

CITY OF SAFETY HARBOR FLORIDA



Comprehensive Annual Financial Report
FYE September 30, 2020

CITY OF SAFETY HARBOR, FLORIDA
BASIC FINANCIAL STATEMENTS AND
REGULATORY REPORTS
SEPTEMBER 30, 2020

City of Safety Harbor, Florida

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2020



Prepared by:
Finance Department

June Solanes
Finance Director

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CITY OF SAFETY HARBOR, FLORIDA

September 30, 2020

**CITY COMMISSION
2020**

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

**CITY ADMINISTRATION
2020**

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, 2020

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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 16, 2021

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, 2020, 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, 2020. 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 18,016. 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 5.3 percent increase in the City's property tax base and an unemployment rate for the local metropolitan area of 6.0 percent. Safety Harbor's advantage is the fact that the City has continued to experience an extremely sound fiscal condition, and as a result has been able to continue with planned expenditures given the impact of unknown closures due to COVID.

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 2020/2021, the City budgeted for an 8.4 percent increase in property taxable value and maintained the millage rate at 3.95 increasing budgeted ad valorem by \$431,880. Budgeted use of General Fund reserves reflected a reduction of \$467,440. Citywide budgeted revenues, excluding transfers and debt proceeds, were assumed to increase by \$1,454,540 or 4.1 percent over the prior year's adopted budget with budgeted appropriations excluding transfers increasing by \$1,334,230 or 3.2 percent.

Planning for FY 2020/2021 year-end estimates has brought many challenges with the onset of the COVID pandemic. The economic impacts at the state and local levels are to date unknown. At April 30, 2021, Tampa-St. Petersburg-Clearwater Metropolitan area unemployment is at 4.7 percent while national unemployment was 6.1 percent. Governor DeSantis declared a state of emergency in Florida on March 9, 2020. On May 3, 2021, Governor DeSantis signed an Executive Order suspending the state's remaining COVID-19 restrictions. The fiscal impact on the city's revenues from state tax revenues are showing recovery through the first six months in FY 2020/2021.

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 2020/2021 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 20/21 to FY 2024/2025 is \$42.8 million, of which \$10.6 million is appropriated in FY 2020/2021. Proprietary fund infrastructure projects make up 78.0 percent of the \$42.8 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), fire, building maintenance and streets. The city completed implementation in replacement of its current Enterprise Resource Planning accounting software with a new system that allows for enhanced reporting, electronic approvals and resident and contractor online functionality.

In fiscal 2021, the City Commission prioritized "Quality of Life" goals for 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 improvement programs; capital improvement projects and budget development to include the fifth year of rate increases for long-term sustainability of the City's water, sewer, and stormwater proprietary funds as well as increases in sanitation rates effective January 1, 2020.

Awards and Acknowledgements

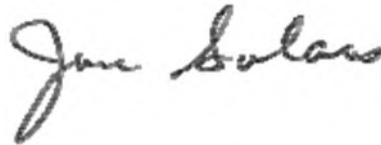
This preparation and submission of this report is due to the efficient and dedicated services of the Finance Department staff. We would like to express our sincere appreciation to all members of the department who contributed to the year-end close out process and document preparation. We would also like 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,



Matthew Spoor
City Manager



June Solanes
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Safety Harbor
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

