's unemployment rate of 3.0 percent and the national unemployment rate of 3.5 percent.
- For the seventh consecutive fiscal year, property values have shown recovery with an increase of 5.3 percent in assessed values moving into the 2020 budget cycle. The millage rate was held at 3.9500 for the fourth consecutive year, budgeting for a General Fund ad valorem revenue increase of \$256,430.
- In FY 2020, \$195,870 was returned to General Fund reserves to balance the budget. Future years' Capital Improvements will require transfers from General Fund reserves to continue with programmed street improvements and other capital projects.
- A rate study for the Enterprise Funds was adopted by City Commission and implemented on January 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 \$10.30 in fiscal 2019 to \$10.61 in fiscal 2020. 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 to 6.0 percent except for those charges for non-residential (commercial) recycling fees. All were implemented effective January 1, 2020.

### **Subsequent Event**

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Management believes the City is taking appropriate actions to mitigate negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

## REQUESTS FOR INFORMATION

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

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF SAFETY HARBOR, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Pooled cash and investments	\$ 11,219,963	\$ 5,630,205	\$ 16,850,168
Receivables, net:			
Accounts receivable	452,263	1,339,430	1,791,693
Due from other governments	1,011,263	12,652	1,023,915
Inventories	46,394	182,279	228,673
Prepaid items	833	-	833
Restricted assets:			
Pooled cash and investments:			
Other	1,738,084	-	1,738,084
Sinking fund	32,396	76,832	109,228
Customer deposits	23,129	633,264	656,393
Total current assets	<u>14,524,325</u>	<u>7,874,662</u>	<u>22,398,987</u>
Noncurrent assets:			
Restricted assets:			
Pooled cash and investments:			
Sinking fund	-	1,507,755	1,507,755
Capital projects	-	9,824,253	9,824,253
Capital assets:			
Non depreciable	10,828,389	5,239,010	16,067,399
Depreciable, net of accumulated depreciation	17,562,113	27,807,622	45,369,735
Unamortized prepaid insurance costs	-	2,326	2,326
Net pension asset	2,569,304	-	2,569,304
Total noncurrent assets	<u>30,959,806</u>	<u>44,380,966</u>	<u>75,340,772</u>
Total assets	<u>45,484,131</u>	<u>52,255,628</u>	<u>97,739,759</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources related to OPEB	57,792	27,738	85,530
Deferred outflows of resources related to pensions	1,631,651	239,746	1,871,397
Total deferred outflows of resources	<u>1,689,443</u>	<u>267,484</u>	<u>1,871,397</u>
Total assets and deferred outflows of resources	47,173,574	52,523,112	99,611,156
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	831,696	681,059	1,512,755
Accrued liabilities	181,116	69,090	250,206
Unearned revenue	923,035	-	923,035
Current liabilities, payable from restricted assets:			
Accrued interest payable	32,396	76,832	109,228
Customer deposits	23,129	633,264	656,393
Construction contracts payable	-	718,343	718,343
Current portion of long-term obligations	1,022,568	1,052,739	2,075,307
Total current liabilities	<u>3,013,940</u>	<u>3,231,327</u>	<u>6,245,267</u>
Noncurrent liabilities:			
Compensated absences	713,069	263,848	976,917
Other post employment benefits	868,588	366,960	1,235,548
Net pension liability	929,953	813,709	1,743,662
Capital lease	210,000	-	210,000
Bonds and notes payable	2,499,619	6,465,951	8,965,570
Total noncurrent liabilities	<u>5,221,229</u>	<u>7,910,468</u>	<u>13,131,697</u>
Total liabilities	<u>8,235,169</u>	<u>11,141,795</u>	<u>19,376,964</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources related to OPEB	131,790	63,257	195,047
Deferred inflows of resources related to pension	2,192,008	602,273	2,794,281
Deferred amount on debt refunding	-	20,191	20,191
Total deferred inflows of resources	<u>2,323,798</u>	<u>685,721</u>	<u>2,814,472</u>
<b>Net Position</b>			
Net investment in capital assets	24,716,131	24,816,184	49,532,315
Restricted, net of payables from restricted assets:			
Fire protection and public safety	107,174	-	107,174
Transportation programs	288,398	-	288,398
Library	77,368	-	77,368
Parks and recreation programs	171,217	-	171,217
Debt service	166,743	1,507,755	1,674,498
Capital projects	927,184	9,824,253	10,751,437
Unrestricted	<u>10,160,392</u>	<u>4,547,404</u>	<u>14,707,796</u>
<b>Total net position</b>	<u>\$ 36,614,607</u>	<u>\$ 40,695,596</u>	<u>\$ 77,310,203</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
STATEMENT OF ACTIVITIES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Function/Programs	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 3,454,214	\$ 145,743	\$ -	\$ -
Law enforcement	1,359,740	17,052	-	-
Fire protection	4,096,325	54,650	1,457,698	8,780
Building department	548,162	811,984	-	-
Physical environment	501,629	215,135	-	-
Transportation	1,306,846	453,586	5,092	-
Library	1,593,137	47,934	271,668	-
Parks and recreation	4,050,804	802,000	6,000	155,062
Interest on long-term debt	150,009	-	-	-
Total governmental activities	<u>17,060,866</u>	<u>2,548,084</u>	<u>1,740,458</u>	<u>163,842</u>
Business-type activities:				
Water and sewer	9,214,092	10,135,847	61,032	-
Solid waste	2,917,406	2,989,087	15,595	-
Stormwater	910,440	1,447,489	-	1,145
Total business-type activities	<u>13,041,938</u>	<u>14,572,423</u>	<u>76,627</u>	<u>1,145</u>
Total primary government	<u>\$ 30,102,804</u>	<u>\$ 17,120,507</u>	<u>\$ 1,817,085</u>	<u>\$ 164,987</u>
General revenues:				
Taxes:				
Property taxes				
Utility taxes				
Local business tax				
Local option tax				
Franchise fees				
Sales tax				
Intergovernmental				
Interest income and net depreciation in fair value of investments				
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 – GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,308,471)	\$ -	\$ (3,308,471)
(1,342,688)	-	(1,342,688)
(2,575,197)	-	(2,575,197)
263,822	-	263,822
(286,494)	-	(286,494)
(848,168)	-	(848,168)
(1,273,535)	-	(1,273,535)
(3,087,742)	-	(3,087,742)
(150,009)	-	(150,009)
(12,608,482)	-	(12,608,482)
-	982,787	982,787
-	87,276	87,276
-	538,194	538,194
-	1,608,257	1,608,257
\$ (12,608,482)	\$ 1,608,257	\$ (11,000,225)
5,257,349	-	5,257,349
2,436,400	-	2,436,400
144,019	-	144,019
2,307,990	-	2,307,990
1,502,259	-	1,502,259
1,150,183	-	1,150,183
628,185	-	628,185
623,432	830,015	1,453,447
1,157,139	697,159	1,854,298
-	53,879	53,879
15,206,956	1,581,053	16,788,009
2,598,474	3,189,310	5,787,784
34,016,133	37,506,286	71,522,419
\$ 36,614,607	\$ 40,695,596	\$ 77,310,203

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, 2019

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Other Non- major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Pooled cash and investments	\$ 9,267,545	\$ 111,129	\$ 1,272,512	\$ 2,362,386	\$ 13,013,572
Receivables, net:					
Accounts receivable	423,823	888	2,468	25,084	452,263
Due from other governments	395,973	-	478,206	137,084	1,011,263
Inventories	46,394	-	-	-	46,394
Prepaid items	833	-	-	-	833
Total assets	<u>\$ 10,134,568</u>	<u>\$ 112,017</u>	<u>\$ 1,753,186</u>	<u>\$ 2,524,554</u>	<u>\$ 14,524,325</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	300,692	\$ 34,740	\$ 246,815	\$ 249,449	\$ 831,696
Accrued liabilities	179,510	931	-	675	181,116
Customer deposits	17,246	-	-	5,883	23,129
Unearned revenue	922,882	-	-	153	923,035
Total liabilities	<u>1,420,330</u>	<u>35,671</u>	<u>246,815</u>	<u>256,160</u>	<u>1,958,976</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventories and prepaid items	47,227	-	-	-	47,227
<b>Restricted for:</b>					
Fire protection	-	-	-	107,174	107,174
Transportation	-	-	-	288,398	288,398
Library	-	-	-	77,368	77,368
Parks and recreation	-	-	-	171,217	171,217
Debt service	-	-	-	199,139	199,139
Capital projects	-	-	927,184	-	927,184
<b>Committed to:</b>					
Emergency/disaster relief stabilization	3,094,602	-	-	-	3,094,602
Physical environment	-	-	-	158,127	158,127
Public safety	-	-	-	112,241	112,241
<b>Assigned to:</b>					
General government	-	76,346	-	-	76,346
Fire protection	-	-	-	8,160	8,160
Library	-	-	-	3,962	3,962
Public safety	-	-	-	7,042	7,042
Physical environment	-	-	-	25,698	25,698
Transportation	-	-	-	1,109,868	1,109,868
Parks and recreation	-	-	579,187	-	579,187
<b>Unassigned:</b>	5,572,409	-	-	-	5,572,409
Total fund balances	<u>8,714,238</u>	<u>76,346</u>	<u>1,506,371</u>	<u>2,268,394</u>	<u>12,565,349</u>
Total liabilities and fund balances	<u>\$ 10,134,568</u>	<u>\$ 112,017</u>	<u>\$ 1,753,186</u>	<u>\$ 2,524,554</u>	<u>\$ 14,524,325</u>

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, 2019

Fund balances - total governmental funds \$ 12,565,349

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	\$ 10,828,389	
Depreciable	45,427,808	
Less, accumulated depreciation	27,865,695	28,390,502

The net pension asset related to governmental activities does not represent financial resources and is not reported in the funds. 2,569,304

Deferred outflows of resources related to OPEB and net pension liabilities do not have a current financial resources focus, and therefore are not recognized in the governmental fund statements. 1,689,443

Accrued interest payable on long-term debt does not use represent the current use of financial resources and is not reported as a liability in the governmental funds (32,396)

Deferred inflows of resources related to OPEB and net pension liabilities do not have a current financial resources focus, and therefore are not recognized in the governmental fund statements (2,323,798)

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

Net pension liability	(929,953)	
Revenue notes and line of credit payable	(3,459,371)	
Capital lease payable	(215,000)	
Compensated absences	(770,885)	
Other post employment benefits	(868,588)	(6,243,797)

Net position of governmental activities \$ 36,614,607

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, 2019**

	<b>General</b>	<b>Community Redevelopment Agency</b>	<b>Capital Projects</b>	<b>Other Non-major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Property taxes	\$ 4,693,796	\$ 563,553	\$ -	\$ -	\$ 5,257,349
Utility taxes	2,436,400	-	-	-	2,436,400
Local business taxes	144,019	-	-	-	144,019
Local option taxes	89,943	-	1,980,903	237,144	2,307,990
Franchise fees	1,502,259	-	-	-	1,502,259
Licenses and permits	546,706	-	-	-	546,706
Impact fees	-	-	-	434,211	434,211
Special assessments	-	-	-	246,398	246,398
Sales tax	1,150,183	-	-	-	1,150,183
Intergovernmental	2,347,934	-	8,780	78,500	2,435,214
Charges for services	1,301,737	-	-	92,884	1,394,621
Fines and forfeitures	17,052	-	-	-	17,052
Interest income and net appreciation in fair value of investments	421,297	16,700	85,160	100,275	623,432
Contributions and donations	20,583	-	-	70,688	91,271
Other	1,068,346	-	-	3,889	1,072,235
<b>Total revenues</b>	<b>15,740,255</b>	<b>580,253</b>	<b>2,074,843</b>	<b>1,263,989</b>	<b>19,659,340</b>
<b>Expenditures:</b>					
<b>Current operating:</b>					
General government	2,839,631	336,144	-	-	3,175,775
<b>Public safety</b>					
Law enforcement	1,355,163	-	-	-	1,355,163
Fire protection	3,948,487	-	-	16,461	3,964,948
Building department	510,322	-	-	22,185	532,507
Physical environment	468,606	-	-	25,295	493,901
Transportation	645,788	-	23,781	264,797	934,366
<b>Culture and recreation</b>					
Library	1,307,317	-	-	-	1,307,317
Parks and recreation	3,349,666	-	591	19,940	3,370,197
Capital outlay	84,951	196,738	2,805,223	1,389,862	4,476,774
<b>Debt service:</b>					
Capital lease principal	-	-	-	5,000	5,000
Principal retirement	-	-	-	937,728	937,728
Interest and other charges	-	-	-	157,906	157,906
<b>Total expenditures</b>	<b>14,509,931</b>	<b>532,882</b>	<b>2,829,595</b>	<b>2,839,174</b>	<b>20,711,582</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,230,324</b>	<b>47,371</b>	<b>(754,752)</b>	<b>(1,575,185)</b>	<b>(1,052,242)</b>
<b>Other financing sources (uses):</b>					
Transfers in	407,700	-	-	1,798,453	2,206,153
Transfers out	(207,650)	(323,000)	(1,196,150)	(479,353)	(2,206,153)
Debt proceeds	-	-	1,395,500	-	1,395,500
<b>Total other financing sources (uses)</b>	<b>200,050</b>	<b>(323,000)</b>	<b>199,350</b>	<b>1,319,100</b>	<b>1,395,500</b>
<b>Net change in fund balances</b>	<b>1,430,374</b>	<b>(275,629)</b>	<b>(555,402)</b>	<b>(256,085)</b>	<b>343,258</b>
<b>Fund balances, beginning of year</b>	<b>7,283,864</b>	<b>351,975</b>	<b>2,061,773</b>	<b>2,524,479</b>	<b>12,222,091</b>
<b>Fund balances, end of year</b>	<b>\$ 8,714,238</b>	<b>\$ 76,346</b>	<b>\$ 1,506,371</b>	<b>\$ 2,268,394</b>	<b>\$ 12,565,349</b>

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, 2019

Net change in fund balances - total governmental funds \$ 343,258

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	\$ 4,476,774	
Less, current year depreciation	<u>1,867,534</u>	2,609,240

Note proceeds are reported as financing sources in governmental funds and contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities.

Debt issuance	1,395,500	(1,395,500)
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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	(937,728)	
Capital lease payment	<u>(5,000)</u>	942,728

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	140,636	
Accrued interest on long-term debt	7,897	
Compensated absences	(4,184)	
Other post employment benefits	<u>(45,601)</u>	<u>98,748</u>

Change in net position - governmental activities		<u><u>\$ 2,598,474</u></u>
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The notes to the basic financial statements are an integral part of this statement.

**CITY OF SAFETY HARBOR, FLORIDA**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2019**

	Water and Sewer	Solid Waste Fund	Stormwater Fund	Total
<b>Assets</b>				
Current assets:				
Pooled cash and investments	\$ 1,169,899	\$ 2,458,933	\$ 2,001,373	\$ 5,630,205
Accounts receivable, net:				
Accounts receivable	1,029,531	209,869	100,030	1,339,430
Due from other governments	-	12,652	-	12,652
Inventories	182,279	-	-	182,279
Restricted assets:				
Pooled cash and investments:				
Sinking fund	65,752	3,953	7,127	76,832
Customer deposits	578,626	54,638	-	633,264
Total current assets	<u>3,026,087</u>	<u>2,740,045</u>	<u>2,108,530</u>	<u>7,874,662</u>
Noncurrent assets:				
Restricted pooled cash and investments:				
Sinking fund	1,206,509	137,000	164,246	1,507,755
Capital projects	9,824,253	-	-	9,824,253
Capital assets:				
Nondepreciable	4,777,437	-	461,573	5,239,010
Depreciable, net of accumulated depreciation	20,219,758	2,277,397	5,310,467	27,807,622
Unamortized bond costs - prepaid insurance	2,326	-	-	2,326
Total noncurrent assets	<u>36,030,283</u>	<u>2,414,397</u>	<u>5,936,286</u>	<u>44,380,966</u>
<b>Total assets</b>	<u>39,056,370</u>	<u>5,154,442</u>	<u>8,044,816</u>	<u>52,255,628</u>
<b>Deferred outflows of resources</b>				
Deferred outflows of resources related to OPEB	15,025	9,246	3,467	27,738
Deferred outflows of resources related to pensions	68,499	136,998	34,249	239,746
	<u>83,524</u>	<u>146,244</u>	<u>37,716</u>	<u>267,484</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	625,149	48,859	7,051	681,059
Accrued liabilities	42,459	21,104	5,527	69,090
Current liabilities, payable from restricted assets:				
Accrued interest payable	65,752	3,953	7,127	76,832
Customer deposits	578,626	54,638	-	633,264
Construction contracts payable	715,287	3,056	-	718,343
Current portion of long-term obligations:				
Compensated absences	6,545	12,364	2,485	21,394
Bonds and notes payable	922,765	38,763	69,817	1,031,345
Total current liabilities	<u>2,956,583</u>	<u>182,737</u>	<u>92,007</u>	<u>3,231,327</u>
Noncurrent liabilities:				
Compensated absences	158,305	74,898	30,645	263,848
Other post employment benefits	183,776	149,020	34,164	366,960
Net pension liability	232,489	464,976	116,244	813,709
Bonds and notes payable	5,300,992	415,571	749,388	6,465,951
Total noncurrent liabilities	<u>5,875,562</u>	<u>1,104,465</u>	<u>930,441</u>	<u>7,910,468</u>
<b>Total liabilities</b>	<u>8,832,145</u>	<u>1,287,202</u>	<u>1,022,448</u>	<u>11,141,795</u>
<b>Deferred inflows of resources</b>				
Deferred inflow of resources related to OPEB	34,265	21,085	7,907	63,257
Deferred inflow of resources related to pensions	172,078	344,156	86,039	602,273
Deferred charges on debt refunding	20,191	-	-	20,191
<b>Total deferred inflows of resources</b>	<u>226,534</u>	<u>365,241</u>	<u>93,946</u>	<u>685,721</u>
<b>Net position</b>				
Net investment in capital assets	18,040,286	1,823,063	4,952,835	24,816,184
Restricted for:				
Debt service	1,206,509	137,000	164,246	1,507,755
Capital projects	9,824,253	-	-	9,824,253
Unrestricted	1,010,167	1,688,180	1,849,057	4,547,404
<b>Total net position</b>	<u>\$ 30,081,215</u>	<u>\$ 3,648,243</u>	<u>\$ 6,966,138</u>	<u>\$ 40,695,596</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, 2019

	<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	\$ 10,135,847	\$ 2,989,087	\$ 1,447,489	\$ 14,572,423
Intergovernmental	61,032	15,595	1,145	77,772
Other	687,266	8,681	1,212	697,159
Total operating revenues	<u>10,884,145</u>	<u>3,013,363</u>	<u>1,449,846</u>	<u>15,347,354</u>
<b>Operating expenses</b>				
Salaries, wages, and employee benefits	1,732,982	1,328,337	213,770	3,275,089
Materials and supplies	151,388	223,497	75,719	450,604
Contractual and other services	5,777,002	892,684	201,927	6,871,613
Depreciation and amortization	1,370,807	456,084	388,760	2,215,651
Total operating expenses	<u>9,032,179</u>	<u>2,900,602</u>	<u>880,176</u>	<u>12,812,957</u>
<b>Operating income (loss)</b>	<u>1,851,966</u>	<u>112,761</u>	<u>569,670</u>	<u>2,534,397</u>
<b>Nonoperating revenues (expenses)</b>				
Interest income and net appreciation in fair value of investments	602,302	138,967	88,746	830,015
Interest expense	(181,913)	(16,804)	(30,264)	(228,981)
Gain on the sale of capital assets	6,986	36,417	10,476	53,879
<b>Total nonoperating revenues (expenses)</b>	<u>427,375</u>	<u>158,580</u>	<u>68,958</u>	<u>654,913</u>
<b>Changes in net position</b>	2,279,341	271,341	638,628	3,189,310
<b>Net position - beginning</b>	<u>27,801,874</u>	<u>3,376,902</u>	<u>6,327,510</u>	<u>37,506,286</u>
<b>Net position - end of year</b>	<u>\$ 30,081,215</u>	<u>\$ 3,648,243</u>	<u>\$ 6,966,138</u>	<u>\$ 40,695,596</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, 2019