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CITY OF SAFETY HARBOR



LIST OF PRINCIPAL OFFICIALS

September 30, 2020

CITY COMMISSION

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

City Manager
Matthew Spoor

City Clerk
Karen Sammons

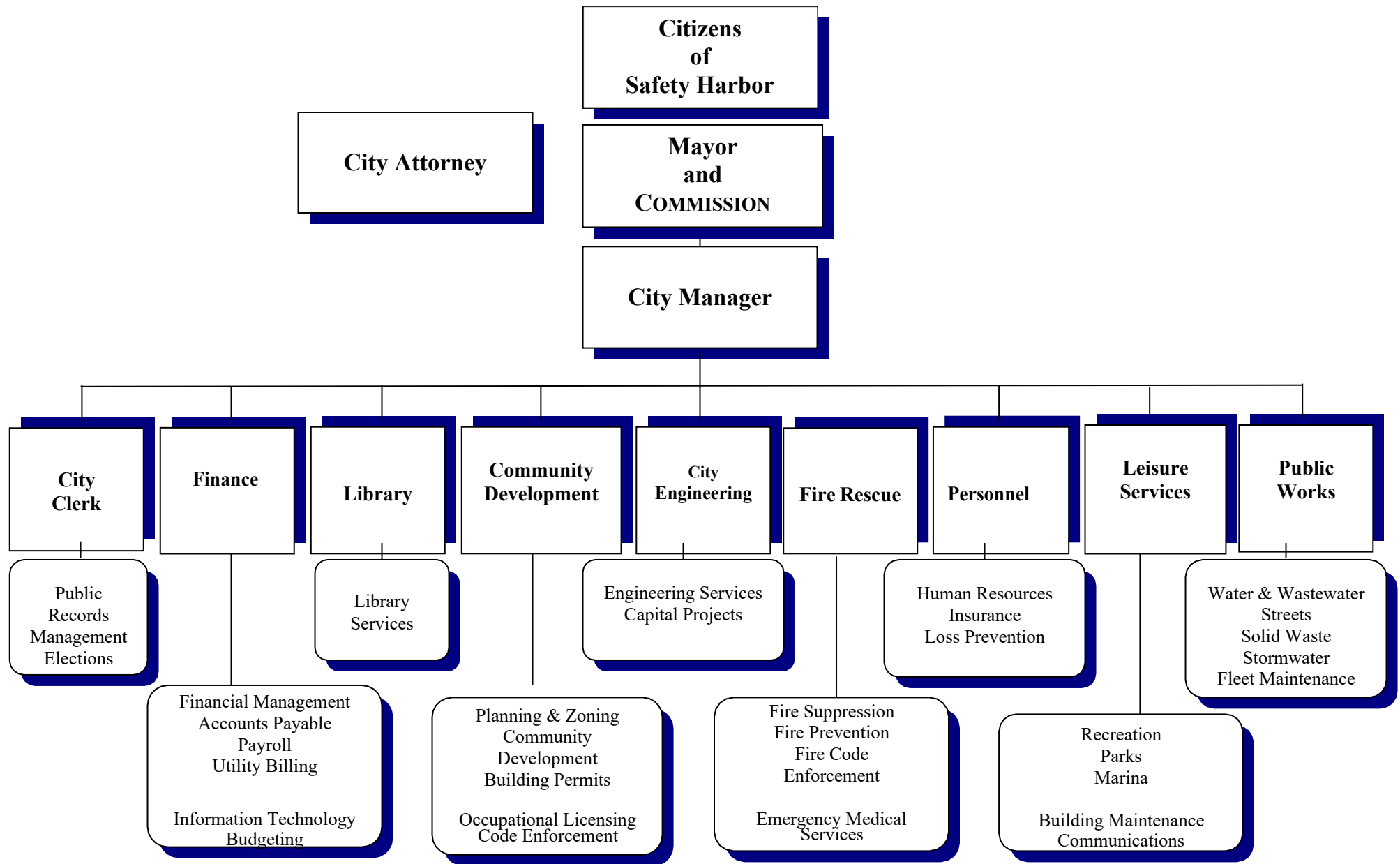
City Attorney
Nikki Day

EXECUTIVE MANAGEMENT STAFF

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

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

CITY OF SAFETY HARBOR ORGANIZATIONAL CHART



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Safety Harbor, Florida (City), as of and for the year ended September 30, 2020, 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, 2020, 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 budget and actual 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 16, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Tampa, Florida
June 16, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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**CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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, 2020. 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, 2020 by \$84,289,895 (net position). Of this amount, \$21,900,284 (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 \$6,979,692 or 9.0 percent. Governmental net position increased by \$2,376,640 or 6.5 percent while business type net position increased by \$4,603,052 or 11.3 percent as of September 30, 2020.
- As of September 30, 2020, the City of Safety Harbor's governmental funds reported combined ending fund balances of \$13,901,626, an increase of \$1,336,277 in comparison with the prior year. Of this total amount, committed, assigned and unassigned fund balances of \$12,643,596 or 91.0 percent is available for spending.
- The City's total debt for revenue bonds and notes increased by a net amount of \$4,578,685 or 41.8 percent during the fiscal year due to the final draw of \$6,569,778 from a Water and Wastewater non-revolving line of credit issued in FY 2019. Repayments of principal on outstanding revenue notes and bonds totaled \$1,991,096.

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.

**CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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

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

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

Fund financial statements

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the 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 fourteen individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Community Redevelopment Agency and Capital Projects Funds, which are considered to be major funds. Data from eleven of the governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds (Special Revenue and Debt Service Funds) is provided in the form of combining statements in this report, following the Notes to the Financial Statements on pages 87 and 88.

**CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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 76 through 78 and 89 through 100, 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 75 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 76 through 86 of this report.

**CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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 \$84.3 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		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Assets									
Current and other assets	\$ 17,653,687	\$ 17,093,629	\$ 15,987,397	\$ 29,604,855	\$ 19,208,996	\$ 17,781,406	\$ 47,258,542	\$ 36,302,625	\$ 33,768,803
Capital assets	28,548,803	28,390,502	25,780,914	32,204,483	33,046,632	29,086,354	60,753,286	61,437,134	54,867,268
Total assets	46,202,490	45,484,131	41,768,311	61,809,338	52,255,628	46,867,760	108,011,828	97,739,759	88,636,071
Deferred Outflows	1,888,767	1,689,443	1,782,519	304,568	267,484	372,879	2,193,335	1,956,927	2,155,398
Liabilities									
Current and other liabilities	2,700,571	3,013,940	2,715,024	2,649,406	3,231,327	2,032,085	5,349,977	6,245,267	4,747,109
Long-term liabilities	4,392,110	5,221,229	5,095,034	13,520,719	7,910,468	7,035,596	17,912,829	13,131,697	12,130,630
Total liabilities	7,092,681	8,235,169	7,810,058	16,170,125	11,141,795	9,067,681	23,262,806	19,376,964	16,877,739
Deferred Inflows	2,007,329	2,323,798	1,724,639	645,133	685,721	666,672	2,652,462	3,009,519	2,391,311
Net Position									
Net investment in capital assets	25,839,181	24,716,131	22,559,405	19,116,813	24,816,184	22,904,068	44,955,994	49,532,315	45,463,473
Restricted	1,201,497	1,738,084	2,499,538	16,232,120	11,332,008	10,321,373	17,433,617	13,070,092	12,820,911
Unrestricted	11,950,569	10,160,392	8,957,190	9,949,715	4,547,404	4,280,845	21,900,284	14,707,796	13,238,035
Total Net Position	\$ 38,991,247	\$ 36,614,607	\$ 34,016,133	\$ 45,298,648	\$ 40,695,596	\$ 37,506,286	\$ 84,289,895	\$ 77,310,203	\$ 71,522,419

The largest portion of the City's net position, 53.3 percent, reflects its net investment in capital assets (e.g., land, buildings, infrastructure improvements, and vehicles and equipment) less any related debt used to acquire those assets that remains outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Resources that are subject to external or enabling legislation that restricts how they may be used make up \$17.4 million (20.7 percent) of net position. The remaining balance of unrestricted net position or \$21.9 million (26.0 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

At September 30, 2020, 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.

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Statement of Activities. The following schedule compares the revenues and expenses for the current and two previous fiscal years. More detailed information 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		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
REVENUES									
Program revenues:									
Charges for services	\$ 1,893,431	\$ 2,548,084	\$ 1,998,503	\$ 16,106,181	\$ 14,572,423	\$ 13,686,232	\$ 17,999,612	\$ 17,120,507	\$ 15,684,735
Operating grants and contributions	1,648,240	1,740,458	1,419,324	8,388	76,627	5,884	1,656,628	1,817,085	1,425,208
Capital grants and contributions	39,200	163,842	73,297	-	1,145	56,908	39,200	164,987	130,205
General revenues:									
Property taxes	5,723,956	5,257,349	4,913,710	-	-	-	5,723,956	5,257,349	4,913,710
Utility taxes	2,521,486	2,436,400	2,324,144	-	-	-	2,521,486	2,436,400	2,324,144
Local business tax	141,507	144,019	149,597	-	-	-	141,507	144,019	149,597
Local option tax	2,211,086	2,307,990	2,215,907	-	-	-	2,211,086	2,307,990	2,215,907
Franchise fees	1,473,793	1,502,259	1,416,403	-	-	-	1,473,793	1,502,259	1,416,403
Sales tax	1,090,262	1,150,183	1,125,671	-	-	-	1,090,262	1,150,183	1,125,671
Intergovernmental	595,815	628,185	611,561	-	-	-	595,815	628,185	611,561
Investment income and net depreciation									
in fair value of investments	363,095	623,432	(58,532)	611,328	830,015	(107,028)	974,423	1,453,447	(165,560)
Other miscellaneous revenues	1,369,021	1,157,139	1,273,426	457,347	697,159	656,820	1,826,368	1,854,298	1,930,246
Gain on sale of capital assets	-	-	-	10,918	53,879	35,888	10,918	53,879	35,888
Total Revenues	19,070,892	19,659,340	17,463,011	17,194,162	16,231,248	14,334,704	36,265,054	35,890,588	31,797,715
EXPENSES									
Function/program activities									
Primary government:									
Governmental activities:									
General government	3,283,817	3,454,214	3,180,590	-	-	-	3,283,817	3,454,214	3,180,590
Law enforcement	1,427,226	1,359,740	1,313,651	-	-	-	1,427,226	1,359,740	1,313,651
Fire protection	4,011,958	4,096,325	3,881,364	-	-	-	4,011,958	4,096,325	3,881,364
Building department	690,456	548,162	542,380	-	-	-	690,456	548,162	542,380
Physical environment	460,790	501,629	500,711	-	-	-	460,790	501,629	500,711
Transportation	1,318,193	1,306,846	1,318,998	-	-	-	1,318,193	1,306,846	1,318,998
Library	1,396,194	1,593,137	1,577,190	-	-	-	1,396,194	1,593,137	1,577,190
Parks and recreation	4,025,073	4,050,804	3,740,028	-	-	-	4,025,073	4,050,804	3,740,028
Interest on long-term debt	80,545	150,009	54,488	-	-	-	80,545	150,009	54,488
Business-type activities:									
Water and sewer	-	-	-	8,601,867	9,214,092	8,423,410	8,601,867	9,214,092	8,423,410
Solid waste	-	-	-	3,007,606	2,917,406	2,807,743	3,007,606	2,917,406	2,807,743
Stormwater	-	-	-	981,637	910,440	1,166,631	981,637	910,440	1,166,631
Total Expenses	16,694,252	17,060,866	16,109,400	12,591,110	13,041,938	12,397,784	29,285,362	30,102,804	28,507,184
Excess before contributions	\$ 2,376,640	\$ 2,598,474	\$ 1,353,611	\$ 4,603,052	\$ 3,189,310	\$ 1,936,920	\$ 6,979,692	\$ 5,787,784	\$ 3,290,531
Change in net position	2,376,640	2,598,474	1,353,611	4,603,052	3,189,310	1,936,920	6,979,692	5,787,784	3,290,531
Net position, beginning of year	36,614,607	34,016,133	33,179,543	40,695,596	37,506,286	35,778,184	77,310,203	71,522,419	68,957,727
Restatement of beginning net position	-	-	(517,021)	-	-	(208,818)	-	-	(725,839)
Net position, beginning of year as restated	36,614,607	34,016,133	32,662,522	40,695,596	37,506,286	35,569,366	77,310,203	71,522,419	68,231,888
Net position, end of year	<u>\$ 38,991,247</u>	<u>\$ 36,614,607</u>	<u>\$ 34,016,133</u>	<u>\$ 45,298,648</u>	<u>\$ 40,695,596</u>	<u>\$ 37,506,286</u>	<u>\$ 84,289,895</u>	<u>\$ 77,310,203</u>	<u>\$ 71,522,419</u>

Governmental activities. The net position for the City's governmental activities increased by \$2,376,640.

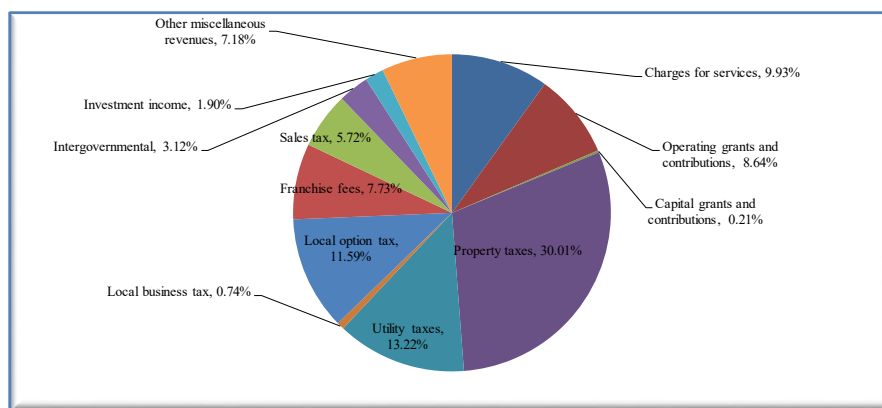
Total revenues for the City's governmental activities decreased by \$588,448 (3.0 percent) under prior year. Key elements are as follows:

- Program revenues decreased by 19.6 percent or \$871,513.
 - Charges for services decreased by \$654,653. Of the total decrease, building permit revenues decreased by \$328,611, impact fee revenues by \$191,578, and recreation program revenue decreased by \$158,460.
 - Operating grants and contributions decreased by a net amount of \$92,218. Public safety revenue for Fire and EMS District taxes and federal storm reimbursements decreased by 5.3 percent or \$77,180; library revenue from the Pinellas Public Library Cooperative decreased by 14.3 percent or \$36,674.
- Capital grants and contributions decreased by \$124,642. Current year donations funded amenities at Folly Farms for furniture at the Gazebo; amenities at the Baranoff Oak Park to include the flagpole,

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game tables, picnic and Adirondack chairs; and, field bleacher shade structures at Safety Harbor City Park.