	<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	\$ 10,051,549	\$ 3,003,708	\$ 1,448,364	\$ 14,503,621
Other operating and intergovernmental revenue	748,298	24,350	2,357	775,005
Cash paid to suppliers for goods and services	(5,674,301)	(1,113,490)	(329,485)	(7,117,276)
Cash payments to and for the benefit of employees	(1,787,557)	(1,214,654)	(343,187)	(3,345,398)
Cash provided by operating activities	<u>3,337,989</u>	<u>699,914</u>	<u>778,049</u>	<u>4,815,952</u>
<b>Cash flows from capital and related financing activities:</b>				
Principal payments on long-term debt	(455,486)	(37,444)	(67,442)	(560,372)
Interest payments on long-term debt	(154,404)	(17,129)	(30,851)	(202,384)
Proceeds from the sale of capital assets	6,986	36,417	10,476	53,879
Acquisition and construction of capital assets	(4,570,142)	(716,041)	(311,912)	(5,598,095)
Proceeds of issuance from long term debt	2,093,422	-	-	2,093,422
Bond issuance costs	(66,116)	-	-	(66,116)
Cash used by capital and related financing activities	<u>(3,145,740)</u>	<u>(734,197)</u>	<u>(399,729)</u>	<u>(4,279,666)</u>
<b>Cash flows from investing activity:</b>				
Interest and dividends on investments	<u>602,983</u>	<u>138,742</u>	<u>87,808</u>	<u>829,533</u>
Cash provided by investing activities	<u>602,983</u>	<u>138,742</u>	<u>87,808</u>	<u>829,533</u>
Net increase (decrease) in pooled cash and investments	795,232	104,459	466,128	1,365,819
Pooled cash and investments at beginning of year	<u>12,049,807</u>	<u>2,550,065</u>	<u>1,706,618</u>	<u>16,306,490</u>
Pooled cash and investments at end of year	<u>\$ 12,845,039</u>	<u>\$ 2,654,524</u>	<u>\$ 2,172,746</u>	<u>\$ 17,672,309</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, 2019

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Reconciliation of cash and investments</b>				
<b>to Statement of Net Position:</b>				
Total unrestricted pooled cash and investments	\$ 1,169,899	\$ 2,458,933	\$ 2,001,373	\$ 5,630,205
Total restricted pooled cash and investments	<u>11,675,140</u>	<u>195,591</u>	<u>171,373</u>	<u>12,042,104</u>
Total pooled cash and investments	<u>\$ 12,845,039</u>	<u>\$ 2,654,524</u>	<u>\$ 2,172,746</u>	<u>\$ 17,672,309</u>
<b>Reconciliation of operating income to net cash</b>				
<b>provided by operating activities:</b>				
Operating income	\$ 1,851,966	\$ 112,761	\$ 569,670	\$ 2,534,397
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,370,807	456,084	388,760	2,215,651
Change in operating assets and liabilities:				
Decrease (increase) in accounts receivable	(84,298)	14,621	875	(68,802)
Decrease (increase) in due from other governments	-	74	-	74
Decrease (increase) in inventories	6,389	-	-	6,389
Decrease (increase) in deferred outflows	40,769	16,891	47,735	105,395
Increase (decrease) in accounts payable	242,434	5,094	(51,839)	195,689
Increase (decrease) in pension and other accrued liabilities	(92,206)	27,919	(115,578)	(179,865)
Increase (decrease) in deferred inflows	(6,044)	86,483	(52,070)	28,369
Increase (decrease) in customer deposits	5,266	(2,403)	-	2,863
Increase (decrease) in OPEB	(7,384)	(4,544)	(1,704)	(13,632)
Increase (decrease) in accumulated unused compensated absences	<u>10,290</u>	<u>(13,066)</u>	<u>(7,800)</u>	<u>(10,576)</u>
Net cash provided by operating activities	<u>\$ 3,337,989</u>	<u>\$ 699,914</u>	<u>\$ 778,049</u>	<u>\$ 4,815,952</u>
Non cash investing, capital, and financing activities:				
Amortization of bond premiums	\$ 9,320	\$ -	\$ -	\$ 9,320
Construction contracts payable at year end	715,287	-	-	715,287
Change in fair value of investments	(602,302)	(138,967)	(88,746)	(830,015)

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, 2019

	<b>Pension Trust Fund</b>
<b>Assets</b>	
Cash and cash equivalents:	
Money market	\$ 99,001
Investments, at fair value:	
Equity securities	7,744,110
U.S. Treasury Bonds, Notes and Bills	3,157,045
Total investments	10,901,155
<b>Total assets</b>	<b>11,000,156</b>
 <b>Net position</b>	
Restricted for pension benefits	9,772,149
Restricted for pension benefits - Share Plan	1,228,007
<b>Total net position</b>	<b>\$ 11,000,156</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, 2019

	<b>Pension Trust Fund</b>
<b>Additions</b>	
Contributions:	
State of Florida	\$ 181,953
City	403,381
Employees	32,125
Total contributions	617,459
Investment income:	
Interest earnings and net decrease in the fair value of investments	564,883
Total additions	1,182,342
<b>Deductions</b>	
Administrative expenses	37,053
Distributions	20,757
Total deductions	57,810
Change in net position	1,124,532
Net position - beginning of year	9,875,624
Net position - end of year	\$ 11,000,156

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, 2019

**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 not prepared for the CRA.

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, 2019

**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 year-end to pay liabilities of the current period (i.e., within 60 days of the end of the current fiscal period) with the exception of grant receivables which are collected within twelve months. 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.

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.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

**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.

***Proprietary Fund Types***

Proprietary fund types are as follows:

- Water and Sewer – to account 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 – to account 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.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

- Stormwater Utility Fund – to account 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.
- 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.



CITY OF SAFETY HARBOR, FLORIDA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2019

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

Appropriations for outstanding authorized encumbrances are automatically reappropriated on October 1<sup>st</sup> 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.

Supplemental appropriations in the governmental funds were enacted during the year, as follows:

	Supplemental Appropriations
General Fund	\$ 302,443
Public Safety	65,000
Marina	315,246
Transportation Impact Fees	157,143
Parkland	667,378

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.

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. Accounts receivable of \$1,339,420 in the proprietary funds are shown net of the allowance of \$175,579.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

Taxes Receivable

In the governmental funds, delinquent ad valorem taxes receivable are 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, 2019.

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, 2019 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.

Inventories and Prepaids

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

CITY OF SAFETY HARBOR, FLORIDA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2019

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

The following is the breakdown in governmental fund inventories at September 30, 2019:

	Amount
Equipment supplies	\$ 16,702
Office supplies	862
Fuel supplies	28,830
	\$ 46,394

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

Depreciation expense for the year ended September 30, 2019 totaled \$1,867,534 and \$2,223,911 for governmental and business-type activities, respectively.

**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.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

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 debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

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.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

Unearned Revenue (continued)

The sales proceeds of \$1,027,000 are recognized as unearned revenue and amortized over the life of the agreement. As of September 30<sup>th</sup>, the amount remaining to be amortized for the sale of the cell tower lease is \$854,122. For the fiscal year ending September 30, 2019, \$20,540 was amortized as other revenue. Additionally, recreation, library, and street assessment revenues received but not yet earned total \$68,913 at September 30, 2019.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred inflows 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, 2019

**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.

Street Improvement Fund

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

Parkland Fund

The Parkland fund is used to account for and report the proceeds of impact fee revenue *restricted* for the acquisition of park facilities and parklands. The Parkland fund is restricted per Section 163.3202, Florida Statutes, as may be amended.

Transportation Impact Fee Fund

The Transportation Impact Fee fund is used to account for and report the proceeds of impact fee revenues that are *restricted* to expenditures for capital improvements to and expansion of transportation facilities specified per the Pinellas County Impact Fee ordinance 86-43, as amended in 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.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

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 Light Assessment Fund

The Street Light Assessment 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.

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 shall discontinue reporting these funds as a Special Revenue Fund and shall 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.

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

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, 2019, the fund balance committed for stabilization is \$3,094,602.

- 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)***

Restrictions are used to indicate a segregation of a portion of net position equal to the current assets that are restricted for meeting various covenants as may be specified and defined in the revenue bond indenture or by enabling legislation. Usage of restrictions has been limited to the following items:

- Restricted for Debt Service - indicates a portion of net position that is restricted by bond ordinance for payment of governmental and proprietary funds' long-term debt.



CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

- Restricted for Capital Projects – indicates a portion of the governmental fund net position that has been restricted for local government infrastructure projects funded by the Penny for Pinellas program and proprietary fund net position restricted for reclaimed water, sewer system development and expansion, and water and sewer renewal and replacement.

***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.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Equity in Pooled Cash and Investments

At September 30, 2019, the carrying amount of the City’s deposits with financial institutions was \$6,002,751 and the bank account balance was \$6,291,879. 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>	<u>Carrying Amount</u>	<u>% of Portfolio</u>	<u>Weighted average maturity (years)</u>	<u>Credit Rating</u>
<u>Cash and cash equivalents</u>				
Cash on hand	\$ 1,723	-	n/a	n/a
Cash in bank	6,002,751	-	n/a	n/a
Total cash and cash equivalents	<u>6,004,474</u>	19.57%		
<u>Investments</u>				
Certificates of Deposit	2,500,761	8.15%	1.90	AAA
Money Markets	58,673	0.19%	0.00	AAA <sub>m</sub>
SBA Florida Prime	309,229	1.01%	1.00	AAA <sub>m</sub>
Federal Home Loan Mortgage ARM FHLMC	216,981	0.71%	2.93	AAA
Federal Home Loan Mortgage CMO FHLMC	5,847,137	19.05%	2.00	AAA
Federal Home Loan Mortgage MBS FHLMC	1,410,691	4.60%	2.24	AAA
Government National Mortgage Association ARM GNMA	288,925	0.94%	4.47	AAA
Government National Mortgage Association CMO GNMA	4,712,184	15.36%	2.44	AAA
Government National Mortgage Association MBS GNMA	375,896	1.22%	2.95	AAA
Federal National Mortgage Association ARM FNMA	95,075	0.31%	2.41	AAA
Federal National Mortgage Association CMO FNMA	3,854,513	12.56%	2.69	AAA
Federal National Mortgage Association MBS FNMA	5,011,342	16.33%	2.60	AAA
Total investments	<u>24,681,407</u>			
Total pooled cash and investments	<u>\$ 30,685,881</u>	100.00%		

CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

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.

***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, manages \$11.9 billion for State and local governments. The SBA is authorized to administer and invest Florida PRIME consistent with Chapter 215.47, Florida Statutes. Florida PRIME operates as a "2a-7 like" fund reporting a dollar weighted average days to maturity at September 30, 2019 of 37 days. The investment policy of Florida PRIME is to manage the dollar weighted average maturity to 60 days or less.

On September 30, 2019, the fair value of the City's investments in Florida PRIME was \$309,229 with no liquidity restrictions.

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

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.

At September 30, 2019, 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	\$ 2,500,761	10.13%	20.00%
Money Markets	58,673	0.24%	10.00%
SBA Florida Prime	309,229	1.25%	25.00%
<b>US/Government Agencies</b>			
Federal Home Loan Mortgage ARM FHLMC	216,981	0.88%	
Federal Home Loan Mortgage MBS FHLMC	1,410,691	5.72%	
Government National Mortgage Association ARM GNMA	288,925	1.17%	
Government National Mortgage Association MBS GNMA	375,896	1.52%	
Federal National Mortgage Association ARM FNMA	95,075	0.39%	
Federal National Mortgage Association MBS FNMA	5,011,342	20.30%	
Total US/Government Agencies	7,398,910	29.98%	75.00%
<b>Collateralized Mortgage Obligations (CMO's)</b>			
Federal Home Loan Mortgage CMO FHLMC	5,847,137	23.69%	
Government National Mortgage Association CMO GNMA	4,712,184	19.09%	
Federal National Mortgage Association CMO FNMA	3,854,513	15.62%	
Total Collateralized Mortgage Obligations (CMO's)	14,413,834	58.40%	75.00%
	<u>\$ 24,681,407</u>	<u>100.00%</u>	

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

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.

Investment Types	Fair Value	0 to 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	More than 4 Years
Certificates of Deposit	\$ 2,500,761	\$ 500,434	\$ 995,549	\$ 756,638	\$ 248,140	\$ -
Money Markets	58,673	58,673	-	-	-	-
SBA Pool Florida Prime	309,229	309,229	-	-	-	-
Federal Home Loan Mortgage ARM FHLMC	216,981	-	-	154,736	62,245	-
Federal Home Loan Mortgage CMO FHLMC	5,847,137	1,315,044	1,484,540	2,607,780	150,876	288,897
Federal Home Loan Mortgage MBS FHLMC	1,410,691	57,628	44,234	1,125,990	182,839	-
Government National Mortgage Association ARM GNMA	288,925	-	-	-	32,484	256,441
Government National Mortgage Association CMO GNMA	4,712,184	579,374	324,367	1,691,093	1,082,022	1,035,328
Government National Mortgage Association MBS GNMA	375,896	-	-	-	-	375,896
Federal National Mortgage Association ARM FNMA	95,075	-	-	95,075	-	-
Federal National Mortgage Association CMO FNMA	3,854,513	94,738	977,899	1,914,339	857,511	10,026
Federal National Mortgage Association MBS FNMA	5,011,342	33,380	63,297	2,942,224	1,608,294	364,147
	<u>\$ 24,681,407</u>	<u>\$ 2,948,500</u>	<u>\$ 3,889,886</u>	#####	<u>\$ 4,224,411</u>	<u>\$ 2,330,735</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 interlocal government entity and 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 a Local Government Investment Pool (LGIP), and, therefore, 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.

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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SEPTEMBER 30, 2019

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

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

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

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	Amount in
	Allocation	Trust as of
		September 30,
		2019
Cash and cash equivalents:		
Money Market	0.36%	\$ 99,001
Investments, at fair value:		
Broad Market HQ Bond Fund	14.48%	1,584,023
Core Plus Fixed Income	14.38%	1,573,022
Diversified Large Cap	34.89%	3,817,054
Diversified Small to Mid Cap	11.56%	1,265,018
International Blend	14.58%	1,595,023
Core Real Estate	9.75%	1,067,015
Total		\$ 11,000,156

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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SEPTEMBER 30, 2019

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

***Interest Rate Risk***

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

Fixed Income Fund	<u>Fire Pension Investment Pool (FMIvT)</u>	
	<u>Modified Duration in Years</u>	<u>Weighted Average Maturity (WAM) in Years</u>
FMIvT Broad Market High Quality Bond Fund	5.31	6.43
FMIvT Core Plus Fixed Income Fund	1.40	5.16

***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).

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.

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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SEPTEMBER 30, 2019

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

The City had the following recurring fair value measurements comprised of investments as of September 30, 2019:

	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	\$ 2,496,780	\$ -	\$ 2,496,780	\$ -
U.S. Government Agency Securities	600,981	-	600,981	-
Collateralized Mortgage Obligations	14,413,834	-	14,413,834	-
Mortgage-backed Securities	6,797,929	-	6,797,929	-
Total Investments Measured at Fair Value	<u>\$ 24,309,524</u>	<u>\$ -</u>	<u>\$ 24,309,524</u>	<u>\$ -</u>
<b>Investments Measured at</b>				
<b>Amortized Cost</b>				
Money Market Mutual Fund	58,673			
Certificates of Deposit - Non-negotiable	3,981			
Local Government Investment Pool (LGIP)	309,229			
Total Investments Measured at Cost	<u>\$ 371,883</u>			
Total Investments	<u>\$ 24,681,407</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.

The Firefighters' Pension Plan had the following recurring fair value measurements comprised of investments as of September 30, 2019:

	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>				
External Investment Pool:				
FMIvT funds:				
Broad Market HQ Bond Fund	\$ 1,584,023	\$ -	\$ 1,584,023	\$ -
Core Plus Fixed Income	1,573,022	-	-	1,573,022
Diversified Large Cap	3,817,054	-	3,817,054	-
Diversified Small to Mid Cap	1,265,018	-	1,265,018	-
International Equity	1,595,023	-	1,595,023	-
Core Real Estate	1,067,015	-	-	1,067,015
Total Investments Measured at Fair Value	<u>\$ 10,901,155</u>	<u>\$ -</u>	<u>\$ 8,261,118</u>	<u>\$ 2,640,037</u>

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 – DEPOSITS AND INVESTMENTS (continued)**

**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 two underlying funds, the Franklin Templeton Global Multi-Sector Plus Fund, LP and the Pioneer Institutional Multi-Sector Fixed Income Portfolio, LLC. Shares of these funds are not publicly quoted. These underlying funds invest 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 Enhanced 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.

**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 Investec International Dynamic Equity Fund, LLC (Investec Fund) and the Wells Capital Management 525 Market Street 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 Investec Fund and the Wells Fund investment is determined based on the net asset value provided by the Funds, which was calculated in accordance with generally accepted accounting principles. The City reports these shares as level 2, since the value is based on market-corroborated data.

**FMIVT Core Real Estate Fund**

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



CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 2 – DEPOSITS AND INVESTMENTS (continued)**

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 is 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.

**NOTE 3 – RECEIVABLES:**

Receivables at September 30, 2019 for the City’s governmental and enterprise funds, including the applicable allowances for uncollectible accounts are as follows:

	Utility Taxes & Franchise Fees		Liens	Special Assessments	Accounts	Total Gross Receivables	Less: Allowance for Uncollectibles	Net Total Receivables
Governmental activities	Interest							
General fund	\$ 16,958	\$ 331,811	\$ 2,445,056	\$ -	\$ 31,907	\$ 2,825,732	\$ (2,401,909)	\$ 423,823
Community Redevelopment Agency	888	-	-	-	-	888	-	888
Capital Projects	2,468	-	-	-	-	2,468	-	2,468
Non-major governmental funds	3,989	-	-	21,727	3,064	28,780	(3,696)	25,084
Gross receivables	24,303	331,811	2,445,056	21,727	34,971	2,857,868	-	452,263
Less: allowance for uncollectibles	-	-	-	-	-	-	(2,405,605)	-
Net total receivables governmental activities	<u>\$ 24,303</u>	<u>\$ 331,811</u>	<u>\$ 2,445,056</u>	<u>\$ 21,727</u>	<u>\$ 34,971</u>	<u>\$ 2,857,868</u>	<u>\$ (2,405,605)</u>	<u>\$ 452,263</u>
Business-type activities								
Water and sewer utility	\$ 23,008	\$ -	\$ 142,678	\$ 22,595	\$ 951,270	\$ 1,139,551	\$ (110,020)	\$ 1,029,531
Solid waste utility	5,170	-	46,033	-	202,502	253,705	(43,836)	209,869
Stormwater utility	3,991	-	17,917	-	99,845	121,753	(21,723)	100,030
Gross receivables	32,169	-	206,628	22,595	1,253,617	1,515,009	-	1,339,430
Less: allowance for uncollectibles	-	-	-	-	-	-	(175,579)	-
Net total receivables business-type activities	<u>\$ 32,169</u>	<u>\$ -</u>	<u>\$ 206,628</u>	<u>\$ 22,595</u>	<u>\$ 1,253,617</u>	<u>\$ 1,515,009</u>	<u>\$ (175,579)</u>	<u>\$ 1,339,430</u>

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 3 – RECEIVABLES (continued):**

*Due from Other Governments*

The following amounts were due from other governments as of September 30, 2019.

Fund	Name of Government	Revenue Source	Amount
<b>Governmental Funds</b>			
General	State of Florida	Half-Cent Sales Tax	\$ 180,149
General	State of Florida	Alcoholic Beverage Tax	8,242
General	Pinellas County	Court Fines and Fees	1,975
General	Pinellas County	Pinellas County EMS Reimbursement	9,499
General	State of Florida	Firefighters' Supplemental Compensation	3,180
General	State of Florida	Communications Services Tax	125,170
General	State of Florida	Motor Fuel Tax Rebate	2,107
General	State of Florida	Mobile Home Licensing Fees	111
General	Federal Emergency Management Agency	Federally Funded Public Assistance (Irma)	2,709
General	Federal Emergency Management Agency	Federally Funded Public Assistance (Michael)	62,831
Total general fund			<u>395,973</u>
Capital Projects Fund	Pinellas County	Local Government Infrastructure Tax	469,427
Capital Projects Fund	Pinellas County	Fire Capital Reimbursement	8,780
Total capital projects fund			<u>478,206</u>
Street Improvement	State of Florida	Local Option Gas Tax	58,584
Total street improvement fund			<u>58,584</u>
Parkland Fund	Tampa Bay Estuary Program	Tampa Bay Estuary Grant	78,500
Total Parkland Fund			<u>78,500</u>
Total governmental funds			<u>\$ 1,011,263</u>
<b>Proprietary Funds</b>			
Solid Waste	Pinellas County	Recycling Grant	\$ 12,652
Total proprietary funds			<u>\$ 12,652</u>

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CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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SEPTEMBER 30, 2019

**NOTE 4 – CAPITAL ASSETS:**

The following is a summary of changes in capital assets at September 30, 2019:

	<u>Balance</u> <u>Sept. 30, 2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>Sept. 30, 2019</u>
Governmental activities:				
Nondepreciable assets:				
Land	\$ 8,071,070	\$ 1,583,676	\$ -	\$ 9,654,746
Construction in progress	2,931,309	3,231,133	4,988,799	1,173,643
Depreciable assets:				
Buildings	4,882,336	26,899	-	4,909,235
Infrastructure	29,102,615	4,096,072	1,438	33,197,249
Equipment and Vehicles	6,904,376	528,141	111,193	7,321,324
Total at historical cost	<u>51,891,706</u>	<u>9,465,921</u>	<u>5,101,430</u>	<u>56,256,197</u>
Less, accumulated depreciation for:				
Buildings	3,404,710	116,198	-	3,520,908
Infrastructure	18,397,612	1,298,659	1,438	19,694,833
Equipment and Vehicles	4,308,470	452,677	111,193	4,649,954
Total accumulated depreciation	<u>26,110,792</u>	<u>1,867,534</u>	<u>112,631</u>	<u>27,865,695</u>
Governmental activities capital assets, net	<u>\$ 25,780,914</u>	<u>\$ 7,598,387</u>	<u>\$ 4,988,799</u>	<u>\$ 28,390,502</u>

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CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

	<u>Balance</u> <u>Sept. 30, 2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>Sept. 30, 2019</u>
Business-type activities:				
Nondepreciable assets:				
Land	\$ 606,548	\$ -	\$ -	\$ 606,548
Construction in progress	3,755,358	4,733,204	3,856,101	4,632,461
Depreciable assets:				
Buildings	343,689	-	-	343,689
Infrastructure	40,431,925	3,857,450	-	44,289,375
Equipment and Vehicles	9,211,934	1,449,637	706,648	9,954,923
Total at historical cost	<u>54,349,454</u>	<u>10,040,291</u>	<u>4,562,749</u>	<u>59,826,996</u>
Less, accumulated depreciation for:				
Buildings	274,552	12,937	-	287,489
Infrastructure	18,632,378	1,516,357	-	20,148,735
Equipment and Vehicles	6,356,171	694,617	706,648	6,344,140
Total accumulated depreciation	<u>25,263,101</u>	<u>2,223,911</u>	<u>706,648</u>	<u>26,780,364</u>
Business-type activities capital assets, net	<u>\$ 29,086,353</u>	<u>\$ 7,816,380</u>	<u>\$ 3,856,101</u>	<u>\$ 33,046,632</u>

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CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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SEPTEMBER 30, 2019

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

Depreciation expense was charged to governmental functions as follows:

	Amount
General government	\$ 258,711
Law enforcement	4,577
Fire protection	257,093
Building department	8,703
Physical environment	7,166
Transportation	393,944
Library	277,088
Parks and recreation	660,252
Total depreciation expense	\$ 1,867,534

Construction projects actively underway as of September 30, 2019 were as follows:

Project	Spent to Date	Remaining Commitment
<b><u>General Government</u></b>		
Main Street Intersections Brick Street Reconstruction	\$ 11,250	\$ -
Citywide HVAC Project	15,327	34,673
Community Center Improvements - Building	792,734	1,945
Community Center Improvements - Other than Building	95,608	203,820
Clearwater Capital Joint Use Agreement	100,000	-
Parks & BM Office Improvements	8,101	16,899
Philippe Park Pedestrian Bridge	50,000	200,000
Folly Farms Improvements (Weiss property)	95,184	43,589
Miscellaneous Bicycle/Pedestrian Projects	3,672	-
MLK Sidewalk at Folly Farms	63	-
CRA Seawall	1,357	48,643
Total General Government	\$ 1,173,295	\$ 549,570
<b><u>Proprietary</u></b>		
Stormwater Improvements	\$ 46,973	\$ 177,402
Pipe Relining	191,056	134,975
Philippe Parkway Sidewalk Flume	3,750	15,250
2nd Street South at 6th Avenue Intersection Improvements	3,450	-
Coventry East Cul-e-sac Pavement Improvements	1,450	-
MLK Street at Powhatan Street Pavement Improvements	2,887	-
13th and 9th water main replacement carried from 2017	941,311	260,947
Green Springs Subdivision Water Main	966,136	612,909
Espiritu Santo Springs/Washington Brennan Water Main	201,103	(125,544)
Pinellas Avenue Water Main & Fire Protection	30,580	104,420
Philippe Pointe Pedestrian Bridge Water Main	27,706	57,294
Northeast Regional Wastewater Treatment Plant	141,986	2,060,644
North Bayshore Sewer & Force Main Replacement	1,389,657	92,018
North Bayshore Lift Station Repair	49,668	10,332
Water & Wastewater I & I Study	630,950	128,895
Total Proprietary	\$ 4,628,662	\$ 3,529,543

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:**

Interfund transfers for the year ended September 30, 2019, consisted of the following:

Transfers from governmental funds:	
General fund	\$ 207,650
Community Redevelopment Agency	323,000
Capital Projects fund	1,196,150
Transportation Impact Fee fund	479,353
Total transfers from	\$ 2,206,153
Transfers to governmental funds:	
General fund	\$ 407,700
Multimodal Impact Fee fund	479,353
Street Light fund	7,650
Street Improvement fund	200,000
Debt Service fund	1,111,450
Total transfers to	\$ 2,206,153

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  
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**NOTE 6 – LONG-TERM LIABILITIES:**

The following is a summary of changes in long-term liabilities for the year ended September 30, 2019:

	Balance Sept. 30, 2018	Increases	Decreases	Balance Sept. 30, 2019	Amount Due Within One Year	Long - Term Debt
<b>Governmental Activities</b>						
Revenue Note, Series 2018	\$ -	\$ 1,395,500	\$ 127,000	\$ 1,268,500	\$ 122,400	\$ 1,146,100
Refunding Revenue Bond, Series 2012	1,210,000	-	290,000	920,000	300,000	620,000
Capital Improvement Revenue Note, Series 2008	1,559,000	-	503,000	1,056,000	519,000	537,000
Capital Improvement Revenue Note, Series 2006	232,509	-	17,638	214,871	18,352	196,519
Total bonds payable	<u>3,001,509</u>	<u>1,395,500</u>	<u>937,638</u>	<u>3,459,371</u>	<u>959,752</u>	<u>2,499,619</u>
Capital lease of real property	220,000	-	5,000	215,000	5,000	210,000
Compensated absences	766,443	610,047	606,605	770,885	57,816	713,069
Governmental activities total	<u>3,987,952</u>	<u>2,005,547</u>	<u>1,549,243</u>	<u>4,445,256</u>	<u>1,022,568</u>	<u>3,422,688</u>
<b>Business-Type Activities</b>						
Water and Sewer Revenue Note, Series 2018	-	2,093,422	-	2,093,422	451,700	1,641,722
Refunding Revenue Bond, Series 2012	640,000	-	155,000	485,000	160,000	325,000
Capital Improvement Revenue Note, Series 2006	5,324,265	-	405,373	4,918,892	419,644	4,499,248
Total bonds payable	<u>5,964,265</u>	<u>2,093,422</u>	<u>560,373</u>	<u>7,497,314</u>	<u>1,031,344</u>	<u>6,465,970</u>
Compensated absences	295,818	201,171	211,747	285,242	21,395	263,847
Business-type activities totals	<u>6,260,083</u>	<u>2,294,593</u>	<u>772,120</u>	<u>7,782,556</u>	<u>1,052,739</u>	<u>6,729,817</u>
Total all activities	<u>\$ 10,248,035</u>	<u>\$ 4,300,140</u>	<u>\$ 2,321,363</u>	<u>\$ 12,227,812</u>	<u>\$ 2,075,307</u>	<u>\$ 10,152,505</u>

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CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 6 – LONG-TERM LIABILITIES (continued):**

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

**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, LLLC, 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 CentralState 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.

**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 semi-annually. 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, 2020. 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.



**CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 6 – LONG-TERM LIABILITIES (continued):**

	Governmental Activities					Business - Type Activities					
	Land Purchase	Land Purchase	Library Expansion	Capital Improvements	Total	Water & Sewer Capital Improvements	Refunding Water & Sewer Capital Improvements	Stormwater Capital Improvements	Water & Sewer Capital Improvements	Solid Waste Capital Improvements	Total
Issue Date	2019	2012	2008	2006		2019	2012	2006	2006	2006	
Retirement Date	2028	2022	2020	2029		2034	2022	2029	2029	2029	
Debt at Issuance	\$ 1,395,500	\$ 2,775,000	\$ 5,412,000	\$ 385,198	\$ 9,967,698	\$ 8,663,200	\$ 1,500,000	\$ 1,425,296	\$ 6,393,426	\$ 796,080	\$ 18,778,002
Outstanding Principal	\$ 1,268,500	\$ 920,000	\$ 1,056,000	\$ 214,871	\$ 3,459,371	\$ 2,093,422	\$ 485,000	\$ 818,278	\$ 3,646,300	\$ 454,314	\$ 7,497,314
Interest Rate	3.4300%	2.3400%	3.3396%	2.8600%		3.3600%	2.3400%	3.480%	3.480%	3.480%	
<b>Annual Debt Service</b>											
2020	\$ 163,810	\$ 318,018	\$ 545,600	\$ 25,837	\$ 1,053,265	\$ 735,195	\$ 169,477	\$ 98,293	\$ 437,940	\$ 54,573	\$ 1,495,478
2021	163,838	315,940	545,967	25,838	1,051,583	735,257	165,733	98,293	437,940	54,573	1,491,796
2022	163,817	318,686	-	25,838	508,341	735,192	166,931	98,293	437,940	54,573	1,492,929
2023	163,743	-	-	25,837	189,580	735,183	-	98,293	437,940	54,573	1,325,989
2024	163,810	-	-	25,837	189,647	735,209	-	98,293	437,940	54,573	1,326,015
Thereafter	655,201	-	-	128,964	784,165	7,352,114	-	491,464	2,189,700	272,864	10,306,142
	<u>\$ 1,474,219</u>	<u>\$ 952,644</u>	<u>\$ 1,091,567</u>	<u>\$ 258,151</u>	<u>\$ 3,776,581</u>	<u>\$ 11,028,150</u>	<u>\$ 502,141</u>	<u>\$ 982,929</u>	<u>\$ 4,379,400</u>	<u>\$ 545,729</u>	<u>\$ 17,438,349</u>

**DEBT SERVICE REQUIREMENTS**

The annual debt service requirements for the governmental activities long-term debt as of September 30, 2019 are as follow:

Year Ending September 30,	Series 2006, Capital Improvement Revenue Note		
	Principal	Interest	Total
2020	\$ 18,352	\$ 7,485	\$ 25,837
2021	18,991	6,847	25,838
2022	19,652	6,186	25,838
2023	20,335	5,502	25,837
2024	21,043	4,794	25,837
2025-2029	116,498	12,466	128,964
Total debt service	<u>\$ 214,871</u>	<u>\$ 43,280</u>	<u>\$ 258,151</u>

Year Ending September 30,	Series 2008, Capital Improvement Revenue Note		
	Principal	Interest	Total
2020	\$ 519,000	26,600	\$ 545,600
2021	537,000	8,967	545,967
Total debt service	<u>\$ 1,056,000</u>	<u>\$ 35,567</u>	<u>\$ 1,091,567</u>

Year Ending September 30,	Series 2012, Refunding Revenue Bond		
	Principal	Interest	Total
2020	\$ 300,000	18,018	\$ 318,018
2021	305,000	10,940	315,940
2022	315,000	3,686	318,686
Total debt service	<u>\$ 920,000</u>	<u>\$ 32,644</u>	<u>\$ 952,644</u>

Year Ending September 30,	Series 2018, Revenue Note		
	Principal	Interest	Total
2020	\$ 122,400	41,410	\$ 163,810
2021	126,700	37,138	163,838
2022	131,100	32,717	163,817
2023	135,600	28,143	163,743
2024	140,400	23,410	163,810
2025-2028	612,300	42,901	655,201
Total debt service	<u>\$ 1,268,500</u>	<u>\$ 205,719</u>	<u>\$ 1,474,219</u>

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 6 – LONG-TERM LIABILITIES (continued):**

The annual debt service requirements for the business-type activities long-term debt as of September 30, 2019 are as follows:

Year Ending September 30,	Series 2006, Capital Improvement Revenue Note		
	Principal	Interest	Total
2020	\$ 419,644	\$ 171,162	\$ 590,806
2021	434,247	156,559	590,806
2022	449,359	141,447	590,806
2023	464,997	125,809	590,806
2024	481,179	109,627	590,806
2025-2029	2,669,466	284,562	2,954,028
Total debt service	<u>\$ 4,918,892</u>	<u>\$ 989,166</u>	<u>\$ 5,908,058</u>

Year Ending September 30,	Series 2012, Refunding Revenue Bond		
	Principal	Interest	Total
2020	160,000	9,477	169,477
2021	160,000	5,733	165,733
2022	165,000	1,931	166,931
Total debt service	<u>\$ 485,000</u>	<u>\$ 17,141</u>	<u>\$ 502,141</u>

Year Ending September 30,	Series 2018, Water and Sewer Revenue Note		
	Principal	Interest	Total
2020	451,700	283,495	735,195
2021	467,200	268,057	735,257
2022	483,100	252,092	735,192
2023	499,600	235,583	735,183
2024	516,700	218,509	735,209
2025-2034	6,244,900	1,107,214	7,352,114
Total debt service	<u>\$ 8,663,200</u>	<u>\$ 2,364,950</u>	<u>\$ 11,028,150</u>

Capital Lease:

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 payment as of September 30, 2019 is \$215,000.

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**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.

The City’s pension expense totaled \$426,051 for the FRS Pension Plan, HIS Plan and Firefighters Pension Plan for the year ended September 30, 2019.

A. Florida Retirement System

**Plan Description**

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

[www.dms.myflorida.com/workforce\\_operations/retirement/publications](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. There were 3 employees participating in DROP as of September 30, 2019.

*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.

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 7 – PENSION PLANS (continued):**

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.

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	<u>% Value</u>
Regular Class Members Initially Enrolled before July 1, 2011:	
Retirement up to Age 62 or up to 30 Years of Service	1.60
Retirement up to Age 63 or up to 31 Years of Service	1.63
Retirement up to Age 64 or up to 32 Years of Service	1.65
Retirement up to Age 65 or up to 33 Years of Service	1.68
Regular Class Members Initially Enrolled on or after July 1, 2011:	
Retirement up to Age 65 or up to 33 Years of Service	1.60
Retirement up to Age 66 or up to 34 Years of Service	1.63
Retirement up to Age 67 or up to 35 Years of Service	1.65
Retirement up to Age 68 or up to 36 Years of Service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular:	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

*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 employers contribution rates are based upon employees' gross earnings and are effective from July 1 thru June 30. The rates effective for July 1, 2019 thru June 30, 2020 are: regular employees, 8.47%; special risk, 25.48%; and senior management, 25.41%. The rates effective for July 1, 2018 thru June 30, 2019 are: regular employees, 8.26%; special risk, 24.50%; and senior management, 24.06%. 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, 2019 was \$114,958 equal to the required contribution for this year.

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 7 – PENSION PLANS (continued):**

*Pension Costs*

At September 30, 2019, the City reported a liability of \$1,375,408 for its proportionate share of the FRS pension plan's net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2019, the City's proportion was .003993798%, which was a decrease of .00147% from the proportion measured as of June 30, 2018.

The City recognized pension expense of \$65,874 for its proportionate share at September 30, 2019. 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	\$ 81,579	\$ 854
Changes in Actuarial Assumptions	353,264	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	76,095
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	826,425
City Contributions Subsequent to the Measurement Date	27,607	-
Total	<u>\$ 462,450</u>	<u>\$ 903,374</u>

Amounts presented were determined as of June 30

A total of \$27,607 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, 2020. 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
2020	\$ (126,922)
2021	(155,503)
2022	(80,551)
2023	(47,225)
2024	(44,355)
Thereafter	(13,975)

*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, 2019 was as follows:

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 7 – PENSION PLANS (continued):**

Investment Category	Target Allocations	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.3%	3.3%	1.2%
Fixed Income	18%	4.1%	4.1%	3.5%
Global Equity	54%	8.0%	6.8%	16.5%
Real Estate	10%	6.7%	6.1%	11.7%
Private Equity	11%	11.2%	8.4%	25.8%
Strategic Investments	6%	5.9%	5.7%	6.7%
Assumed Inflation - mean			2.6%	1.7%

*Actuarial Methods & Assumptions:* Total pension liability was determined by actuarial valuation as of July 1, 2019, using the following actuarial assumptions:

Valuation date	7/1/2019
Measurement date	6/30/2019
Inflation	2.60%
Salary increases (including inflation)	3.25%
Mortality	PUB2010 base table varies by member
Actuarial cost Method	Individual Entry Age
Municipal Bond Rate*	N/A

The mortality table used for the actuarial valuation changed from Generational RP-2000 with Projection Scale BB in FY18 to PUB2010 base table varying by member category and sex, projected generationally with Scale MP-2018 in FY19.

The actuarial assumptions that determined the total pension liability as of June 30, 2019, were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

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 6.90%, along with what the net pension liability would be if the discount rate used was 1-percentage-point lower (5.90 percent) and 1-percentage-point higher (7.90 percent).

	1% Decrease 5.90%	Current Rate 6.90%	1% Increase 7.90%
FRS Net Pension Liability	\$ 59,532,884,783	\$ 34,438,607,783	\$ 13,480,641,783
City's proportion of net pension liability	2,377,623	1,375,408	538,390

Amounts presented were determined as of June 30

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 7 – PENSION PLANS (continued):**

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, 2019, 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 fiscal year ended September 30, 2019, the contribution rate was 1.66 percent of gross compensation. The City's contribution to the HIS plan for fiscal year ending September 30, 2019 was approximately \$16,910, equal to the required contribution for this year.

*Pension Costs*

At September 30, 2019, the City reported a liability of \$368,254 for its proportionate share of the HIS pension plan's net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2019, the City's proportion was .003291212%, which was a decrease of .00098% from the same as the proportion measured as of June 30, 2018.

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 7 – PENSION PLANS (continued):**

The City recognized a pension contra-expense in the amount of \$62,989 for its proportionate share at September 30, 2019. The proportionate share of deferred outflows of resources and deferred inflows of resources were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 4,473	\$ 451
Changes in Actuarial Assumptions	42,640	30,098
Net Difference Between Projected and Actual Earnings on HIS Program Investments	238	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	356,659
City Contributions Subsequent to the Measurement Date	3,940	-
Total	<u>\$ 51,291</u>	<u>\$ 387,208</u>

Amounts presented were determined as of June 30

A total of \$3,940 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, 2020. 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
2020	\$ (84,071)
2021	(76,448)
2022	(76,784)
2023	(57,641)
2024	(27,555)
Thereafter	(17,358)

*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	7/1/2018
Measurement date	6/30/2019
Inflation	2.60%
Salary increases (including inflation)	3.25%
Mortality	Generational RP-2000 with Projection Scale BB tables
Actuarial cost Method	Individual Entry Age
Municipal Bond Rate*	3.80%

\*The municipal rate used to determine total pension liability decreased from 3.87% to 3.50%

The actuarial assumptions that determined the total pension liability as of June 30, 2019, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 - June 30, 2018.



CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 7 – PENSION PLANS (continued):**

The discount rate used to measure the total pension liability was 3.80% 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 3.50 percent, along with what the net pension liability would be if the discount rate used was 1-percentage-point lower (2.50 percent) and 1-percentage-point higher (4.50 percent).

	1% Decrease 2.50%	Current Rate 3.50%	1% Increase 4.50%
HIS Net Pension Liability	\$ 12,772,816,282	\$ 11,188,999,285	\$ 9,869,859,042
City's proportion of net pension liability (asset)	420,380	368,254	324,838

Amounts presented were determined as of June 30

**B. Defined Contribution Plan**

The City contributes to one defined contribution plan for employees starting after January 1, 1996 (Opt-Out Plan). Plan provisions and contributions are established by City Resolution. The plan is administered by ICMA Retirement Corporation. Plan investments are recorded at fair value. The Opt-Out Plan is fully vested upon completion of five or more years of service. The City contributes 8% of participants' earnings to the 401(a) plan accounts for general employees. Employees are not permitted to contribute to this plan. Employer contributions are recognized in the period that the contributions are due. The City contribution to the 401(a) plan accounts for general employees was \$413,387 for the year ended September 30, 2019. 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 2019 for the City Manager was \$18,403.

**C. 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.

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
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**NOTE 7 – PENSION PLANS (continued):**

C. Firefighters’ Pension Plan (Continued)

**Plan Description (continued)**

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, 2019, pension plan membership consists of the following:***

Membership Classification	Number of Plan Members
Inactive plan members or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	23
	28

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

*Contributions.* Plan members are required to contribute 1 percent of their annual covered salary. The City’s contribution to the fund is determined by actuarial valuation. The City is required to contribute an amount equal to the minimum required contribution as a percentage of covered payroll. The employee contribution requirement may be amended by City ordinance but the employer contribution requirement is subject to State minimums. The City’s contribution of \$530,342 (35.64 percent of covered payroll) for 2019 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 \$89,943 for 2019 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, 2019, the City reported a net pension asset of \$2,569,304. The net pension asset was measured as of September 30, 2019. The City recognized pension expense of \$423,166 at September 30, 2019. Deferred outflows of resources and deferred inflows of resources were as follows:

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 932,166
Changes in Actuarial Assumptions	1,245,569	362,341
Net Difference Between Projected and Actual Earnings on Firefighter Pension Plan Investments	112,086	209,184
City Contributions Subsequent to the Measurement Date	-	-
Total	<u>\$ 1,357,655</u>	<u>\$ 1,503,691</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
2020	\$ (63,516)
2021	(50,660)
2022	34,556
2023	43,190
2024	15,167
Thereafter	(124,773)

**Investment**

*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, 2019 was as follows:

Investment Category	Target Allocations
Core Bonds	15%
Core Plus	15%
US Large Cap Equity	34%
US Small Cap Equity	11%
Non US Equity	15%
Core Real Estate	10%
Total or Weighted Arithmetic Average	<u>100%</u>

For the year ended September 30, 2019, the long-term investment rate of return assumption was 4.23%. The money-weighted rate of return, which expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested, was 5.98% for the year ended September 30, 2019.

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

**Net Pension Liability (Asset)**

The components of the net pension liability (asset) at September 30, 2019, were as follows:

Total pension liability	\$ 7,231,921
Plan fiduciary net position	(9,801,225)
City's net pension liability (asset)	<u>\$ (2,569,304)</u>
 Plan fiduciary net position as a percentage of total pension liability	 135.53%

*Actuarial Methods & Assumptions:* Total pension liability was determined by actuarial valuation as of September 30, 2019, using the following actuarial assumptions:

	Firefighters Pension Plan
Actuarial valuation date	10/1/2018
Measurement date	9/30/2019
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

\*The discount rate was used to discount all future benefit payments (2.77% 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: Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table with full generational improvements in mortality using Scale BB.

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

*Rate of Return:* The long-term expected real rate of return on plan asset classes as of September 30, 2019 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	4.23%	per annum

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

*Changes in Net Pension Liability:*

<u>Changes in Net Pension Liability</u>			
	<u>Total</u>		
	<u>Pension</u>	<u>Fiduciary Net</u>	<u>Net Pension</u>
	<u>Liability</u>	<u>Position</u>	<u>Liability</u>
Balance as of September 30, 2018	\$ 6,846,153	\$ (8,818,048)	(1,971,895)
Changes due to:			
Service Cost	473,494	-	473,494
Expected Interest Growth	510,843	(634,095)	(123,252)
Unexpected Investment Income	-	140,107	140,107
Demographic Experience	(577,812)	-	(577,812)
Employer Contributions	-	(530,342)	(530,342)
Employee Contributions	-	(16,657)	(16,657)
Benefit Payments & Refunds	(20,757)	20,757	-
Administrative Expenses	-	37,053	37,053
Changes in Benefit Terms	-	-	-
Assumption Changes	-	-	-
Balance as of September 30, 2019	<u>\$ 7,231,921</u>	<u>\$ (9,801,225)</u>	<u>\$ (2,569,304)</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).

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Total pension liability	\$ 8,631,986	\$ 7,231,921	\$ 6,123,580
Fiduciary net position	(9,801,225)	(9,801,225)	(9,801,225)
Net pension liability (asset)	<u>\$ (1,169,239)</u>	<u>\$ (2,569,304)</u>	<u>\$ (3,677,645)</u>

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

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 Chapter 175 premium tax monies allocated to the plan. 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, 2019 is \$1,228,007.

**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, 2019.

**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, 2019, pension plan membership consists of the following:

Membership Classification	Number of Plan Members
Inactive plan members or beneficiaries currently receiving benefits	15
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	133
	148

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

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.

Net OPEB Liability

The City's net OPEB Liability was measured as of September 30, 2019, and the total OPEB Liability used to calculate the net OPEB Liability was determined by an actuarial valuation as of that date.

	<u>Other Postemployment Benefit Plan</u>
Actuarial valuation date	10/1/2018
Measurement date	9/30/2019
Discount rate*	3.58% per annum
Salary increases	3.00% per annum
Cost-of-living Increases	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
Healthcare cost trend rates	Increases in healthcare costs are assumed to be 7.50% for the 2018/19 fiscal year graded down by 0.50% per year to 5.00% for the 2023/24 and later fiscal years.
Mortality	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees with full generational improvements in mortality using Scale MP-2017.
Retirement	For general employees, retirement is assumed to occur at age 62 with five years of service; for firefighters, retirement is assumed to occur at age 55 with 10 years of service.
Changes	Since the prior measurement date, the discount rate was decreased from 3.64% per annum to 3.58% per annum, the monthly implied subsidy at age 62 for the 2018/19 fiscal year was changed from \$432.00 to \$475.00 (CORE), \$75.00 (CORE with co-insurance), \$150.00 (HDHP), or \$275.00 (minimum coverage), the mortality basis was changed from the RP-2000 Mortality Table with generational improvements in mortality using Scale BB to the PUB-2010 Mortality Table with generational improvements in mortality using Scale MP-2017, and the plan selection was changed from the CORE plan to the participant's current plan selection.

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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.

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CITY OF SAFETY HARBOR, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

Discount Rate

The discount rate used to measure total OPEB Liability was 3.58%. This rate is based on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

Changes on Net OPEB Liability

<u>Changes in Net OPEB Liability</u>			
	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of September 30, 2018	\$ 1,277,577	\$ -	\$ 1,277,577
Changes due to:			
Service Cost	82,391	-	82,391
Expected Interest Growth	47,770	-	47,770
Unexpected Investment Income	-	-	-
Demographic Experience	94,100	-	94,100
Employer Contributions	-	-	-
Employee Contributions	-	-	-
Benefit Payments & Refunds	(51,698)	-	(51,698)
Administrative Expenses	-	-	-
Changes in Benefit Terms	-	-	-
Assumption Changes	(214,592)	-	(214,592)
Balance as of September 30, 2019	<u>\$ 1,235,548</u>	<u>\$ -</u>	<u>\$ 1,235,548</u>

No assumptions or benefits terms were changed since the prior measurement date.

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability calculated using the current discount rate of 3.58%, along with what the net OPEB liability would be if the discount rate used was 1-percentage-point lower (2.58 percent) and 1-percentage-point higher (4.58 percent).

	<u>1% Decrease 2.58%</u>	<u>Current Rate 3.58%</u>	<u>1% Increase 4.58%</u>
Total OPEB liability	\$ 1,344,777	\$ 1,235,548	\$ 1,137,509
Fiduciary net position	-	-	-
Net pension liability (asset)	<u>\$ 1,344,777</u>	<u>\$ 1,235,548</u>	<u>\$ 1,137,509</u>

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability calculated using the current healthcare cost trend rate of 7.50 percent graded down to 6.50 percent, along with what the net OPEB liability would be if the healthcare cost trend rate used was 2.5-percentage-point lower (6.50 percent graded down to 4.00 percent) and 2.5-percentage-point higher (8.50 percent graded down to 6.00 percent).

	1% Decrease (6.50% graded down to 4.00%)	Trend Rate 7.50% graded down to 5.00%	1% Increase (8.50% graded down to 6.00%)
Total OPEB liability	\$ 1,099,613	\$ 1,235,548	\$ 1,397,595
Fiduciary net position	-	-	-
Net OPEB liability (asset)	\$ 1,099,613	\$ 1,235,548	\$ 1,397,595

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CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

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

OPEB Costs – For the year ended September 30, 2019, the City recognized OPEB expense of \$67,489. In addition, the City reported OPEB deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2018	\$ -	\$ -
Changes due to:		
Amortization Payments	(8,570)	(19,544)
Investment gain/loss	-	-
Demographic gain/loss	94,100	-
Assumption changes	-	214,592
Total changes	<u>\$ 85,530</u>	<u>\$ 195,048</u>
Balance as of September 30, 2019	<u>\$ 85,530</u>	<u>\$ 195,048</u>

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

Year Ending September 30	Amount
2020	\$ (10,974)
2021	(10,974)
2022	(10,974)
2023	(10,974)
2024	(10,974)
Thereafter	(54,648)

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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, 2019.

	<u>Deposits</u>	<u>Withdrawals</u>
Sources of deposits:		
Ad valorem taxes	\$ 238,519	\$ -
Ad valorem taxes from Pinellas County	325,034	-
Interest and investment income	16,700	-
Purpose of withdrawals:		
Personal services	-	45,978
Banners	-	2,791
Decorative lighting	-	2,703
District fees	-	920
Economic development	-	181,522
Façade and partnership incentives	-	59,783
Land lease - CSX	-	467
LED lighting	-	25,366
Public art	-	4,092
Signage	-	100
Streetscaping - benches, trash cans, planter, ballasts	-	12,422
Baranoff oak tree support system	-	65,889
Main Street bricks	-	89,353
Main Street Electrical, Irrigation, Landscaping	-	3,679
Mullet Creek park	-	9,724
Seawall improvements	-	1,357
Veterans Memorial Park Improvements	-	26,736
Transfer to General fund for Waterfront Park repayment	-	157,000
Transfer to Series 2018 Debt for Baranoff Oak	-	166,000
Totals	<u>\$ 580,253</u>	<u>\$ 855,882</u>

**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, 2019. The City had no significant reductions in insurance coverage during the fiscal year ended September 30, 2019. 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.

CITY OF SAFETY HARBOR, FLORIDA NOTES TO  
THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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**

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

During the period from January 1, 2020 through June 25, 2020, both domestic and international equity markets have experienced significant declines. These losses are not reflected in the financial statements as of and for the year ended September 30, 2019, as these events occurred subsequent to year-end and are still developing.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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CITY OF SAFETY HARBOR, FLORIDA  
 BUDETARY COMPARISON SCHEDULE  
 MAJOR GOVERNMENTAL FUND – GENERAL FUND  
 YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Final Budget</u>
Resources (inflows):				
Property taxes	\$ 4,865,480	\$ 4,865,480	\$ 4,693,796	\$ (171,684)
Utility taxes	2,362,000	2,362,000	2,436,400	74,400
Local business tax	150,000	150,000	144,019	(5,981)
Local option tax	100,000	100,000	89,943	(10,057)
Franchise fees	1,447,700	1,447,700	1,502,259	54,559
Licenses and permits	367,600	367,600	546,706	179,106
Sales tax	1,219,100	1,219,100	1,150,183	(68,917)
Intergovernmental	2,112,350	2,246,843	2,347,934	101,091
Charges for services	1,348,120	1,348,120	1,301,737	(46,383)
Fines and forfeitures	17,600	17,600	17,052	(548)
Interest income and net appreciation in fair value of investments	151,980	151,980	421,297	269,317
Contributions and donations	22,000	22,000	20,583	(1,417)
Other	1,102,720	1,103,470	1,068,346	(35,124)
	<u>15,266,650</u>	<u>15,401,893</u>	<u>15,740,255</u>	<u>338,362</u>
Amounts available for appropriation				
Charges to appropriations (outflows):				
General Government:				
City Commission	159,660	159,660	149,834	9,826
City Manager	216,620	216,620	208,688	7,932
City Clerk	154,000	154,000	142,324	11,676
Elections	-	-	854	(854)
Finance	287,444	287,444	281,730	5,714
Human Resources	258,650	259,400	247,579	11,821
Planning	301,700	294,594	281,003	13,591
City Attorney	155,950	167,950	170,505	(2,555)
Nondepartmental	341,310	344,160	336,217	7,943
Maintenance	740,698	740,198	655,567	84,631
Nonoperating	365,330	365,330	365,330	-
Total general government	<u>2,981,362</u>	<u>2,989,356</u>	<u>2,839,631</u>	<u>149,725</u>
Public Safety:				
Law enforcement	1,355,390	1,355,390	1,355,163	227
Fire protection	3,921,964	3,951,931	3,948,487	3,444
Building department	544,040	525,818	510,322	15,496
Total public safety	<u>5,821,394</u>	<u>5,833,139</u>	<u>5,813,972</u>	<u>19,167</u>
Physical environment	<u>493,605</u>	<u>493,605</u>	<u>468,606</u>	<u>24,999</u>
Transportation	<u>828,099</u>	<u>822,016</u>	<u>645,788</u>	<u>176,228</u>

See Independent Auditors' Report

CITY OF SAFETY HARBOR, FLORIDA  
 BUDETARY COMPARISON SCHEDULE  
 MAJOR GOVERNMENTAL FUND – GENERAL FUND (CONTINUED)  
 YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Final Budget</u>
Culture and recreation:				
Library	\$ 1,342,566	\$ 1,336,347	\$ 1,307,317	\$ 29,030
Parks and recreation	<u>3,667,768</u>	<u>3,674,103</u>	<u>3,349,666</u>	<u>324,437</u>
Total culture and recreation	<u>5,010,334</u>	<u>5,010,450</u>	<u>4,656,983</u>	<u>353,467</u>
Capital outlay	<u>97,500</u>	<u>116,794</u>	<u>84,951</u>	<u>31,843</u>
Other Financing Sources (Uses)				
Transfers in from other funds	257,000	407,700	407,700	-
Transfers out to other funds	<u>(207,650)</u>	<u>(207,650)</u>	<u>(207,650)</u>	<u>-</u>
Total Other Financing Sources	49,350	200,050	200,050	-
Total charges to appropriations	<u>15,281,644</u>	<u>15,465,410</u>	<u>14,709,981</u>	<u>755,429</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>83,706</u>	<u>336,583</u>	<u>1,430,374</u>	<u>1,093,791</u>
Appropriated fund balance	<u>(83,706)</u>	<u>(336,583)</u>	<u>-</u>	<u>336,583</u>
Deficiency of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,430,374</u>	<u>\$ 1,430,374</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  
 BUDETARY COMPARISON SCHEDULE

MAJOR GOVERNMENTAL FUND – COMMUNITY REDEVELOPMENT AGENCY FUND  
 YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Property taxes	\$ 563,510	\$ 563,510	\$ 563,553	\$ 43
Interest income and net appreciation in fair value of investments	9,570	9,570	16,700	7,130
Amounts available for appropriation	<u>573,080</u>	<u>573,080</u>	<u>580,253</u>	<u>7,173</u>
Charges to appropriations (outflows):				
General government	407,615	417,615	336,144	81,471
Capital outlay	132,320	366,908	196,738	170,170
Transfers out to other funds	188,500	323,000	323,000	-
Total charges to appropriations	<u>728,435</u>	<u>1,107,523</u>	<u>855,882</u>	<u>251,641</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>(155,355)</u>	<u>(534,443)</u>	<u>(275,629)</u>	<u>258,814</u>
Appropriated fund balance	<u>155,355</u>	<u>534,443</u>	<u>-</u>	<u>(534,443)</u>
Deficiency of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (275,629)</u>	<u>\$ (275,629)</u>

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

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

\$ 855,882

Differences - budget to GAAP

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

323,000

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

\$ 532,882

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 MEASUREMENT PERIODS

	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.003993798%	0.005466957%	0.006937320%	0.010163558%	0.011264343%
City's proportionate share of the net pension liability (asset)	\$ 1,375,408	\$ 1,646,675	\$ 2,052,013	\$ 2,566,306	\$ 1,454,941
Plan fiduciary net position as a percentage of the total pension liability (asset)	83%	84%	84%	85%	92%
City's covered payroll	\$ 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	124%	117%	120%	111%	59%

Amounts presented were determined as of June 30

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

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

	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 114,958	\$ 147,506	\$ 170,230	\$ 247,855	\$ 274,634
Contributions in relation to the statutorily required contribution	(114,958)	(147,506)	(170,230)	(247,855)	(274,634)
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,025,472	\$ 1,321,018	\$ 1,586,879	\$ 2,282,984	\$ 2,416,414
City's contributions as a percentage of covered payroll	11%	11%	11%	11%	11%

Amounts presented were determined as of September 30.

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.

See Independent Auditors' Report

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 MEASUREMENT PERIODS

	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.003291212%	0.004272498%	0.005347533%	0.007417542%	0.008084719%
City's proportionate share of the net pension liability (asset)	\$ 368,254	\$ 452,206	\$ 571,783	\$ 864,484	\$ 824,514
Plan fiduciary net position as a percentage of the total pension liability (asset)	2.63%	2.15%	1.64%	0.97%	0.50%
City's covered payroll	\$ 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	33%	32%	34%	37%	34%

Amounts presented were determined as of June 30.

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 CITY CONTRIBUTIONS  
 HEALTH INSURANCE SUBSIDY PENSION  
 LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 16,910	\$ 21,810	\$ 26,348	\$ 38,020	\$ 30,905
Contributions in relation to the statutorily required contribution	(16,910)	(21,810)	(26,348)	(38,020)	(30,905)
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 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%	1%

Amounts presented were determined as of September 30.  
 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**  
**LAST TEN MEASUREMENT PERIODS**

Year ending September 30,	2019	2018	2017	2016	2015	2014
Total Pension Liability:						
Changes due to:						
Service Cost	\$ 473,494	\$ 490,136	\$ 436,960	\$ 338,895	\$ 190,271	\$ 256,386
Expected Interest Growth	510,843	449,280	390,035	239,563	320,285	249,194
Unexpected Investment Income	-	-	-	-	-	-
Demographic Experience	(577,812)	(20,193)	(307,493)	(5,117)	(201,410)	-
Employer Contributions	-	-	-	-	-	-
Employee Contributions	-	-	-	-	-	-
Benefit Payments & Refunds	(20,757)	(3,498)	-	(5,142)	-	-
Administrative Expenses	-	-	-	-	-	-
Assumption Changes	-	-	273,806	1,484,984	(562,306)	-
Net Change in Total Pension Liability	385,768	915,725	793,308	2,053,183	(253,160)	505,580
Total Pension Liability/(Asset)-Beginning	\$ 6,846,153	\$ 5,930,428	\$ 5,137,120	\$ 3,083,937	\$ 3,337,097	\$ 2,831,517
Total Pension Liability/(Asset)-Ending (a)	\$ 7,231,921	\$ 6,846,153	\$ 5,930,428	\$ 5,137,120	\$ 3,083,937	\$ 3,337,097
Fiduciary Net Position:						
Changes due to:						
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expected Interest Growth	(634,095)	(557,899)	(461,895)	(399,621)	(491,498)	(362,994)
Unexpected Investment Income	140,107	(43,156)	(426,077)	(64,282)	580,202	(96,582)
Demographic Experience	-	-	-	-	-	-
Employer Contributions	(530,342)	(512,791)	(497,252)	(389,600)	(403,688)	(395,359)
Employee Contributions	(16,657)	(15,181)	(14,270)	(12,244)	(10,861)	(10,486)
Benefit Payments & Refunds	20,757	3,498	-	5,142	-	-
Administrative Expenses	37,053	38,673	30,224	24,690	19,650	28,190
Changes in Benefit Terms	-	-	-	-	-	-
Assumption Changes	-	-	-	-	-	-
Net Change in Fiduciary Net Position	(983,177)	(1,086,856)	(1,369,270)	(835,915)	(306,195)	(837,231)
Plan Fiduciary Net Position-Beginning	\$ (8,818,048)	\$ (7,731,192)	\$ (6,361,922)	\$ (5,526,007)	\$ (5,219,812)	\$ (4,382,581)
Plan Fiduciary Net Position-Ending (b)	\$ (9,801,225)	\$ (8,818,048)	\$ (7,731,192)	\$ (6,361,922)	\$ (5,526,007)	\$ (5,219,812)
Net Pension Liability/(Asset) (a) + (b)	(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	-136%	-129%	-130%	-124%	-179%	-156%
Covered Employee Payroll	\$ 1,488,212	\$ 1,541,067	\$ 1,367,798	\$ 1,133,154	\$ 1,062,547	\$ 1,076,940
Net Pension Liability/(Asset) as a percentage of Covered Employee Payroll	173%	128%	132%	108%	230%	175%

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.