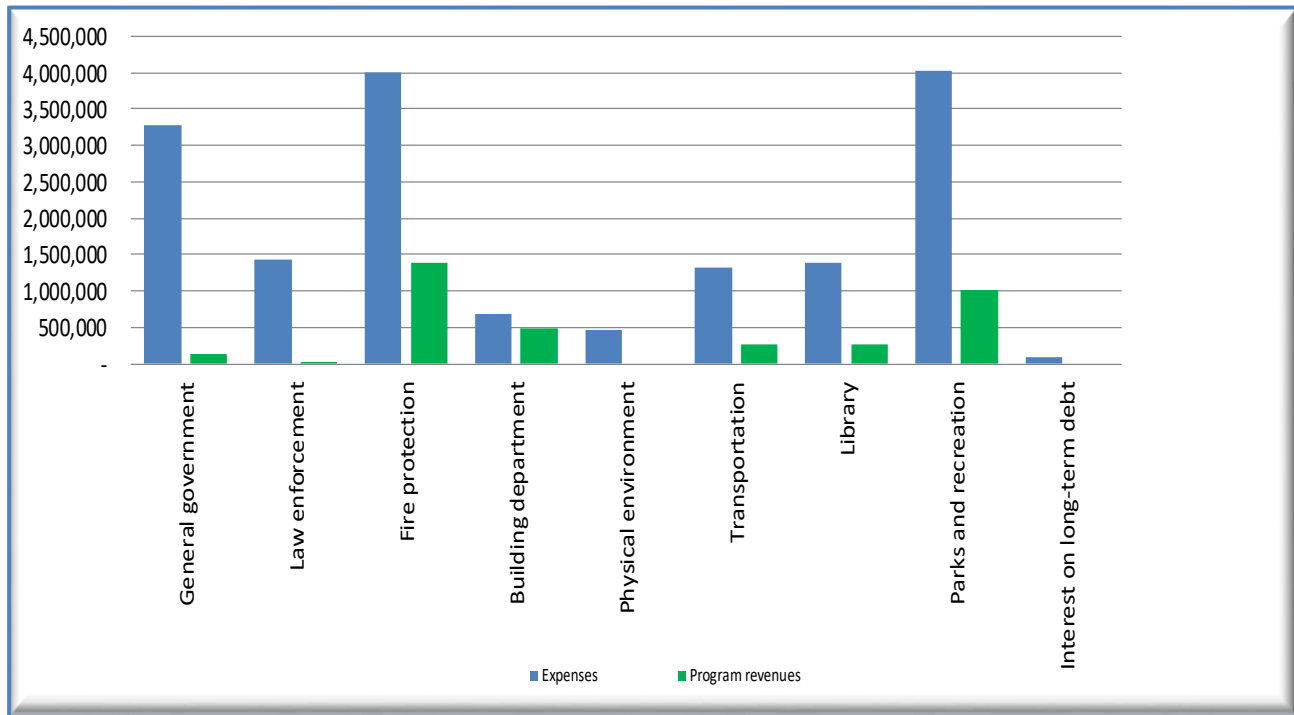
- General revenues increased by 1.9 percent or \$283,065.
 - Property tax revenue increased by \$466,607 (8.9 percent). Gross taxable values in the City increased by 8.4 percent over prior year. City taxable values in the Community Redevelopment District increased by 40.7 percent over prior year. The millage rate remained at 3.95 consistent with prior year.
 - Investment income and market value adjustments decreased by \$260,337 under prior year. The annual average yield on the city's agency and mortgage obligations decreased to 1.23 percent from prior year of 2.69 percent.
 - Utility taxes increased nominally by \$85,086 while local option taxes, sales tax, franchise fees and other intergovernmental revenue declined by \$217,661 or 3.9 percent. All current year decreases were on an upward protectory in prior years.



Expenses for the City's governmental activities decreased by \$366,614 or 2.2 percent. Key elements of the net decrease are as follows:

- General government, fire protection, physical environment, library, and parks and recreation, and interest came in under prior year by \$587,741, given city closures and conservative spending due to the unknowns of COVID on the city's operations. Interest on long-term debt decreased due to the aging of the city's outstanding governmental debt.
- Law enforcement, building department and transportation expenses were higher than prior year by \$221,127. The largest increase was in the building department due to consulting fees for building official duties and inspections followed by an increase in law enforcement due to the addition of services.

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Business-type activities. Business-type activities resulted in an increase in the City's net position by \$4,603,052.

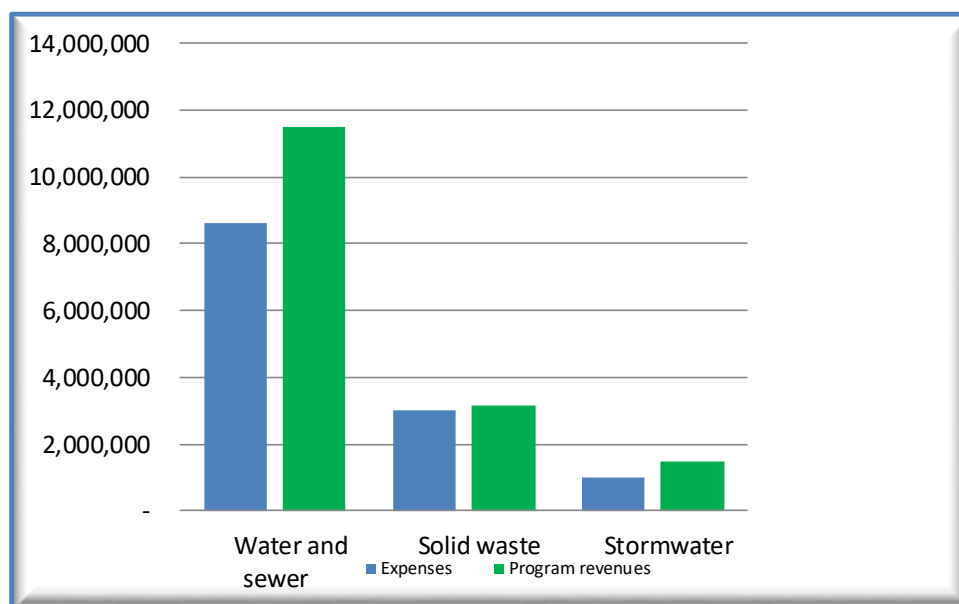
Total revenues for the City's business-type activities increased by \$962,914 (5.9 percent) over prior year. Key elements are as follows:

- Program revenues increased by \$1,464,374, which is a 10.0 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 1st of 2017. The current year reflects the fourth year of the rate increase for water and sewer. Both water and sewer rate changes are an annual 11.5 percent rate increase. Water and sewer operating revenue increased by \$1,039,818, which is an increase of 9.6 percent over prior year. In the current fiscal year, combined consumption for water, irrigation, and sewer increased by 2.5 percent over prior year.
 - The city implemented the first year of a five-year rate change on January 1st of 2017. The increase in stormwater rates effective October 1st of the current fiscal year was 3.0 percent. Stormwater revenue in the fourth year of the rate change increased by \$52,745, which is a 3.6 percent increase over prior year.
 - Rate changes were implemented in solid waste in the current fiscal year effective January 1, 2020, the first year of a 5.25 percent annual increase. Solid waste operating revenue realized an increase of \$133,211 or 4.4 percent.
- General revenues decreased by \$501,460, which is a 31.7 percent decrease.
 - Investment income decreased by \$218,687, which is a 26.4 percent decrease under the prior year consistent with economic conditions due to COVID.
 - Other miscellaneous revenues decreased by \$239,812 (34.4 percent). Revenues decreased primarily due to the indirect allocation of information technology services for water and sewer software and hardware support.

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Expenses, including operating and nonoperating, for the City's business-type activities decreased by \$450,828, which is 3.5 percent. Key elements of the decrease are as follows:

- Water and sewer expenses decreased by \$612,225, which is 6.6 percent under prior year. Salaries and fringes and materials and supplies increased by 0.2 and 7.3 percent, respectively. Contractual and other services decreased by \$1,168,008 (20.2 percent). The largest decrease is in the purchase of sewer for the city's portion of the Northeast Treatment Plant at \$614,190 or 27.1 percent under prior year; and, the purchases of water from Pinellas County decreased under prior year in the amount of \$459,316 or 22.2 percent. Differences are a result of the reads taken by the city in comparison to the reads taken by Clearwater and Pinellas County. Depreciation and amortization increased by 26.3 percent.
- Solid waste expenses increased by \$90,000 or 3.1 percent over prior year. Of the net increase, personal services decreased by \$97,587 or 7.4 percent, which was primarily driven by a decrease in the pension valuation. Materials and supplies decreased by \$32,459, of which most notable is a 22.6 percent decrease in diesel. Contractual and other services increased by \$178,736 overall; however, the largest increases occurred in landfill fees and recycling fees in the amount of \$55,079 and \$157,484, which is consistent with the rate change for current year and the movement of recycling materials due to lack of market for recycled goods. Depreciation and amortization increased by 9.7 percent.
- Stormwater operating expenses increased by \$75,766 or 8.6 percent over prior year. Salaries and fringes increased by 43.8 percent, due to the impact of a net increase in in the Florida Retirement System pension valuation for stormwater employees in the plan. All other categories decreased and increased nominally.



FUND FINANCIAL STATEMENT ANALYSIS

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

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As of September 30, 2020, the City's governmental funds reported combined ending fund balances of \$13,901,626, an increase of \$993,019 (289.3 percent) in comparison with the prior year net change in fund balance. Of this total amount, 6,950,539 or 50.0 percent is unassigned and available for spending at the City's discretion. The remainder of fund balance, \$6,951,087 or 50.0 percent is either not in spendable form or restricted, committed or assigned for specific purposes.

The **General Fund** is the chief operating fund of the City. At September 30, 2020, committed (emergency/stabilization) and unassigned fund balance was \$10,040,993. 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 9.0 percent of total general fund expenditures excluding transfers out, while committed and unassigned fund balance is 73.2 percent of total general fund expenditures, excluding transfers out. The City Commission's desire of a minimum unassigned general fund balance of the prior year's operating expenditures, including transfers out, is 17 percent (\$2,501,989). As of September 30, 2020, the City's unassigned fund balance exceeds this goal at 47.9 percent of prior year's operating expenditures.

General Fund balance increased by \$1,363,861 in the current fiscal year. Key elements of the are as follows:

- Revenues, including transfers in, total \$15,648,009, which is a decrease of \$499,946 (3.1 percent) under prior year.
 - Ad valorem revenue increased by \$122,876 with a millage rate of 3.95 consistent with prior year and an increase in property values of 5.3 percent.
 - Utility taxes are increased over prior year by \$85,089 or 3.5 percent. Electric utility taxes increased by 6.1 percent, while the communications service tax decreased by 1.1 percent.
 - Local option tax for firefighters' pension, contributions and donations, fines and forfeitures and other revenues recognized a total increase of \$392,966 or 33.0 percent, with the largest increase due to forfeitures related to pension.
 - All other categories of revenues decreased under prior year by \$950,174 or 12.8 percent, with the largest decreases in charges for services, intergovernmental, and interest income and net appreciation in the fair value of investments.
- Expenditures of \$14,284,148, including transfers out of \$243,650, reflect a net decrease of \$433,433 or 2.9 percent under prior year. Operating expenditures excluding transfers decreased by 469,433 or 3.2 percent.
 - General government and transportation had nominal increases of .5 and .8 percent, respectively. Capital outlay for library and fire increased by \$31,916 or 37.6 percent over prior year. Transfers to other funds increased by \$36,000 over prior year.
 - The impact of COVID was prevalent with departments providing library and leisure services having a variance of \$353,751 under prior year. Engineering (physical environment) was 10.7 percent under prior year with the retirement of the City Engineer early in the fiscal year prior to COVID.