See Independent Auditors' Report



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

Year ended September 30,	Actuarially Determined Contribution (a)	Contributions Recognized By the Plan (b)	Contribution Excess (Deficiency) (b-a)	Covered Payroll (d)	Contributions Recognized as a % of Covered Payroll (b/d)
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%
2011	300,585	300,585	-	975,490	0.00%
2010	318,522	318,522	-	971,356	0.00%

See Independent Auditors' Report

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>
2019	5.98%
2018	8.20%
2017	4.39%
2016	7.91%
2015	-0.05%
2014	9.97%
2013	10.45%
2012	17.70%

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 TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS

Year ending September 30,	2019	2018
Total OPEB Liability:		
Changes due to:		
Service Cost	\$ 82,391	\$ 77,955
Expected Interest Growth	47,770	46,189
Unexpected Investment Income	-	-
Demographic Experience	94,100	-
Employer Contributions	-	-
Employee Contributions	-	-
Benefit Payments & Refunds	(51,698)	(74,401)
Administrative Expenses	-	-
Changes in Benefit Terms	-	-
Assumption Changes	(214,592)	-
Net Change in Total OPEB Liability	(42,029)	49,743
Total OPEB Liability/(Asset)-Beginning	<u>\$ 1,277,577</u>	<u>\$ 1,227,834</u>
Total OPEB Liability/(Asset)-Ending (a)	<u>\$ 1,235,548</u>	<u>\$ 1,277,577</u>
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	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position-Ending (b)	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability/(Asset) (a) + (b)	1,235,548	1,277,577
Plan Fiduciary Net Position as a percentage of Total OPEB Liability/(Asset)	0%	0%
Covered Employee Payroll	\$ 6,816,718	\$ 6,752,698
Net OPEB Liability/(Asset) as a percentage of Covered Employee Payroll	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.

See Independent Auditors' Report

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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, 2019

Firefighters' Pension Plan

*Actuarial assumptions and methods.* The amounts reported for the year ended September 30, 2019 are based on the October 1, 2018 actuarial valuation. This valuation used the aggregate cost actuarial method. Information about funded status and funded progress is prepared using the entry age normal cost method due to the aggregate actuarial cost method not identifying or separately amortizing unfunded actuarial liabilities. Assets were valued using the market value method. The discount rate used was 7.00% and the valuation assumes per annum increases in salaries at a rate of 4.50% and cost-of-living at a rate of 2.00%

*Changes to benefit terms.* There were no changes to the plans benefit terms since the prior measurement date.

*Changes to assumptions.* The mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to the RP-2000 Blue Collar Mortality Table with full generational improvements in mortality using Scale BB.

See Independent Auditor's Report.

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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, 2019**

Special Revenue Funds														Total Other Governmental Funds
Assets	Public Safety	Street Improvement	Street Assessment	Marina Boat Basin	City Tree Bank	Multimodal Impact Fee	Transportation Impact Fee	Library Impact Fee	Law Enforcement Fund	Street Light Assessment	Parkland	Total Special Revenue Funds	Debt Service	Total Other Governmental Funds
Cash and cash equivalents	\$ 115,102	\$ 529,150	\$ 35,616	\$ 187,394	\$ 116,981	\$ 923,465	\$ -	\$ 81,167	\$ 2,065	\$ 79,785	\$ 92,522	\$ 2,163,247	\$ 199,139	\$ 2,362,386
Receivables, net:														
Accounts receivable	232	1,033	1,144	3,407	237	1,621	-	163	-	17,052	195	25,084	-	25,084
Due from other governments	-	58,584	-	-	-	-	-	-	-	-	78,500	137,084	-	137,084
<b>Total assets</b>	<b>\$ 115,334</b>	<b>\$ 588,767</b>	<b>\$ 36,760</b>	<b>\$ 190,801</b>	<b>\$ 117,218</b>	<b>\$ 925,086</b>	<b>\$ -</b>	<b>\$ 81,330</b>	<b>\$ 2,065</b>	<b>\$ 96,837</b>	<b>\$ 171,217</b>	<b>\$ 2,325,415</b>	<b>\$ 199,139</b>	<b>\$ 2,524,554</b>
<b>Liabilities and Fund Balances</b>														
Liabilities:														
Accounts payable	\$ -	\$ 34,671	\$ -	\$ 418	\$ -	\$ 194,699	\$ -	\$ -	\$ -	\$ 19,661	\$ -	\$ 249,449	\$ -	\$ 249,449
Accrued liabilities	-	-	-	675	-	-	-	-	-	-	-	675	-	675
Customer deposits	-	-	-	5,883	-	-	-	-	-	-	-	5,883	-	5,883
Unearned revenue	-	-	153	-	-	-	-	-	-	-	-	153	-	153
<b>Total liabilities</b>	<b>-</b>	<b>34,671</b>	<b>153</b>	<b>6,976</b>	<b>-</b>	<b>194,699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,661</b>	<b>-</b>	<b>256,160</b>	<b>-</b>	<b>256,160</b>
<b>Fund Balances</b>														
Restricted for:														
Fire protection	107,174	-	-	-	-	-	-	-	-	-	-	107,174	-	107,174
Transportation	-	-	36,607	-	-	219,837	-	-	-	31,954	-	288,398	-	288,398
Library	-	-	-	-	-	-	-	77,368	-	-	-	77,368	-	77,368
Parks and recreation	-	-	-	-	-	-	-	-	-	-	171,217	171,217	-	171,217
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	199,139	199,139
Committed to:														
Physical environment	-	-	-	158,127	-	-	-	-	-	-	-	158,127	-	158,127
Public safety	-	-	-	-	112,241	-	-	-	-	-	-	112,241	-	112,241
Assigned to:														
Fire protection	8,160	-	-	-	-	-	-	-	-	-	-	8,160	-	8,160
Library	-	-	-	-	-	-	-	3,962	-	-	-	3,962	-	3,962
Public safety	-	-	-	-	4,977	-	-	-	2,065	-	-	7,042	-	7,042
Physical environment	-	-	-	25,698	-	-	-	-	-	-	-	25,698	-	25,698
Transportation	-	554,096	-	-	-	510,550	-	-	-	45,222	-	1,109,868	-	1,109,868
<b>Total fund balances</b>	<b>115,334</b>	<b>554,096</b>	<b>36,607</b>	<b>183,825</b>	<b>117,218</b>	<b>730,387</b>	<b>-</b>	<b>81,330</b>	<b>2,065</b>	<b>77,176</b>	<b>171,217</b>	<b>2,069,255</b>	<b>199,139</b>	<b>2,268,394</b>
<b>Total liabilities and fund balances</b>	<b>\$ 115,334</b>	<b>\$ 588,767</b>	<b>\$ 36,760</b>	<b>\$ 190,801</b>	<b>\$ 117,218</b>	<b>\$ 925,086</b>	<b>\$ -</b>	<b>\$ 81,330</b>	<b>\$ 2,065</b>	<b>\$ 96,837</b>	<b>\$ 171,217</b>	<b>\$ 2,325,415</b>	<b>\$ 199,139</b>	<b>\$ 2,524,554</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, 2019**

	Public Safety	Street Improvement	Street Assessment	Marina Boat Basin	City Tree Bank	Multimodal Impact Fee	Transportation Impact Fee	Library Impact Fee	Law Enforcement	Street Light Assessment	Parkland	Total Special Revenue Funds	Debt Service	Total Other Governmental Funds
Revenues:														
Local option taxes	\$ -	\$ 237,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 237,144	\$ -	\$ 237,144
Impact fees	43,691	-	-	-	-	207,188	-	17,235	-	-	166,097	434,211	-	434,211
Special assessments	-	-	12	-	-	-	-	-	-	246,386	-	246,398	-	246,398
Intergovernmental	-	-	-	-	-	-	-	-	-	-	78,500	78,500	-	78,500
Charges for services	-	-	-	49,038	43,846	-	-	-	-	-	-	92,884	-	92,884
Interest income and net appreciation in fair value of investments	5,842	21,867	-	8,410	4,975	31,197	-	3,820	-	3,527	20,637	100,275	-	100,275
Contributions and donations	-	-	-	-	-	-	-	-	-	-	70,688	70,688	-	70,688
Other	-	3,889	-	-	-	-	-	-	-	-	-	3,889	-	3,889
<b>Total revenues</b>	<b>49,533</b>	<b>262,900</b>	<b>12</b>	<b>57,448</b>	<b>48,821</b>	<b>238,385</b>	<b>-</b>	<b>21,055</b>	<b>-</b>	<b>249,913</b>	<b>335,922</b>	<b>1,263,989</b>	<b>-</b>	<b>1,263,989</b>
Expenditures:														
Current operating:														
Fire protection	16,461	-	-	-	-	-	-	-	-	-	-	16,461	-	16,461
Building department	-	-	-	-	22,185	-	-	-	-	-	-	22,185	-	22,185
Physical environment	-	-	-	25,295	-	-	-	-	-	-	-	25,295	-	25,295
Transportation	-	22,368	-	-	-	-	-	-	-	242,429	-	264,797	-	264,797
Parks and recreation	-	-	-	-	-	-	-	-	-	-	19,940	19,940	-	19,940
Capital outlay	-	227,384	-	-	-	60,046	33,755	-	-	-	1,068,677	1,389,862	-	1,389,862
Debt service:														
Capital lease principal	-	-	-	-	-	-	-	-	-	-	5,000	5,000	-	5,000
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	937,728	937,728
Interest and other charges	-	-	-	-	-	-	-	-	-	-	-	-	157,906	157,906
<b>Total expenditures</b>	<b>16,461</b>	<b>249,752</b>	<b>-</b>	<b>25,295</b>	<b>22,185</b>	<b>60,046</b>	<b>33,755</b>	<b>-</b>	<b>-</b>	<b>242,429</b>	<b>1,093,617</b>	<b>1,743,540</b>	<b>1,095,634</b>	<b>2,839,174</b>
Excess (deficiency) of revenues over (under) expenditures	33,072	13,148	12	32,153	26,636	178,339	(33,755)	21,055	-	7,484	(757,695)	(479,551)	(1,095,634)	(1,575,185)
Other financing sources (uses):														
Transfers in	-	200,000	-	-	-	479,353	-	-	-	7,650	-	687,003	1,111,450	1,798,453
Transfers out	-	-	-	-	-	-	(479,353)	-	-	-	-	(479,353)	-	(479,353)
Total other financing sources (uses)	-	200,000	-	-	-	479,353	(479,353)	-	-	7,650	-	207,650	1,111,450	1,319,100
Net change in fund balances	33,072	213,148	12	32,153	26,636	657,692	(513,108)	21,055	-	15,134	(757,695)	(271,901)	15,816	(256,085)
Fund balances, beginning of year	82,262	340,948	36,595	151,672	90,582	72,695	513,108	60,275	2,065	62,042	928,912	2,341,156	183,323	2,524,479
Fund balances, end of year	\$ 115,334	\$ 554,096	\$ 36,607	\$ 183,825	\$ 117,218	\$ 730,387	\$ -	\$ 81,330	\$ 2,065	\$ 77,176	\$ 171,217	\$ 2,069,255	\$ 199,139	\$ 2,268,394

See Independent Auditors' Report

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – PUBLIC SAFETY  
 YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Resources (inflows):				
Impact fees	\$ 78,000	\$ 78,000	\$ 43,691	\$ (34,309)
Interest income and net appreciation in fair value of investments	390	390	5,842	5,452
Amounts available for appropriation	<u>78,390</u>	<u>78,390</u>	<u>49,533</u>	<u>(28,857)</u>
Charges to appropriations (outflows):				
Public Safety	<u>37,500</u>	<u>37,500</u>	<u>16,461</u>	<u>21,039</u>
Total charges to appropriations	<u>37,500</u>	<u>37,500</u>	<u>16,461</u>	<u>21,039</u>
Excess (deficiency) of resources over (under) charges to appropriations	40,890	40,890	33,072	(7,818)
Appropriated fund balance	<u>(40,890)</u>	<u>(40,890)</u>	<u>-</u>	<u>40,890</u>
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,072</u>	<u>\$ 33,072</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  
 YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Local option taxes	\$ 256,840	\$ 256,840	\$ 237,144	\$ (19,696)
Interest income and net appreciation in fair value of investments	7,030	7,030	21,867	14,837
Miscellaneous	-	-	3,889	-
Transfer In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Amounts available for appropriation	<u>463,870</u>	<u>463,870</u>	<u>462,900</u>	<u>(4,859)</u>
Charges to appropriations (outflows):				
Transportation	33,046	42,311	22,368	19,943
Capital outlay	<u>245,175</u>	<u>300,910</u>	<u>227,384</u>	<u>73,526</u>
Total charges to appropriations	<u>278,221</u>	<u>343,221</u>	<u>249,752</u>	<u>93,469</u>
Excess (deficiency) of resources over (under) charges to appropriations	185,649	120,649	213,148	88,610
Appropriated fund balance	<u>(185,649)</u>	<u>(120,649)</u>	<u>-</u>	<u>120,649</u>
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,148</u>	<u>\$ 209,259</u>
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule			\$ 462,900	
Differences - budget to GAAP				
Transfer from other funds are inflows of budgetary resources but are not resources for financial reporting purposes			<u>200,000</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			<u>\$ 262,900</u>	

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CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – STREET ASSESSMENT  
 YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
Resources (inflows):				
Special assessments	\$ 100	\$ 100	\$ 12	\$ (88)
Amounts available for appropriation	100	100	12	(88)
Charges to appropriations (outflows):				
Capital outlay	-	-	-	-
Total charges to appropriations	-	-	-	-
Excess of resources over charges to appropriations	100	100	12	(88)
Appropriated fund balance	(100)	(100)	-	100
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 12</u>

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

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – MARINA BOAT BASIN  
 YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Resources (inflows):				
Revenues:				
Charges for services	\$ 48,000	\$ 48,000	\$ 49,038	\$ 1,038
Interest income and net appreciation in fair value of investments	<u>4,080</u>	<u>4,080</u>	<u>8,410</u>	<u>4,330</u>
Amounts available for appropriations	<u>52,080</u>	<u>52,080</u>	<u>57,448</u>	<u>5,368</u>
Charges to appropriations (outflows):				
Physical environment	48,700	48,700	25,295	23,405
Capital Outlay	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>48,700</u>	<u>48,700</u>	<u>25,295</u>	<u>23,405</u>
Excess (deficiency) of resources over (under) charges to appropriations	3,380	3,380	32,153	28,773
Appropriated fund balance	<u>(3,380)</u>	<u>(3,380)</u>	<u>-</u>	<u>(3,380)</u>
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,153</u>	<u>\$ 32,153</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  
 YEAR ENDED SEPTEMBER 30, 2019

	<b>Budget Amounts</b>		<b>Actual Amount (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
Resources (inflows):				
Charges for services	\$ 15,000	\$ 15,000	\$ 43,846	\$ 28,846
Contributions and donations	-	-	-	-
Interest income and net appreciation in fair value of investments	90	90	4,975	4,885
Amounts available for appropriation	<u>15,090</u>	<u>15,090</u>	<u>48,821</u>	<u>33,731</u>
Charges to appropriations (outflows):				
Public safety	<u>40,000</u>	<u>31,415</u>	<u>22,185</u>	<u>9,230</u>
Total charges to appropriations	40,000	31,415	22,185	9,230
Excess (deficiency) of resources over (under) charges to appropriations	(24,910)	(16,325)	26,636	42,961
Appropriated fund balance	<u>24,910</u>	<u>16,325</u>	<u>-</u>	<u>(16,325)</u>
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,636</u>	<u>\$ 26,636</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  
 YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Resources (inflows):				
Impact fees	\$ 59,000	\$ 59,000	\$ 207,188	\$ 148,188
Interest income and net appreciation in fair value of investments	9,450	9,450	31,197	21,747
Transfers from other funds	322,210	479,353	479,353	-
Amounts available for appropriation	<u>390,660</u>	<u>547,803</u>	<u>717,738</u>	<u>169,935</u>
Charges to appropriations (outflows):				
Capital outlay	<u>250,000</u>	<u>60,050</u>	<u>60,046</u>	<u>4</u>
Total charges to appropriations	<u>250,000</u>	<u>60,050</u>	<u>60,046</u>	<u>4</u>
Excess (deficiency) of resources over (under) charges to appropriations	140,660	487,753	657,692	169,931
Appropriated fund balance	<u>(140,660)</u>	<u>(487,753)</u>	<u>-</u>	<u>487,753</u>
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 657,692</u>	<u>\$ 657,684</u>

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

Explanation of differences between  
budgetary inflows and GAAP revenues:

Actual amounts (budgetary basis)  
available for appropriation from  
the budgetary comparison schedule

\$ 717,738

Differences - budget to GAAP

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

479,353

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

\$ 238,385

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CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – TRANSPORTATION IMPACT FEE  
 YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
Resources (inflows):				
Impact fees	\$ -	\$ -	\$ -	\$ -
Amounts available for appropriation	-	-	-	-
Charges to appropriations (outflows):				
Capital outlay	37,264	37,264	33,755	3,509
Transfers to other funds	322,210	479,353	479,353	-
Total charges to appropriations	<u>359,474</u>	<u>516,617</u>	<u>513,108</u>	<u>3,509</u>
Excess (deficiency) of resources over (under) charges to appropriations	(359,474)	(516,617)	(513,108)	3,509
Appropriated fund balance	<u>359,474</u>	<u>516,617</u>	-	<u>(516,617)</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (513,108)</u>	<u>\$ (513,108)</u>
Explanation of differences between budgetary outflows and GAAP expenditures:				
Actual amounts (budgetary basis) charges to appropriations per the budgetary comparison schedule			\$ 513,108	
Differences - budget to GAAP				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes			<u>479,353</u>	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			<u>\$ 33,755</u>	

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CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – LIBRARY IMPACT FEE  
 YEAR ENDED SEPTEMBER 30, 2019

	Budget Amounts		Actual Amount	Variance with Final Budget
	Original	Final	(Budgetary Basis)	
Resources (inflows):				
Impact fees	\$ 10,000	\$ 10,000	\$ 17,235	\$ 7,235
Interest income and net appreciation in fair value of investments	520	520	3,820	3,300
Amounts available for appropriation	10,520	10,520	21,055	10,535
Excess of resources over charges to appropriations	10,520	10,520	21,055	10,535
Appropriated fund balance	(10,520)	(10,520)	-	10,520
Excess of resources over charges to appropriations	\$ -	\$ -	\$ 21,055	\$ 21,055