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The **Community Redevelopment Agency (CRA)** fund balance is \$505,965 as of September 30, 2020. Revenue of \$914,520 is 57.6 percent over prior year. Municipal taxable values and County taxable values increased by 41.7 and 40.9 percent, respectively, in the tax increment financing district over prior year. With millage of 3.9500 remaining consistent with prior year, the increase in ad valorem revenue is \$343,731 over prior year. Expenditures of \$484,901, including a transfer of \$157,000 to the General Fund for Waterfront Park and a transfer of \$132,000 to Capital Projects to service debt on the acquisition of Baranoff Oak Park, are 43.3 percent lower than prior year's expenditures. Facade and partnership incentive grants totaled \$41,642 with other program expenditures of \$21,540. Capital improvements including Baranoff Oak Park, the Gazebo, marina restrooms and second floor design of the Library totaled \$85,200. The details for all CRA activities are included in Note 10 on page 74 within this document.

The **Capital Projects** fund balance is \$812,160 at September 30, 2020. Revenue of \$1,882,831 from the Penny for Pinellas sales tax is \$98,072 (5.0 percent) under prior year. The "Penny" is eligible for capital infrastructure improvements as well as the servicing of debt. Revenue also includes \$20,169 in interest and market value adjustments, which is 76.3 percent lower than prior year; and, a donation of \$26,250 for a bleacher shade at Safety Harbor City Park. Current year capital improvements and acquisitions are \$1,122,124 (60.0 percent lower than prior year). The most significant capital outlay is for the purchase of a replacement bucket truck for the streets division, building and other improvements at the Community Center, the Safety Harbor City Park bleacher shade and turf replacement.

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 \$4,998,026, \$2,347,265 and \$2,604,424, respectively. Cumulatively, the unrestricted net position for the enterprise funds increased by \$5,402,311 over prior year or by 118.8 percent. Water/Sewer increased by \$3,987,859, Sanitation increased by \$659,085, and Stormwater increased by \$755,367. Funds restricted for debt service increased by \$404,724 and capital projects increased by \$4,495,388. The total increase in net position current year is \$4,603,052.

Total operating and non-operating revenue in the proprietary funds increased by \$962,914 with charges for services 10.5 percent or \$1,533,758 higher than prior year; total investment income and market value adjustment is 26.3 lower than prior year, consistent with the economic downturn due to COVID.

Total expenses in the City's proprietary funds decreased by \$624,582 (4.9 percent) under prior year, excluding interest on debt. Cumulatively the total of all funds in each category including salaries and fringes, materials and supplies and contracted/other services decreased by \$1,033,959 while depreciation and amortization of assets increased by \$409,377. Overall, salaries and fringes decreased by 0.01 percent under prior year, materials and supplies decreased by 6.6 percent, and contracted services decreased by 14.6 percent. Depreciation and amortization increased by 18.5.

Of note, the city waived penalties during the COVID pandemic starting in March 2020 through the end of December 2020. Also, during the same period, the city did not shut off utility customers.

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

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General Fund Budgetary Highlights

During the current year, the total increase between adopted and final budget was \$405,910, with a final adopted General Fund budget of \$24,166,510, including budgeted reserve. Contracts in place at September 30, 2019 were moved forward to October 1, 2020 in the amount of \$118,334, which is included in the increase between adopted and final budget. For CAFR reporting purposes, contracts in place are included in the original budget.

A supplemental budget amendment in August 2020 modified multiple line items in the budget in the amount of \$224,056 consistent with staff's projections based on the impact of revenue streams related to the economic conditions due to federal, state, and local shutdowns due to COVID. State revenues and recreation program revenues were most impacted by the restrictions due to COVID.

A supplemental budget amendment for budgeted appropriations modified multiple line items in the amount of \$224,056 consistent with staff's projections based on the impact of expenditures related to the economic conditions due to federal, state, and local shutdowns due to COVID. Consistent with conservative budgeting coupled with the unknowns from March through September of 2020, all departments evaluated expenditures and identified line items that could be decreased. Most line items were decreased with noted Increases occurring in line items specific to pandemic related services and equipment and Fire.

More details regarding the General Fund Budget can be found on pages 76 through 77 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, 2020 is \$60,753,285, 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, improvements other than buildings and equipment increased with no change in land and a decrease in construction in progress. The net decrease in the City's investment in capital assets is \$683,849 under prior year.

	Capital Assets								
	Governmental Activities			Business-Type Activities			Total Primary Government		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Land	\$ 9,993,939	\$ 9,654,746	\$ 8,071,070	\$ 606,548	\$ 606,548	\$ 606,548	\$ 10,600,487	\$ 10,261,294	\$ 8,677,618
Construction in progress	607,051	1,173,643	2,931,309	2,012,103	4,632,461	3,755,358	2,619,154	5,806,104	6,686,667
Buildings	5,855,904	4,909,235	4,882,336	343,689	343,689	343,689	6,199,593	5,252,924	5,226,025
Improvements other than buildings	34,106,568	33,197,249	29,102,615	48,360,069	44,289,375	40,431,925	82,466,637	77,486,624	69,534,540
Equipment	7,692,736	7,321,324	6,904,376	10,129,381	9,954,923	9,211,934	17,822,117	17,276,247	16,116,310
Less:									
Accumulated Depreciation	29,707,395	27,865,695	26,110,792	29,247,307	26,780,364	25,263,101	58,954,702	54,646,059	51,373,893
Total	\$ 28,548,803	\$ 28,390,502	\$ 25,780,914	\$ 32,204,483	\$ 33,046,632	\$ 29,086,353	\$ 60,753,286	\$ 61,437,134	\$ 54,867,267