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

CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – STREET LIGHT ASSESSMENT FUND  
 YEAR ENDED SEPTEMBER 30, 2019

	Budget Amounts		Actual Amount	Variance with Final Budget
	Original	Final	(Budgetary Basis)	
Resources (inflows):				
Special assessment	\$ 245,770	\$ 245,770	\$ 246,386	\$ 616
Interest income and net appreciation in fair value of investments	1,320	1,320	3,527	2,207
Transfers in from other funds	<u>7,650</u>	<u>7,650</u>	<u>7,650</u>	<u>-</u>
Amounts available for appropriations	<u>254,740</u>	<u>254,740</u>	<u>257,563</u>	<u>2,823</u>
Charges to appropriations (outflows):				
Transportation	<u>254,000</u>	<u>254,000</u>	<u>242,429</u>	<u>11,571</u>
Total charges to appropriations	<u>254,000</u>	<u>254,000</u>	<u>242,429</u>	<u>11,571</u>
Excess (deficiency) of resources over (under) charges to appropriations	740	740	15,134	14,394
Appropriated fund balance	<u>(740)</u>	<u>(740)</u>	<u>-</u>	<u>740</u>
(Deficiency) excess of resources (under) over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,134</u>	<u>\$ 15,134</u>
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule			\$ 257,563	
Differences - budget to GAAP				
Transfer from other funds are inflows budgetary resources but are not resources for financial reporting purposes			<u>7,650</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			<u>\$ 249,913</u>	

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CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS – PARKLAND FUND  
 YEAR ENDED SEPTEMBER 30, 2019

	Budget Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Impact fees	\$ 27,600	\$ 187,600	\$ 166,097	\$ (21,503)
Interest income and net appreciation in fair value of investments	10,970	10,970	20,637	9,667
Intergovernmental	78,500	157,000	78,500	(78,500)
Donations and contributions	-	45,688	70,688	25,000
	117,070	401,258	335,922	(65,336)
Amounts available for appropriations				
Charges to appropriations (outflows) -				
Parks and recreation	35,853	29,352	19,940	9,412
Capital outlay	667,694	1,234,872	1,068,677	166,195
Capital lease principal	5,000	5,000	5,000	-
	708,547	1,269,224	1,093,617	175,607
Total charges to appropriations				
Excess of resources over charges to appropriations	(591,477)	(867,966)	(757,695)	110,271
Appropriated fund balance	591,477	867,966	-	(867,966)
Deficiency of revenues under expenditures	\$ -	\$ -	\$ (757,695)	\$ (757,695)
Explanation of differences between budgetary outflows and GAAP expenditures:				
Actual amounts (budgetary basis) charges to appropriations per the budgetary comparison schedule			\$ 1,093,617	
Differences - budget to GAAP				
Capital lease payments are outflows of budgetary resources but are not expenditures for financial reporting purposes			5,000	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			<u>\$ 1,088,617</u>	

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CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 MAJOR GOVERNMENTAL FUND DEBT SERVICE  
 YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget Amounts</u>		<u>Amount</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u> <u>Basis)</u>	
Resources (inflows):				
Revenues:				
Transfers from other funds	\$ 929,450	\$ 1,111,450	\$ 1,111,450	\$ -
Amount available for appropriations	<u>929,450</u>	<u>1,111,450</u>	<u>1,111,450</u>	<u>-</u>
Charges to appropriations (outflows):				
Principal payments	810,740	937,740	937,728	12
Interest and other fiscal charges	<u>104,770</u>	<u>159,770</u>	<u>157,906</u>	<u>1,864</u>
Total charges to appropriations	<u>915,510</u>	<u>1,097,510</u>	<u>1,095,634</u>	<u>1,876</u>
Deficiency of resources under charges to appropriations	13,940	13,940	15,816	(1,876)
Appropriated fund balance	<u>(13,940)</u>	<u>(13,940)</u>	<u>-</u>	<u>(13,940)</u>
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,816</u>	<u>\$ 15,816</u>
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule			\$ 1,111,450	
Differences - budget to GAAP				
Transfer from other funds are inflows budgetary resources but are not resources for financial reporting purposes			<u>1,111,450</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			<u>\$ -</u>	

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CITY OF SAFETY HARBOR, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 MAJOR GOVERNMENTAL FUND CAPITAL PROJECT FUND  
 YEAR ENDED SEPTEMBER 30, 2019

	Budget Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Local option taxes	\$ 1,909,800	\$ 1,909,800	\$ 1,980,903	\$ 71,103
Intergovernmental	10,450	10,450	8,780	(1,670)
Interest income and net appreciation in fair value of investments	27,690	27,690	85,160	57,470
Proceeds from debt	1,450,000	1,450,000	1,395,500	(54,500)
Amounts available for appropriation	<u>3,397,940</u>	<u>3,397,940</u>	<u>3,470,343</u>	<u>72,403</u>
Charges to appropriations (outflows):				
Other Non-Capitalized	25,000	25,600	24,372	1,228
Capital outlay	3,855,923	3,221,212	2,805,223	415,989
Transfers to other funds	997,950	1,196,150	1,196,150	-
Total charges to appropriations	<u>4,878,873</u>	<u>4,442,962</u>	<u>4,025,745</u>	<u>417,217</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>(1,480,933)</u>	<u>(1,045,022)</u>	<u>(555,402)</u>	<u>(344,814)</u>
Appropriated fund balance	<u>1,480,933</u>	<u>1,045,022</u>	<u>-</u>	<u>344,814</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (555,402)</u>	<u>\$ 555,402</u>
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriation per the budgetary comparison schedule			\$ 3,470,343	
Differences - budget to GAAP				
Debt proceeds are inflow of budgetary resources but are not revenues for financial reporting purposes			<u>1,395,500</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances of governmental funds			<u>\$ 2,074,843</u>	
Explanation of differences between budgetary outflows and GAAP expenditures:				
Actual amounts (budgetary basis) charges to appropriations per the budgetary comparison schedule			\$ 4,025,745	
Differences - budget to GAAP				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes			<u>1,196,150</u>	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances of governmental funds			<u>\$ 2,829,595</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, 2019

	Actual Amounts				Total Amounts	Variance Favorable (Unfavorable)
	Fire Budget	City Amounts	Fire District Amounts	EMS Amounts		
Revenue:						
Municipality - City of						
Safety Harbor	\$ 2,752,781	\$ 3,820,717	\$ -	\$ -	\$ 3,820,717	\$ 1,067,936
Intergovernmental	190,059	187,451	-	-	187,451	(2,608)
EMS District funds	1,010,000	-	-	1,042,100	1,042,100	32,100
EMS District funds <sup>a</sup>	-	(9,499)	-	9,499	-	-
Pinellas County EMS Water Rescue Grant Program	-	(10,000)	-	10,000	-	-
Safety Harbor Fire District	190,000	-	173,581	-	173,581	(16,419)
Total revenues	<u>4,142,840</u>	<u>3,988,669</u>	<u>173,581</u>	<u>1,061,599</u>	<u>5,223,849</u>	<u>1,081,009</u>
Expenditures:						
Personnel services	3,518,930	3,345,349	173,581	835,698	4,354,628	(835,698)
Contractual/other services	315,319	361,274	-	42,016	403,290	(87,971)
Contractual/other services	-	97,208	-	-	97,208	(97,208)
Station/Overhead allowable costs <sup>a</sup>	-	(9,499)	-	9,499	-	-
EMS Water Rescue	-	(10,000)	-	10,000	-	-
Materials and supplies	118,532	114,094	-	67,178	181,272	(62,740)
Capital outlay	190,059	187,451	-	-	187,451	2,608
Total expenditures	<u>4,142,840</u>	<u>4,085,877</u>	<u>173,581</u>	<u>964,391</u>	<u>5,223,849</u>	<u>(1,081,009)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ (97,208)</u>	<u>\$ -</u>	<u>\$ 97,208</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 OPERATIONS – ACTUAL AND BUDGET  
LIBRARY SUB-FUNDS  
YEAR ENDED SEPTEMBER 30, 2019

	Actual Amounts			Total Amounts	Variance Favorable (Unfavorable)
	Library Budget	City Amounts	Library Amounts		
Revenue:					
Municipality - City of Safety Harbor	\$ 1,162,944	\$ 1,139,496	\$ -	\$ 1,139,496	\$ (23,448)
Intergovernmental	256,960	-	256,959	256,959	(1)
Other revenues	-	102	-	102	102
Chrissie Shull Elmore Trust	22,000	14,709	-	14,709	(7,291)
<b>Total revenues</b>	<b>1,441,904</b>	<b>1,154,307</b>	<b>256,959</b>	<b>1,411,266</b>	<b>(30,638)</b>
Expenditures:					
Personnel services	879,760	663,911	205,999	869,910	9,850
Contractual/other services	432,726	419,780	-	419,780	12,946
Materials and supplies	23,861	17,624	-	17,624	6,237
Capital outlay	105,557	52,992	50,960	103,952	1,605
<b>Total expenditures</b>	<b>1,441,904</b>	<b>1,154,307</b>	<b>256,959</b>	<b>1,411,266</b>	<b>30,638</b>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CITY OF SAFETY HARBOR, FLORIDA  
SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET  
WATER AND SEWER FUND  
YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 10,967,300	\$ 10,135,847	\$ (831,453)
Intergovernmental	-	61,032	61,032
Other	679,030	687,266	8,236
Total operating revenue	<u>11,646,330</u>	<u>10,884,145</u>	<u>(762,185)</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages, and employee benefits	1,862,760	1,732,982	129,778
Materials and supplies	239,850	151,388	88,462
Contractual and other services	6,054,981	5,777,002	277,979
Capital outlay	8,043,783	4,646,032	3,397,751
Total operating expenses	<u>16,201,374</u>	<u>12,307,404</u>	<u>3,893,970</u>
Operating income (loss)	<u>(4,555,044)</u>	<u>(1,423,259)</u>	<u>3,131,785</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income and net appreciation			
in fair value of investments	237,640	602,302	364,662
Interest expense	(267,110)	(181,913)	(85,197)
Gain on the sale of capital assets	1,500	6,986	5,486
Debt service principal retirement	(455,600)	(464,806)	(9,206)
Total nonoperating revenues (expenses)	<u>(483,570)</u>	<u>(37,431)</u>	<u>275,745</u>
Income (loss) before appropriated net assets	(5,038,614)	(1,460,690)	(6,499,304)
Appropriated net assets	<u>5,038,614</u>	<u>-</u>	<u>(5,038,614)</u>
Changes in net assets	<u>\$ -</u>	(1,460,690)	<u>\$ 1,460,690</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net assets - proprietary funds			
Depreciation and amortization		(1,370,807)	
Capital outlay		4,646,032	
Debt service principal repayment		464,806	
Change in net assets GAAP basis		<u>\$ 2,279,341</u>	

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA  
SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET  
SOLID WASTE FUND  
YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 3,122,400	\$ 2,989,087	\$ (133,313)
Intergovernmental	13,470	15,595	2,125
Other	10,000	8,681	(1,319)
Total operating revenues	<u>3,145,870</u>	<u>3,013,363</u>	<u>(132,507)</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages, and employee benefits	1,362,880	1,328,337	34,543
Materials and supplies	261,374	223,497	37,877
Contractual and other services	943,739	892,684	51,055
Capital outlay	753,311	716,032	37,279
Total operating expenses	<u>3,321,304</u>	<u>3,160,550</u>	<u>160,754</u>
Operating income (loss)	<u>(175,434)</u>	<u>(147,187)</u>	<u>(293,261)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income and net appreciation in fair value of investments	36,260	138,967	102,707
Interest expense	(17,120)	(16,804)	(316)
Gain on the sale of capital assets	40,500	36,417	(4,083)
Debt service principal retirement	(37,460)	(37,444)	(16)
Total nonoperating revenues (expenses)	<u>22,180</u>	<u>121,136</u>	<u>98,292</u>
Income (loss) before appropriated net assets	(197,614)	(26,051)	(194,969)
Appropriated net assets	<u>197,614</u>	<u>-</u>	<u>(197,614)</u>
Changes in net position	<u>\$ -</u>	(26,051)	<u>\$ (392,583)</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(456,084)	
Capital outlay		716,032	
Debt service principal repayment		<u>37,444</u>	
Change in net position GAAP basis		<u>\$ 271,341</u>	

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA  
SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET  
STORMWATER FUND  
YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,446,120	\$ 1,447,489	\$ 1,369
Intergovernmental	-	1,145	1,145
Other	-	1,212	1,212
Total operating revenue	<u>1,446,120</u>	<u>1,449,846</u>	<u>3,726</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages, and employee benefits	373,440	213,770	159,670
Materials and supplies	82,860	75,719	7,141
Contractual and other services	259,766	201,927	57,839
Capital outlay	545,843	311,915	233,928
Total operating expenses	<u>1,261,909</u>	<u>803,331</u>	<u>458,578</u>
Operating income (loss)	<u>184,211</u>	<u>646,515</u>	<u>462,304</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income and net appreciation			
in fair value of investments	24,930	88,746	63,816
Interest expense	(30,830)	(30,264)	(566)
Gain on the sale of capital assets	4,800	10,476	5,676
Debt service principal retirement	(67,470)	(67,442)	(28)
Total nonoperating revenues (expenses)	<u>(68,570)</u>	<u>1,516</u>	<u>70,086</u>
Income (loss) before appropriated net assets	115,641	648,031	532,390
Appropriated net assets	<u>(115,641)</u>	<u>-</u>	<u>115,641</u>
Changes in net position	<u>\$ -</u>	648,031	<u>\$ 648,031</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(388,760)	
Capital outlay		311,915	
Debt service principal repayment		<u>67,442</u>	
Change in net position GAAP basis		<u>\$ 638,628</u>	

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA  
RECONCILIATION OF TOTAL FUND BALANCE FOR THE GOVERNMENTAL FUNDS TO  
TOTAL NET POSITION FOR GOVERNMENTAL ACTIVITIES  
SEPTEMBER 30, 2019

	Total Governmental Funds	Assets, deferred inflows, long-term liabilities and deferred inflows	Statement of Net Position
<b>Assets</b>			
Equity in pooled cash and investments	\$ 13,013,572	\$ -	\$ 13,013,572
Receivables, net:			
Accounts receivable	452,263	-	452,263
Due from other governments	1,011,263	-	1,011,263
Inventories	46,394	-	46,394
Prepaid items	833	-	833
Other assets	-	-	-
Capital assets:			
Nondepreciable	-	10,828,389	10,828,389
Depreciable, net of accumulated depreciation	-	17,562,113	17,562,113
Pension asset	-	2,569,304	2,569,304
Total assets	<u>14,524,325</u>	<u>30,959,806</u>	<u>45,484,131</u>
Deferred outflows - OPEB	-	57,792	57,792
Deferred outflows - Pension	-	1,631,651	1,631,651
<b>Total assets and deferred outflows</b>	<u>\$ 14,524,325</u>	<u>\$ 32,649,249</u>	<u>\$ 47,173,574</u>
<b>Liabilities</b>			
Liabilities:			
Accounts payable	\$ 831,696	\$ -	\$ 831,696
Interest payable	-	32,396	32,396
Accrued liabilities	181,116	-	181,116
Customer deposits	23,129	-	23,129
Unearned revenue	923,035	-	923,035
Long-term obligations:			
Compensated absences	-	770,885	770,885
Other post employment benefits	-	868,588	868,588
Net pension liability	-	929,953	929,953
Capital lease	-	215,000	215,000
Bonds and notes payable	-	3,459,371	3,459,371
Total liabilities	<u>1,958,976</u>	<u>6,276,193</u>	<u>8,235,169</u>
Deferred inflows - OPEB	-	131,790	131,790
Deferred inflows	-	2,192,008	2,192,008
<b>Fund Balances</b>			
Invested in capital assets, net of related debt	-	24,716,131	24,716,131
Nonspendable:			
Inventories and prepaid amounts	47,227	(47,227)	-
Restricted for:			
General government	-	-	-
Fire protection	107,174	-	107,174
Transportation	288,398	-	288,398
Library	77,368	-	77,368
Parks and recreation	171,217	-	171,217
Debt service	199,139	(32,396)	166,743
Capital projects	927,184	-	927,184
Committed to:			
Emergency/disaster relief stabilization	3,094,602	-	3,094,602
Physical environment	158,127	-	158,127
Public safety	112,241	-	112,241
Capital project (Waterfront Park)	-	-	-
Assigned to:			
General government	76,346	-	76,346
Fire protection	8,160	-	8,160
Library	3,962	-	3,962
Public safety	7,042	-	7,042
Physical environment	25,698	-	25,698
Transportation	1,109,868	-	1,109,868
Parks and recreation	579,187	-	579,187
Other	-	-	-
Unassigned:	<u>5,572,409</u>	<u>(587,250)</u>	<u>4,985,159</u>
Total fund balances	<u>12,565,349</u>	<u>24,049,258</u>	<u>36,614,607</u>
Total liabilities, deferred inflow, and fund balances	<u>\$ 14,524,325</u>	<u>\$ 32,649,249</u>	<u>\$ 47,173,574</u>

See Independent Auditors' Report.



CITY OF SAFETY HARBOR, FLORIDA  
RECONCILIATION OF NET CHANGE IN FUND BALANCES  
FOR THE GOVERNMENTAL FUNDS TO CHANGES IN NET POSITION  
FOR GOVERNMENTAL ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2019

	<u>Total Governmental Funds</u>	<u>Depreciation</u>	<u>Capital Outlay</u>	<u>Change in Pension Asset</u>	<u>Compensated Absences</u>	<u>Other Post Employment Benefits (OPEB)</u>	<u>Long-term Debt</u>	<u>Reclasses and Eliminations</u>	<u>Statement of Activities Total</u>
<b>REVENUES</b>									
Property taxes	\$ 5,257,349	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,257,349
Utility taxes	2,436,400	-	-	-	-	-	-	-	2,436,400
Local business taxes	144,019	-	-	-	-	-	-	-	144,019
Local option taxes	2,307,990	-	-	-	-	-	-	-	2,307,990
Franchise fees	1,502,259	-	-	-	-	-	-	-	1,502,259
Licenses and permits	546,706	-	-	-	-	-	-	-	546,706
Impact fees	434,211	-	-	-	-	-	-	-	434,211
Special assessments	246,398	-	-	-	-	-	-	-	246,398
Sales tax	1,150,183	-	-	-	-	-	-	-	1,150,183
Intergovernmental	2,435,214	-	-	-	-	-	-	-	2,435,214
Charges for services	1,394,621	-	-	-	-	-	-	-	1,394,621
Fines and forfeitures	17,052	-	-	-	-	-	-	-	17,052
Interest income and net appreciation in fair value of investments	623,432	-	-	-	-	-	-	-	623,432
Contributions and donations	91,271	-	-	-	-	-	-	-	91,271
Other	1,072,235	-	-	-	-	-	-	-	1,072,235
Total revenues	<u>19,659,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,659,340</u>
<b>EXPENDITURES</b>									
Current operating:									
General government	3,175,775	258,711	-	(4,182)	13,877	10,033	-	-	3,454,214
Law enforcement	1,355,163	4,577	-	-	-	-	-	-	1,359,740
Fire protection	3,964,948	257,093	-	(119,726)	(20,126)	14,136	-	-	4,096,325
Building department	532,507	8,703	-	-	3,760	3,192	-	-	548,162
Physical environment	493,901	7,166	-	-	(1,262)	1,824	-	-	501,629
Transportation	934,366	393,944	-	(4,182)	(20,474)	3,192	-	-	1,306,846
Library	1,307,317	277,088	-	(4,182)	8,810	4,104	-	-	1,593,137
Parks and recreation	3,370,197	660,252	-	(8,364)	19,599	9,120	-	-	4,050,804
Capital outlay	4,476,774	-	(4,476,774)	-	-	-	-	-	-
Debt service:									
Capital lease retirement	5,000	-	-	-	-	-	(5,000)	-	-
Principal retirement	937,728	-	-	-	-	-	(937,728)	-	-
Interest and other fiscal charges	157,906	-	-	-	-	-	(7,897)	-	150,009
Total expenditures	<u>20,711,582</u>	<u>1,867,534</u>	<u>(4,476,774)</u>	<u>(140,636)</u>	<u>4,184</u>	<u>45,601</u>	<u>(950,625)</u>	<u>-</u>	<u>17,060,866</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,052,242)</u>	<u>(1,867,534)</u>	<u>4,476,774</u>	<u>140,636</u>	<u>(4,184)</u>	<u>(45,601)</u>	<u>950,625</u>	<u>-</u>	<u>2,598,474</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	2,206,153	-	-	-	-	-	-	-	2,206,153
Transfers out	(2,206,153)	-	-	-	-	-	-	-	(2,206,153)
Debt proceeds	1,395,500	-	-	-	-	-	-	-	1,395,500
Total other financing sources (uses)	<u>1,395,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,395,500</u>
Net change in fund balances	<u>\$ 343,258</u>	<u>\$ (1,867,534)</u>	<u>\$ 4,476,774</u>	<u>\$ 140,636</u>	<u>\$ (4,184)</u>	<u>\$ (45,601)</u>	<u>\$ 950,625</u>	<u>\$ -</u>	<u>\$ 3,993,974</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 comprehensive annual 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)

	2019	2018*	2017	2016	2015	2014*	2013	2012	2011	2010*	2009
<b>Governmental Activities</b>											
Invested in capital assets, net of related debt	\$ 24,716,131	\$ 22,559,405	\$ 22,503,388	\$ 20,413,796	\$ 18,705,536	\$ 18,038,191	\$ 18,127,134	\$ 17,747,220	\$ 17,815,778	\$ 18,018,704	\$ 19,665,284
Restricted	1,738,084	2,499,538	2,113,838	2,158,213	2,175,369	2,638,130	6,211,733	6,703,478	8,618,746	3,811,514	3,318,189
Unrestricted	10,160,392	8,957,190	8,562,317	9,981,724	10,212,509	8,559,267	4,850,303	4,828,789	4,700,754	9,994,707	13,615,753
Total governmental activities net position	<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>	<u>\$ 31,135,278</u>	<u>\$ 31,824,925</u>	<u>\$ 36,599,226</u>
<b>Business-type Activities</b>											
Invested in capital assets, net of related debt	\$ 24,816,184	\$ 22,904,068	\$ 19,839,464	\$ 19,967,583	\$ 19,179,343	\$ 18,085,216	\$ 18,413,858	\$ 16,597,580	\$ 13,561,385	\$ 12,760,978	\$ 9,965,349
Restricted	11,332,008	10,321,373	10,568,422	10,231,976	10,538,939	8,685,536	6,854,934	6,065,933	5,249,420	4,832,069	3,984,661
Unrestricted	4,547,404	4,280,845	5,370,298	4,144,658	4,083,783	6,239,990	7,456,566	8,467,665	8,668,700	7,469,063	5,274,983
Total business-type activities net position	<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>	<u>\$ 27,479,505</u>	<u>\$ 25,062,110</u>	<u>\$ 19,224,993</u>
<b>Primary Government</b>											
Invested in capital assets, net of related debt	\$ 49,532,315	\$ 45,463,473	\$ 42,342,852	\$ 40,381,379	\$ 37,884,879	\$ 36,123,407	\$ 36,540,992	\$ 34,344,800	\$ 31,377,163	\$ 30,779,682	\$ 29,630,633
Restricted	13,070,092	12,820,911	12,682,260	12,390,189	12,714,308	11,323,666	13,066,667	12,769,411	13,868,166	8,643,583	7,302,850
Unrestricted	14,707,796	13,238,035	13,932,615	14,126,382	14,296,292	14,799,257	12,306,869	13,296,454	13,369,454	17,463,770	18,890,736
Total primary government net position	<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>	<u>\$ 58,614,783</u>	<u>\$ 56,887,035</u>	<u>\$ 55,824,219</u>

\*Restated

Note: The City began reporting the Stormwater Fund as a Business-type activity in 2011. Financial data restated in 2010 for comparative purposes.

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

The City implemented GASB 75 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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 3,454,214	\$ 3,180,590	\$ 3,257,408	\$ 2,965,594	\$ 2,808,975	\$ 2,922,955	\$ 2,931,779	\$ 3,139,084	\$ 3,219,077	\$ 3,474,937
Law enforcement	1,359,740	1,313,651	1,277,859	1,260,699	1,213,281	1,179,493	1,224,491	1,268,788	1,266,876	1,231,263
Fire protection	4,096,325	3,881,364	4,000,144	3,942,197	3,585,085	3,894,577	3,788,045	3,724,329	3,843,029	3,814,874
Building department	548,162	542,380	484,448	390,407	334,862	307,766	290,904	296,574	300,126	305,251
Physical environment	501,629	500,711	491,636	467,017	374,898	423,295	405,422	414,406	483,956	1,347,914
Transportation	1,306,846	1,318,998	1,594,249	1,614,526	1,851,031	1,520,855	1,588,963	2,009,562	1,858,826	2,152,048
Library	1,593,137	1,577,190	1,542,784	1,498,730	1,461,672	1,466,178	1,467,129	1,528,418	1,560,737	1,514,773
Parks and recreation	4,050,804	3,740,028	3,545,138	3,274,817	3,006,095	2,934,957	2,786,955	2,737,957	2,663,696	2,585,030
Interest and other fiscal charges on long-term debt	150,009	54,488	146,190	119,243	239,418	189,032	208,644	183,650	176,977	237,267
<b>Total governmental activities expenses</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>15,373,300</b>	<b>16,663,357</b>
<b>Business-type activities:</b>										
Water and wastewater	9,214,092	8,423,410	8,287,692	8,235,173	7,701,878	7,669,583	7,762,326	7,080,853	7,301,156	7,368,967
Solid waste	2,917,406	2,807,743	2,861,263	2,586,702	2,546,132	2,688,181	2,637,708	2,662,998	2,623,957	2,613,310
Stormwater	910,440	1,166,631	1,043,174	1,050,346	936,715	871,193	828,019	818,113	814,809	-
<b>Total business-type activities expenses</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>10,739,922</b>	<b>9,982,277</b>
<b>Total primary government expenses</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>\$ 26,113,222</b>	<b>\$ 26,645,634</b>
<b>Program Revenues (see Schedule 3)</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 145,743	\$ 122,823	\$ 153,275	\$ 78,602	\$ 77,093	\$ 67,995	\$ 129,579	\$ 90,475	\$ 75,110	\$ 46,854
Law enforcement	17,052	15,384	17,262	13,442	11,412	10,381	45,377	77,056	90,658	68,287
Fire protection	54,650	85,787	31,425	31,567	9,450	16,794	23,376	6,845	6,890	1,083
Building department	811,984	532,923	322,968	250,257	222,337	215,144	311,272	169,407	150,485	121,847
Physical environment	215,135	53,485	252,343	39,435	46,166	46,550	42,964	49,913	51,235	508,932
Transportation	453,586	261,768	283,183	282,396	275,797	344,165	343,274	40,550	9,624	20,834
Library	47,934	41,169	55,144	51,460	42,663	49,311	49,077	47,223	55,745	45,613
Parks and recreation	802,000	885,164	813,304	798,929	895,477	854,196	859,165	743,694	736,353	692,506
Operating grants and contributions	1,740,458	1,419,324	1,296,499	1,287,503	1,255,345	1,481,182	1,452,065	1,234,112	1,294,887	1,269,902
Capital grants and contributions	163,842	73,297	335,104	868,643	693,263	62,633	42,210	166,567	31,067	194,540
<b>Total governmental activities program revenues</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>2,502,054</b>	<b>2,970,398</b>
<b>Business-type activities:</b>										
Charges for services:										
Water and wastewater	10,135,847	9,331,647	8,585,590	7,461,978	7,149,079	7,857,807	8,059,551	7,952,369	8,233,441	8,081,185
Solid waste	2,989,087	2,955,565	2,954,431	2,923,310	2,894,957	2,900,306	2,847,160	2,797,521	2,871,451	2,782,138
Stormwater	1,447,489	1,399,020	1,149,837	1,012,228	1,000,016	996,899	993,034	661,809	667,967	-
Operating grants and contributions	76,627	5,884	55,231	32,934	-	12,988	12,959	13,067	13,457	13,439
Capital grants and contributions	1,145	56,908	-	-	-	4,839	413,289	1,057,627	240,675	-
<b>Total business-type activities program revenues</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>12,026,991</b>	<b>10,876,762</b>
<b>Total primary government program revenues</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>	<b>\$ 14,529,045</b>	<b>\$ 13,847,160</b>



**SCHEDULE 2**

**City of Safety Harbor, Florida**  
**CHANGES IN NET POSITION, CONTINUED**  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (12,608,482)	\$ (12,618,276)	\$ (12,779,349)	\$ (11,830,996)	\$ (11,346,314)	\$ (11,690,757)	\$ (11,393,973)	\$ (12,676,926)	\$ (12,871,246)	\$ (13,692,959)
Business-type activities	1,608,257	1,351,240	552,960	(441,771)	(140,673)	543,882	1,097,940	1,920,429	1,287,069	894,485
Total primary government net expense	<u>\$ (11,000,225)</u>	<u>\$ (11,267,036)</u>	<u>\$ (12,226,389)</u>	<u>\$ (12,272,767)</u>	<u>\$ (11,486,987)</u>	<u>\$ (11,146,875)</u>	<u>\$ (10,296,033)</u>	<u>\$ (10,756,497)</u>	<u>\$ (11,584,177)</u>	<u>\$ (12,798,474)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 5,257,349	\$ 4,913,710	\$ 4,571,161	\$ 4,390,452	\$ 4,193,398	\$ 3,722,248	\$ 3,215,616	\$ 3,267,040	\$ 3,454,605	\$ 3,493,007
Utility taxes	2,436,400	2,324,144	2,288,535	2,322,071	2,423,913	2,459,059	2,386,797	2,473,714	2,427,378	2,624,901
Local business tax	144,019	149,597	140,393	141,389	162,446	135,802	150,074	154,396	146,230	144,522
Local option tax	2,307,990	2,215,907	2,113,583	2,082,591	2,039,692	1,884,907	1,798,283	1,721,958	1,632,711	1,506,577
Franchise fees	1,502,259	1,416,403	1,315,493	1,347,753	1,462,318	1,473,646	1,361,010	1,435,731	1,463,744	1,629,370
Sales tax	1,150,183	1,125,671	1,078,525	1,151,421	1,018,441	980,143	928,330	889,029	874,854	847,342
Intergovernmental	628,185	611,561	593,293	568,087	554,343	529,971	494,362	469,506	472,827	468,225
Interest income and net appreciation/(depreciation) in fair value of investments	623,432	(58,532)	42,800	228,367	260,606	204,396	(44,637)	198,116	507,216	844,977
Other	1,157,139	1,273,426	1,261,376	1,059,184	968,183	898,056	916,748	1,018,166	1,202,034	1,122,522
Gain on sale of capital assets	-	-	-	-	-	-	18,632	-	-	6,992
Transfers	-	-	-	-	120,800	120,800	120,800	(806,520)	-	-
Total governmental activities	<u>15,206,956</u>	<u>13,971,887</u>	<u>13,405,159</u>	<u>13,291,315</u>	<u>13,204,140</u>	<u>12,409,028</u>	<u>11,346,015</u>	<u>10,821,136</u>	<u>12,181,599</u>	<u>12,688,435</u>
Business-type activities:										
Franchise fees	-	-	-	-	-	-	-	-	-	29,928
Interest income and net appreciation/(depreciation) in fair value of investments	830,015	(107,028)	62,990	289,499	322,693	247,524	(48,331)	209,919	438,080	475,634
Other	697,159	656,820	750,612	656,365	706,309	698,586	722,038	696,670	680,091	657,841
Proceeds from sale of capital assets	53,879	35,888	67,405	38,059	23,794	14,305	(1,791)	18,135	12,155	9,455
Transfers	-	-	-	-	(120,800)	(120,800)	(120,800)	806,520	-	-
Total business-type activities	<u>1,581,053</u>	<u>585,680</u>	<u>881,007</u>	<u>983,923</u>	<u>931,996</u>	<u>839,615</u>	<u>551,116</u>	<u>1,731,244</u>	<u>1,130,326</u>	<u>1,172,858</u>
Total primary government	<u>\$ 16,788,009</u>	<u>\$ 14,557,567</u>	<u>\$ 14,286,166</u>	<u>\$ 14,275,238</u>	<u>\$ 14,136,136</u>	<u>\$ 13,248,643</u>	<u>\$ 11,897,131</u>	<u>\$ 12,552,380</u>	<u>\$ 13,311,925</u>	<u>\$ 13,861,293</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 2,598,474	\$ 1,353,611	\$ 625,810	\$ 1,460,319	\$ 1,857,826	\$ 718,271	\$ (47,958)	\$ (1,855,790)	\$ (689,647)	\$ (1,004,524)
Business-type activities	3,189,310	1,936,921	1,433,967	542,152	791,323	1,383,497	1,649,056	3,651,673	2,417,395	2,067,343
Total primary government	<u>\$ 5,787,784</u>	<u>\$ 3,290,532</u>	<u>\$ 2,059,777</u>	<u>\$ 2,002,471</u>	<u>\$ 2,649,149</u>	<u>\$ 2,101,768</u>	<u>\$ 1,601,098</u>	<u>\$ 1,795,883</u>	<u>\$ 1,727,748</u>	<u>\$ 1,062,819</u>

Note: Beginning in fiscal year 2011 the City began to report the Stormwater Fund as an Enterprise Fund. Prior to 2011, the fund was reported as a Governmental Fund.

**SCHEDULE 3**

**City of Safety Harbor, Florida**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Function/Program</b>										
<b>Governmental activities:</b>										
General government	\$ 145,743	\$ 122,823	\$ 153,275	\$ 83,602	\$ 87,093	\$ 77,995	\$ 129,579	\$ 240,475	\$ 75,110	\$ 61,854
Law enforcement	17,052	15,384	19,535	13,442	11,412	12,492	45,377	77,056	94,936	72,302
Fire protection	1,521,128	1,280,284	1,181,764	1,103,427	1,099,660	1,286,708	1,277,703	1,013,478	1,062,292	991,055
Building department	811,984	536,239	322,968	250,257	222,337	215,144	311,272	169,407	150,485	266,369
Physical environment	215,135	53,485	252,343	39,435	46,166	46,550	42,964	49,913	51,235	699,457
Transportation	458,678	266,711	337,114	290,095	281,295	349,283	348,022	46,986	9,624	20,834
Library	319,602	252,737	216,339	257,791	251,109	287,149	284,277	278,199	293,653	310,543
Parks and recreation	963,062	963,461	1,077,169	1,664,185	1,529,931	873,030	859,165	750,328	764,719	692,506
<b>Total governmental activities program revenues</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>2,502,054</b>	<b>3,114,920</b>
<b>Business-type activities:</b>										
Water and wastewater	10,196,879	9,324,805	8,623,997	7,464,998	7,149,079	7,857,807	8,059,551	7,952,369	8,233,441	8,081,185
Solid waste	3,004,682	2,968,291	2,972,346	2,952,133	2,894,957	2,913,294	2,860,119	2,810,588	2,884,908	2,795,577
Stormwater	1,448,634	1,455,928	1,148,746	1,013,319	1,000,016	1,001,738	1,406,323	1,719,436	908,642	-
<b>Total business-type activities program revenues</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>12,026,991</b>	<b>10,876,762</b>
<b>Total primary government program revenues</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>	<b>\$ 14,529,045</b>	<b>\$ 13,991,682</b>

Note: Beginning in fiscal year 2011 the City began to report the Stormwater Fund as an Enterprise Fund. Prior to 2011, the fund was reported as a Governmental Fund.

**SCHEDULE 4**

**City of Safety Harbor, Florida**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund</b>										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,606,544	\$ 2,886,389	\$ 282,576
Unrestricted	-	-	-	-	-	-	-	5,829,922	6,081,005	8,515,866
Nonspendable	\$ 47,227	\$ 56,861	\$ 49,054	\$ 55,115	\$ 70,326	\$ 32,752	\$ 34,784	\$ 33,461	\$ 193,576	-
Restricted	-	-	-	-	-	-	-	-	22,755	-
Committed	3,094,602	3,105,626	2,959,770	3,277,514	2,941,837	2,593,469	2,580,409	2,573,083	2,670,058	-
Assigned	-	-	-	-	-	1,626,050	68,270	397,680	833,730	-
Unassigned	5,572,409	4,121,377	4,686,532	5,043,036	4,835,512	4,539,230	5,637,597	5,432,242	5,247,275	-
<b>Total general fund</b>	<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>	<u>\$ 8,967,394</u>	<u>\$ 8,798,442</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,699,254	\$ 4,229,317	\$ 3,528,938
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	669,310	3,859,731
Restricted	\$ 1,770,480	\$ 2,539,831	\$ 793,526	\$ 2,219,447	\$ 2,247,003	\$ 2,638,130	\$ 2,536,772	\$ 2,700,566	\$ 4,229,317	-
Committed	270,368	305,950	136,495	1,101,979	1,865,060	278,536	267,150	265,067	231,984	-
Assigned	1,810,263	2,092,446	1,178,449	1,158,634	1,181,291	907,201	724,348	733,621	437,326	-
Unassigned	-	-	(351,469)	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<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>	<u>\$ 4,898,627</u>	<u>\$ 7,388,669</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 amounts in 2011 is discussed in the Notes to the Financial Statements. Prior year amounts have not been restated for the implementation of Statement 54.

**SCHEDULE 5**

**City of Safety Harbor, Florida**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Property taxes	\$ 5,257,349	\$ 4,913,710	\$ 4,571,161	\$ 4,390,452	\$ 4,193,398	\$ 3,722,248	\$ 3,215,616	\$ 3,267,040	\$ 3,454,605	\$ 3,493,007
Utility taxes	2,436,400	2,324,144	2,288,535	2,322,071	2,423,913	2,459,059	2,386,797	2,473,714	2,427,378	2,624,901
Local business tax	144,019	149,597	140,393	141,389	162,446	135,802	150,074	154,396	146,230	144,522
Local option tax	2,307,990	2,215,907	2,113,583	2,082,591	2,039,692	1,884,907	1,798,283	1,721,958	1,632,711	1,506,577
Franchise fees	1,502,259	1,416,403	1,315,493	1,347,753	1,462,318	1,473,646	1,361,010	1,435,731	1,463,744	1,629,370
Licenses and permits	546,706	356,505	313,308	244,417	219,997	215,144	311,272	169,407	150,485	121,847
Impact fees	434,211	98,772	282,018	66,932	42,030	44,430	59,875	43,729	5,738	6,988
Special assessments	246,398	246,527	246,399	246,523	247,516	317,863	312,657	10,696	991	468,479
Sales tax	1,150,183	1,125,671	1,078,525	1,151,421	1,018,441	980,143	928,330	889,029	874,854	847,342
Intergovernmental	2,435,214	2,005,369	2,087,631	1,938,918	1,844,722	1,982,488	1,967,332	1,850,861	1,779,621	1,932,667
Charges for services	1,394,621	1,403,501	1,124,691	947,888	1,021,620	995,188	1,037,575	860,674	885,181	879,969
Fines and forfeitures	17,052	15,384	84,544	40,328	49,232	31,911	77,530	140,659	127,865	28,673
Interest income and net appreciation/(depreciation) in fair value of investments	623,432	(58,527)	42,800	228,367	260,606	204,396	(44,637)	198,116	507,216	844,977
Contributions and donations	91,271	93,813	137,265	24,387	648,229	81,298	-	-	25,000	-
Other	1,072,235	1,156,235	1,139,320	1,064,184	978,183	908,056	961,860	1,037,488	1,202,034	1,122,522
<b>Total revenues</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>14,683,653</b>	<b>15,651,841</b>
<b>Expenditures</b>										
General government	3,175,775	2,937,077	3,019,755	2,683,451	2,505,098	2,591,242	2,584,760	2,798,564	2,969,719	3,223,596
Law enforcement	1,355,163	1,312,142	1,277,165	1,260,277	1,211,298	1,177,579	1,221,973	1,264,935	1,260,120	1,228,769
Fire protection	3,964,948	3,881,238	3,814,412	3,716,483	3,703,257	3,726,465	3,672,859	3,566,685	3,673,446	3,615,892
Building department	532,507	519,765	477,770	386,078	360,833	302,451	288,643	293,273	295,895	300,581
Physical environment	493,901	491,378	476,995	469,248	390,432	406,815	425,653	403,240	484,875	1,219,847
Transportation	934,366	973,410	1,093,147	1,096,530	1,324,730	972,351	1,051,453	1,466,218	1,327,636	1,652,066
Library	1,307,317	1,330,932	1,278,687	1,204,159	1,187,566	1,141,108	1,095,553	1,157,376	1,190,494	1,163,288
Parks and recreation	3,370,197	3,347,990	3,078,040	2,799,249	2,570,983	2,477,869	2,329,512	2,287,102	2,210,288	2,158,588
Capital outlay	4,476,774	1,357,742	2,605,597	2,025,945	2,058,101	1,098,447	1,422,734	4,096,731	1,183,334	1,716,128
Debt service										
Capital lease principal	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-	-
Principal retirement	937,728	303,141	1,254,309	746,860	722,400	702,982	628,982	414,062	401,643	467,878
Interest and other fiscal charges	157,906	65,287	156,332	129,645	167,784	189,032	208,644	179,572	174,431	234,801
<b>Total expenditures</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>	<b>15,171,881</b>	<b>16,981,434</b>
Excess (deficiency) of revenues over (under) expenditures	(1,052,242)	937,909	(1,571,543)	(285,304)	404,861	645,238	(407,192)	(3,674,260)	(488,228)	(1,329,593)
<b>Other Financing Sources (Uses)</b>										
Transfers in	2,206,153	\$ 1,743,553	1,610,096	1,158,780	2,662,020	1,018,770	1,104,830	921,720	889,080	924,684
Transfers out	(2,206,153)	(1,743,553)	(1,610,096)	(1,158,780)	(2,541,220)	(897,970)	(984,030)	(1,728,240)	(889,080)	(924,684)
Sale of capital assets	-	-	-	-	-	-	-	-	-	6,992
Bond Issuance Costs	-	-	-	-	-	-	-	(24,521)	-	-
Debt proceeds	1,395,500	-	-	-	-	-	-	2,775,000	-	-
<b>Total other financing sources (uses)</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>-</b>	<b>6,992</b>
<b>Net change in fund balances</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>	<b>\$ (488,228)</b>	<b>\$ (1,322,601)</b>
Debt service as a percentage of noncapital expenditures	6.78%	2.46%	8.89%	6.08%	6.33%	6.55%	6.20%	4.29%	4.12%	4.60%

**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		
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
2011	2010	3.3808	\$ 1,372,646,748	\$ 91,774,019	\$ 274,392	\$ 430,162,090	\$ 44,668,976	\$ 34,697	\$ 942,484,658	\$ 47,105,043	\$ 239,695	\$ 989,829,396	3.3808
2010	2009	3.0674	\$ 1,669,297,187	\$ 107,537,652	\$ 278,640	\$ 632,609,905	\$ 55,012,410	\$ 41,544	\$ 1,036,687,282	\$ 52,525,242	\$ 237,096	\$ 1,089,449,620	3.0674

Source: Pinellas County Property Appraiser Revised Recapitulation of the Ad Valorem Assessment Rolls of Safety Harbor, Form DR-403

<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>	
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
2011	2010	3.3808	4.8730	8.3400	0.5832	0.5601	1.4410	19.1781
2010	2009	3.0674	4.8730	8.3460	0.5832	0.5601	1.5106	18.9403

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	2019		2010	
	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation
Safety Harbor Property Holdings, LLC	\$ 18,750,000	1.42%	\$ -	0.00%
Safety Harbor Spa & Resort, LLC	16,822,166	1.28%	11,898,157	1.26%
Freedom Land Trust	12,705,000	0.96%	12,969,250	1.38%
E C A Elle Northwood Partners LLC	9,925,000	0.75%	-	0.00%
Leisure Associates Ltd Partnership	8,745,000	0.66%	5,500,000	0.58%
Northwood Pinellas, LLC	7,800,000	0.59%	-	0.00%
Baycare Properties, LLC	7,680,000	0.58%	-	0.00%
Health Care Property Investment, Inc.	6,450,000	0.49%	4,900,000	0.52%
Safety Harbor Investment Properties	5,570,000	0.42%	6,300,000	0.67%
ARHC CSCLWFL01 LLC	5,550,000	0.42%	-	0.00%
Mease Hospitals, Inc.	-	0.00%	16,714,320	1.77%
Northwood Oaks, LLC	-	0.00%	8,585,000	0.91%
Northwood Commons LLC	-	0.00%	6,950,000	0.74%
Bayshore Palms Apartments Inc.	-	0.00%	6,500,000	0.69%
Capstone Capital Corp	-	0.00%	3,900,000	0.41%
	<u>\$ 99,997,166</u>	<u>7.59%</u>	<u>\$ 84,216,727</u>	<u>8.94%</u>
Total Taxable Assessed Value	<u>\$ 1,318,104,927</u>		<u>\$ 942,484,658</u>	

Source: Pinellas County Property Appraiser

Note: The current year amounts are based on the Final/Post-VAB Final Roll

**SCHEDULE 9**

**City of Safety Harbor, Florida**

**PRINCIPAL TAXPAYERS - PERSONAL PROPERTY**

Current Year and Ten Years Ago

Taxpayer	2019		2010	
	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation
Duke Energy Florida	\$ 11,255,269	24.32%	\$ -	0.00%
Mastercut Tool Corp	5,110,906	11.04%	1,968,904	4.18%
Florida Gas Transmission	3,421,116	7.39%	-	0.00%
Bright House Networks LLC	2,476,267	5.35%	3,210,247	6.82%
Frontier Communications	1,841,404	3.98%	-	0.00%
Angelica Textile Services	1,196,121	2.58%	2,852,244	6.06%
Nice Services, Inc.	1,142,059	2.47%	-	0.00%
Countryside Surgi-Center	975,109	2.11%	-	0.00%
Wow! Internet, Cable & Phone	794,425	1.72%	-	0.00%
Sawyer Products, Inc.	742,631	1.60%	-	0.00%
Florida Power Corp	-	0.00%	7,417,280	15.75%
Verizon Florida LLC	-	0.00%	4,412,383	9.37%
Florida Gas Transmission	-	0.00%	2,135,980	4.53%
National Linen Service #495	-	0.00%	2,733,821	5.80%
US Bancorp Equipment Fin	-	0.00%	2,317,613	4.92%
Safety Harbor Resort and Spa	-	0.00%	2,253,946	4.78%
Diagnostic Clinic	-	0.00%	1,166,045	2.48%
Countryside Cancer Center	-	0.00%	1,139,209	2.42%
	<u>\$ 28,955,307</u>	<u>62.56%</u>	<u>\$ 31,607,672</u>	<u>67.10%</u>
Total Taxable Assessed Value	<u>\$ 46,283,123</u>		<u>\$ 47,105,043</u>	

Source: Pinellas County Property Appraiser

Note: The current year amounts are based on the Final/Post-VAB Final Roll



**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
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%
2011	2010	3,346,414	3,087,460	92.26%	60,336	3,147,796	94.06%
2010	2009	3,341,778	3,064,109	91.69%	20,859	3,084,968	92.32%

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	Capital Leases			
2019	\$ 920,000	\$ 2,539,371 d	\$ 215,000	\$ 2,578,422 d	\$ 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 b	-	1,500,000 b	7,612,848	-	16,473,030	2.94%	976
2011	-	4,999,244	-	1,649,748	7,957,023	37,935	14,643,950	2.64%	867
2010	-	6,780,150	29,132	1,764,064	6,912,338	104,864	15,590,548	2.67%	880
2009	-	7,222,494	54,792	2,073,384	7,183,506	163,950	16,698,126	2.76%	937
2008	-	6,918,487 c	-	2,367,704	4,953,047	-	14,239,238	2.39%	798

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**  
**DIRECT AND OVERLAPPING DEBT**  
**City of Safety Harbor, Florida**  
As of September 30, 2019

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>	\$ 852,480	1.50%	\$ 12,787
Pinellas County <sup>b</sup>	18,634,328	1.65%	307,466
<b>Capital Leases:</b>			
Pinellas County School Board <sup>b</sup>	4,752,393	1.50%	71,286
Pinellas County <sup>b</sup>	298,262	1.65%	4,921
<b>Total Overlapping Debt</b>	<b>\$ 24,537,463</b>		<b>\$ 396,461</b>
<b>Total Direct Debt <sup>c</sup></b>			<b>214,871</b>
<b>Total Direct and Overlapping Governmental Activities Debt</b>			<b>\$ 611,332</b>
<b>Total Direct and Overlapping Governmental Activities Debt Per Capita <sup>d</sup></b>			<b>\$ 33.90</b>

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 2019.

<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> 2019 permanent Safety Harbor population is estimated at 18,031.

**SCHEDULE 14**

**City of Safety Harbor, Florida**  
**PLEGGED-REVENUE COVERAGE - GOVERNMENTAL ACTIVITIES**  
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Coverage
	Gross Revenues <sup>a</sup>	Operating Expenses <sup>b</sup>	Net Revenue Available for Debt Service	Debt Service Requirements				
				Principal	Interest	Total		
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	
2011	\$ 10,508,546	\$ 7,732,700	\$ 2,775,846	\$ 401,643	\$ 174,431	\$ 576,074	4.82	
2010	\$ 10,450,030	\$ 7,894,869	\$ 2,555,161	\$ 467,878	\$ 234,801	\$ 702,679	3.64	
2009	\$ 11,088,277	\$ 8,169,710	\$ 2,918,567	\$ -	\$ 99,728	\$ 99,728	29.27	
2008	\$ 10,439,013	\$ 7,955,066	\$ 2,483,947	\$ -	\$ 96,730	\$ 96,730	25.68	

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

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	
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
2011	\$ 12,452,950	\$ 9,172,140	\$ 3,280,810	\$ 439,578	\$ 321,884	\$ 761,462	4.31
2010 <sup>c</sup>	\$ 12,331,500	\$ 9,266,213	\$ 3,065,287	\$ 596,702	\$ 303,880	\$ 900,582	3.40
2009 <sup>c</sup>	\$ 11,214,173	\$ 10,033,366	\$ 1,180,807	\$ 285,000	\$ 241,160	\$ 526,160	2.24

Note: The City' 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

<sup>c</sup> FY 2009 - FY 2010 restated to reflect Stormwater as Enterprise fund.

**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>c</sup></u>	<u>Public School Enrollment <sup>d</sup></u>	<u>Unemployment Rate <sup>e</sup></u>
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%
2011	16,881	\$ 554,962,875	\$ 32,875	46.5	4,219	10.8%
2010	16,884	\$ 582,936,984	\$ 34,526	47.7	3,891	12.1%

Sources:

<sup>a</sup> United States Census Bureau, Population Estimate July 1, 2018

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

<sup>c</sup> World Population Review 2020

<sup>d</sup> Florida Department of Education 2018-2019 Total Enrollment/Membership by School.

<sup>e</sup> U.S. Bureau of Labor Statistics, Tamp-St. Petersburg-Clearwater, FL; Labor Force Data - Dec. 2019

**SCHEDULE 17**

**City of Safety Harbor, Florida  
PRINCIPAL EMPLOYERS**

Current Year <sup>a</sup>

<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Mease Countryside Hospital	1,000	10.88%
Safety Harbor Resort and Spa	218	2.37%
Angelica Corporation	150	1.63%
Safety Harbor Middle School	143	1.56%
Consulate Health Care	131	1.43%
Boat Steering Rebuilders LLC	129	1.40%
Master Cut Tool Corp	110	1.20%
Safety Harbor Elementary School	94	1.02%
Citrus County Investments Inc.	82	0.89%
Espiritu Santo Catholic School	74	0.81%
Total Employed Population	9,188	

Source: Various websites

<sup>a</sup> Current year only, 2019.



**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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Government</b>										
City Manager	1.30	1.30	1.30	1.30	1.30	1.30	3.18	1.95	1.95	1.95
City Clerk	1.35	1.35	1.35	1.35	1.35	1.35	1.38	1.30	2.00	2.00
Human Resources	2.50	2.00	2.00	2.00	2.00	1.88	2.00	3.50	3.50	3.50
Finance	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	4.00	5.50
Water & Wastewater Finance	9.00	9.00	9.00	9.00	10.00	9.70	9.20	9.35	9.85	8.25
Economic Dev. Director	-	-	-	-	-	-	-	-	-	-
Planning	3.36	3.30	3.30	3.30	3.70	3.45	3.30	3.15	3.65	3.40
Fleet Maintenance	3.10	3.10	3.10	3.10	3.05	3.15	3.15	3.15	4.05	4.05
Building Maintenance	6.62	6.45	6.45	5.95	5.70	5.70	5.80	5.80	5.80	5.80
CRA	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.60	0.60	0.60
<b>Total General Government</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>35.40</b>	<b>35.05</b>
<b>Public Safety</b>										
Building Department	6.50	5.50	5.50	5.00	5.00	4.00	4.00	4.00	4.00	4.00
Fire Control and EMS	30.50	30.00	30.00	30.00	29.00	32.00	32.00	29.50	31.20	32.00
<b>Total Public Safety</b>	<b>37.00</b>	<b>35.50</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>35.20</b>	<b>36.00</b>
<b>Physical Environment</b>										
Engineering	4.50	4.50	4.50	4.50	4.30	4.30	4.30	4.30	5.80	6.55
Information Systems	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50	3.50
Water	6.40	6.40	6.40	7.40	7.20	7.60	7.60	8.60	8.20	8.20
Stormwater	5.40	5.40	5.40	5.40	5.20	5.20	5.20	5.20	5.20	5.20
Wastewater	8.40	8.40	8.40	8.40	8.20	8.60	8.60	8.60	8.20	8.20
Sanitation	20.25	19.25	19.25	19.30	19.15	18.15	19.35	19.35	19.15	19.15
<b>Total Physical Environment</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>50.05</b>	<b>50.80</b>
<b>Transportation</b>										
Streets	10.40	10.40	10.40	10.40	10.20	10.30	10.30	10.30	12.20	13.20
<b>Culture and Recreation</b>										
Library	17.04	17.12	17.12	18.09	17.66	17.44	17.45	17.90	17.40	16.70
Parks	13.89	13.90	13.90	13.90	13.93	13.93	10.55	10.55	10.55	8.30
Recreation	29.11	26.04	26.04	24.91	22.07	21.63	19.93	18.75	19.05	16.00
<b>Total Culture and Recreation</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>47.00</b>	<b>41.00</b>
<b>Total City</b>	<b>186.92</b>	<b>180.71</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>	<b>179.85</b>	<b>176.05</b>

Source: City of Safety Harbor Annual Budget, Fiscal Years 2010 - 2019

**SCHEDULE 19**

**City of Safety Harbor, Florida**  
**OPERATING INDICATORS BY FUNCTION**  
 Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Public Safety</b>										
<b>Fire Control and EMS</b>										
Inspections	715	715	715	715	715	715	715	715	715	715
Investigations	22	24	22	22	20	20	12	10	10	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	3,330	3,150	3,000	1,903	1,924	1,935	1,700	1,823	1,658	1,508
Occupational licenses issued	1,115	1,200	1,175	1,296	1,246	1,110	1,267	1,375	1,325	1,225
<b>Stormwater</b>										
Storm drain/pipe cleaned (miles)	0.70	0.38	0.38	0.34	0.36	0.39	0.15	1.14	1.07	0.06
Ditches/creeks cleaned (miles)	7.25	16.50	16.00	13.00	13.81	18.03	13.88	25.76	25.76	25.76
<b>Water</b>										
Customer accounts	8,366	8,320	7,702	7,560	7,477	7,456	7,586	7,506	7,488	7,493
Average daily water consumption in millions of gallons	1.38	1.44	1.55	1.39	1.38	1.43	1.40	1.37	1.70	1.37
<b>Wastewater</b>										
Customer accounts	8,970	8,320	8,942	8,943	8,918	8,903	8,946	8,871	8,856	8,897
Average daily sewage flow in millions of gallons	1.47	1.52	1.61	1.53	1.52	1.11	1.40	1.44	1.20	1.49
<b>Sanitation (solid waste)</b>										
Refuse collected (tons)	10,977	11,000	10,887	12,544	11,309	10,923	12,016	12,618	12,604	13,000
Recyclables collected (tons)	3,817	3,675	3,503	3,484	3,396	3,299	2,600	2,141	1,741	2,266
<b>Streets</b>										
Streets swept (curb miles)	920	920	920	920	918	918	918	938	938	918
Curb/gutter/sidewalks replaced (cubic yds)	182	170	175	163	270	260	320	325	350	318
Pothole repairs (asphalt tons)	30	30	35	1299*	32	23	16	32	25	18
<b>Culture and Recreation</b>										
<b>Recreation - Persons listed in programs</b>										
Trips	2,000	2,560	2,400	2,324	2,400	2,666	2,355	2,445	1,588	1,965
Classes	32,303	33,474	31,880	30,362	34,100	29,680	33,630	26,377	21,254	22,474
Camps/After-school	25,157	27,400	27,400	25,989	27,397	28,452	35,257	19,617	20,503	16,092
Special events		3,529	3,361	3,201	3,558	6,252	3,761	843	786	723
Parks - Acres maintained	125.43	123.89	123.89	123.89	123.89	103.89	93.99	88.99	73.88	72.47
Library circulation	235,000	250,000	250,000	248,686	273,568	262,455	287,052	296,348	272,761	287,003
Library registered borrowers	16,200	14,500	14,500	14,140	14,844	10,082	10,043	10,056	9,700	9,641

\* 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 2010 - 2019

N/A - Information not available

**SCHEDULE 20**  
**City of Safety Harbor, Florida**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Government</b>										
Buildings	4	4	4	4	4	4	4	4	4	4
Vehicles	20	18	18	18	17	17	17	17	13	12
<b>Public Safety</b>										
Fire stations	2	2	2	2	2	2	2	2	2	2
Vehicles	13	12	12	12	11	11	11	11	13	12
<b>Physical Environment</b>										
Vehicles	42	35	35	35	35	35	35	36	51	49
<b>Stormwater</b>										
Drainage basins/creeks (sq. miles)	13.91	12.88	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
<b>Water</b>										
Pipeline (miles)	76.9	76.6	76.5	76.5	76.5	76.3	76.3	76.0	75.8	75.7
Fire hydrants maintained	564	560	554	554	554	552	552	548	542	540
<b>Wastewater</b>										
Lift stations	25	25	25	25	25	25	25	25	25	25
Mains in collection system (miles)	66.48	66.44	66.3	66.3	66.3	66.3	66.3	66.3	66.3	66.3
<b>Sanitation (solid waste)</b>										
Collection vehicles	19	20	21	21	21	19	21	20	14	14
<b>Streets</b>										
Curb miles of street	104	100	100	100	100	100	100	100	100	100
Vehicles	19	18	17	17	17	17	17	16	17	16
<b>Culture and Recreation</b>										
Parks	17	17	17	16	16	12	12	11	11	11
Dog park	3	3	2	2	2	1	1	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	8	8	8	7	7	6	5	5	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	12	12	12	12	12	12	10	10	10
Baseball fields	3	3	3	4	4	4	4	4	4	4
Softball fields	2	2	2	1	1	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	14	8	8	8
<b>Basketball courts</b>										
Outdoor	7	4	4	4	4	4	4	4	4	4
Indoor	3	3	3	3	3	3	3	3	3	3
Vehicles	19	17	17	17	14	12	12	13	12	12
Museum/Cultural Center	1	1	1	1	1	1	1	-	-	-

Sources: City of Safety Harbor Annual Budget, Fiscal Years 2010 - 2019; 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 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 25, 2020.

**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) to determine the 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 determination of financial statement amounts. 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

**CliftonLarsonAllen LLP**

Tampa, Florida  
June 25, 2020





## 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 (the City), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 25, 2020.

### 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 June 25, 2020, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. The prior year finding was corrected as shown in Appendix A.

### Official Title and Legal Authority

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

**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. The City does not have any special district component units.

**Additional Matters**

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

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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  
June 25, 2020

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

**Appendix A – Status of Prior Year Finding and Recommendation**

<b>Prior Year Findings and Recommendations</b>		<b>Current Year Status</b>		
		<b>Cleared</b>	<b>Partially Cleared</b>	<b>Not Cleared</b>
<b>2018-001</b>	<b>Adequate preparation and review of bank reconciliations</b>	<b>YES</b>		

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## INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the City of Safety Harbor, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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 Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019.

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  
June 25, 2020