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

Governmental Activities	Additions	Governmental Activities	Additions
Community Center Improvements - Building	\$ 886,289	Replace Base Runner #1005	\$ 11,673
Folly Farms Land Acquisition	339,194	Brick Street Restoration	10,628
Community Center Improvements - Other than Building	288,857	New Library Book Drops	9,693
Philippe Park Pedestrian Bridge	250,000	Street Sign Improvement	9,166
Replace Vehicle #343	151,848	Replace Aging Computer System	8,169
SHCP Bleacher Shade	95,381	Public Safety Thermal Camera	8,150
SHCP Turf Replacement & Additions	65,470	Library Office Furniture	7,799
Folly Farms	62,500	Parks Restroom Flooring	6,510
Library Books	54,593	SHCP Irrigation, Electric & Contactor Replacements	6,489
2020 Ford T-350 15 Passenger Van	40,209	City-Wide LED Lighting	5,025
911 Portable Radios	39,897	Miscellaneous Bicycle/Pedestrian Projects	3,672
Roadway Underdrain New/Repair	36,700	Replace Vehicle #804	619
Commission Chambers Improvements	36,607	MLK Sidewalk at Folly Farms	63
Replace Carpet Youth/Meeting	34,250		
Paving Library Parking Lot	30,918	Business-type Activities	Additions
City-Wide Roof Replacement	30,735	Green Springs Subdivision Water Main	\$ 1,421,011
Replace Records Retention Roof	29,645	Washington-Brennan/N. Bayshore Sewer Replacement 1	1,393,191
7th St. S. Brick Parking	28,539	13th Ave. N. and 9th Ave. N. Main Replacement	940,820
Sidewalk Maintenance	26,129	Stormwater Improvements	213,599
Curb Replacement	23,770	Replace Vehicle #274	131,345
2019 Ford Escape S	21,997	Radio Frequency Meters	94,973
Parks Equipment Renew & Replacement	21,520	North Bayshore Lift Station Repair	55,375
Online & E-Content	21,415	Replace WellPoint Pump	47,000
Baranoff Park Improvement	20,615	Cypress Hallow Lift Station	44,818
Misc Street Repair	17,930	Replace Vehicle #236	33,508
Fire Protective Gear	17,468	Recycling Containers	24,967
Refurbish Marina Restrooms	15,342	Philippe Parkway Sidewalk Flume	8,877
Library Audio/Visual	15,218	Water Main Extension-McMullen/SR 590	1,828
Parks Utility Vehicle	14,362	Plotter- Hewlett Packard	131
Outdoor Movie Equipment	13,999	Re-Paving PW Facility- Sewer Allocation	52
Ver-Mac Variable Message Board	12,450		

The following reconciliation summarizes the Changes in Capital Assets, which is presented in detail on page 53 of the notes to the financial statements.

	Governmental Activities	Business-Type Activities	Total Primary Government
Beginning Balance	\$ 28,390,502	\$ 33,046,633	\$ 61,437,135
Additions	3,207,334	5,192,432	8,399,766
Depreciation	(2,106,608)	(2,633,287)	(4,739,895)
Disposals (net of depreciation)	(942,425)	(3,401,295)	(4,343,720)
Ending Balance	\$ 28,548,803	\$ 32,204,483	\$ 60,753,286

**CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Long-term debt. As of fiscal year end, the City's outstanding long-term debt from revenue bonds and notes decreased by \$1,539,393 and increased by \$6,118,078 for a net change of 4,578,685. Pages 56 through 59 of the notes to the financial statements provide details for the following summary.

		2020	2019	Change	Percent Change
Governmental Activities					
	Purchase land for Baranoff Oak Park and land for a future Building Maintenance facility	\$ 1,146,100	\$ 1,268,500	\$ (122,400)	-9.6%
2018					
2012	Purchase of land for Waterfront Park	620,000	920,000	(300,000)	-32.6%
2008	Library expansion	537,000	1,056,000	(519,000)	-49.1%
2006	General government improvements	196,522	214,871	(18,349)	-8.5%
Governmental activities total		2,499,622	3,459,371	(959,749)	-27.7%
Business-Type Activities					
2018	Water and Sewer infrastructure improvements	8,211,500	2,093,422	6,118,078	292.3%
2012	Refunding for utility system improvements	325,000	485,000	(160,000)	-33.0%
2006	Utility system improvements	4,499,248	4,918,892	(419,644)	-8.5%
Business-type activities total		13,035,748	7,497,314	5,538,434	73.9%
Total Outstanding Debt		\$ 15,535,370	\$ 10,956,685	\$ 4,578,685	41.8%

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, 2020 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 1st of 2017. Effective October 1, 2018, water and wastewater increased by 11.5 percent, respectively, with a change in base charges and tiers. Stormwater increased by 3.0 percent with the equivalent residential unit (ERU) moving from \$10.30 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.

**CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Pooled cash and investments	\$ 13,320,318	\$ 10,784,481	\$ 24,104,799
Receivables, net:			
Accounts receivable	482,612	1,613,727	2,096,339
Due from other governments	869,051	8,388	877,439
Inventories	36,626	184,675	221,301
Prepaid items	480	-	480
Other assets	-	-	-
Restricted assets:			
Pooled cash and investments:			
Other	779,114	-	779,114
Sinking fund	19,427	144,225	163,652
Customer deposits	13,026	635,973	648,999
Total current assets	15,520,654	13,371,469	28,892,123
Noncurrent assets:			
Restricted assets:			
Pooled cash and investments:			
Sinking fund	-	1,912,479	1,912,479
Capital projects	-	14,319,641	14,319,641
Capital assets:			
Non depreciable	10,600,991	2,618,651	13,219,642
Depreciable, net of accumulated depreciation	17,947,812	29,585,832	47,533,644
Unamortized prepaid insurance costs	-	1,266	1,266
Net pension asset	2,133,033	-	2,133,033
Total noncurrent assets	30,681,836	48,437,869	79,119,705
Total assets	46,202,490	61,809,338	108,011,828
Deferred Outflows of Resources			
Net deferred outflows of resources related to pensions/OPEB	1,888,767	304,568	2,193,335
Total deferred outflows of resources	1,888,767	304,568	2,193,335
Total assets and deferred outflows of resources	48,091,257	62,113,906	110,205,163
Liabilities			
Current liabilities:			
Accounts payable	498,503	672,462	1,170,965
Accrued liabilities	202,509	69,523	272,032
Unearned revenue	904,990	-	904,990
Current liabilities, payable from restricted assets:			
Accrued interest payable	19,427	144,225	163,652
Customer deposits	13,026	635,973	648,999
Construction contracts payable	-	42,316	42,316
Current portion of long-term obligations	1,062,116	1,084,907	2,147,023
Total current liabilities	2,700,571	2,649,406	5,349,977
Noncurrent liabilities:			
Compensated absences	856,236	289,335	1,145,571
Other post employment benefits	974,246	412,393	1,386,639
Net pension liability	844,697	844,690	1,689,387
Capital lease	205,000	-	205,000
Bonds and notes payable	1,511,931	11,974,301	13,486,232
Total noncurrent liabilities	4,392,110	13,520,719	17,912,829
Total liabilities	7,092,681	16,170,125	23,262,806
Deferred Inflows of Resources			
Net deferred inflows of resources related to pensions/OPEB	2,007,329	634,261	2,641,590
Deferred amount on debt refunding	-	10,872	10,872
Total deferred inflows of resources	2,007,329	645,133	2,652,462
Net Position			
Net investment in capital assets	25,839,181	19,116,813	44,955,994
Restricted, net of payables from restricted assets:			
General government	422,383	-	422,383
Fire protection and public safety	95,081	-	95,081
Transportation programs	191,453	-	191,453
Library	82,730	-	82,730
Debt service	197,046	1,912,479	2,109,525
Capital projects	212,804	14,319,641	14,532,445
Unrestricted	11,950,569	9,949,715	21,900,284
Total net position	\$ 38,991,247	\$ 45,298,648	\$ 84,289,895

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,283,817	\$ 134,716	\$ -	\$ -
Law enforcement	1,427,226	10,441	-	-
Fire protection	4,011,958	12,820	1,384,886	-
Building department	690,456	483,373	-	-
Physical environment	460,790	-	-	-
Transportation	1,318,193	264,817	5,244	-
Library	1,396,194	22,423	241,285	-
Parks and recreation	4,025,073	964,841	16,825	39,200
Interest on long-term debt	80,545	-	-	-
Total governmental activities	<u>16,694,252</u>	<u>1,893,431</u>	<u>1,648,240</u>	<u>39,200</u>
Business-type activities:				
Water and sewer	8,601,867	11,470,343	-	-
Solid waste	3,007,606	3,134,459	8,388	-
Stormwater	981,637	1,501,379	-	-
Total business-type activities	<u>12,591,110</u>	<u>16,106,181</u>	<u>8,388</u>	<u>-</u>
Total primary government	<u>\$ 29,285,362</u>	<u>\$ 17,999,612</u>	<u>\$ 1,656,628</u>	<u>\$ 39,200</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
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,149,101)	\$ -	\$ (3,149,101)
(1,416,785)	-	(1,416,785)
(2,614,252)	-	(2,614,252)
(207,083)	-	(207,083)
(460,790)	-	(460,790)
(1,048,132)	-	(1,048,132)
(1,132,486)	-	(1,132,486)
(3,004,207)	-	(3,004,207)
(80,545)	-	(80,545)
(13,113,381)	-	(13,113,381)
-	2,868,476	2,868,476
-	135,241	135,241
-	519,742	519,742
-	3,523,459	3,523,459
\$ (13,113,381)	\$ 3,523,459	\$ (9,589,922)
5,723,956	-	5,723,956
2,521,486	-	2,521,486
141,507	-	141,507
2,211,086	-	2,211,086
1,473,793	-	1,473,793
1,090,262	-	1,090,262
595,815	-	595,815
363,095	611,328	974,423
1,369,021	457,347	1,826,368
-	10,918	10,918
15,490,021	1,079,593	16,569,614
2,376,640	4,603,052	6,979,692
36,614,607	40,695,596	77,310,203
\$ 38,991,247	\$ 45,298,648	\$ 84,289,895

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, 2020

	General	Community Redevelopment Agency	Capital Projects	Other Non- major Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 10,722,314	\$ 526,280	\$ 400,919	\$ 2,482,372	\$ 14,131,885
Receivables, net:					
Accounts receivable	447,638	1,000	1,149	32,825	482,612
Due from other governments	354,238	-	461,841	52,972	869,051
Inventories	36,626	-	-	-	36,626
Prepaid items	480	-	-	-	480
Total assets	<u>\$ 11,561,296</u>	<u>\$ 527,280</u>	<u>\$ 863,909</u>	<u>\$ 2,568,169</u>	<u>\$ 15,520,654</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 371,636	\$ 20,167	\$ 51,749	\$ 54,951	\$ 498,503
Accrued liabilities	200,657	1,148	-	704	202,509
Customer deposits	6,067	-	-	6,959	13,026
Unearned revenue	904,837	-	-	153	904,990
Total liabilities	<u>1,483,197</u>	<u>21,315</u>	<u>51,749</u>	<u>62,767</u>	<u>1,619,028</u>
Fund Balances:					
Nonspendable:					
Inventories and prepaid items	37,106	-	-	-	37,106
Restricted for:					
General government	-	422,383	-	-	422,383
Fire protection	-	-	-	95,081	95,081
Transportation	-	-	-	191,453	191,453
Library	-	-	-	82,730	82,730
Debt service	-	-	-	216,473	216,473
Capital projects	-	-	212,804	-	212,804
Committed to:					
Emergency/disaster relief stabilization	3,090,454	-	-	-	3,090,454
Physical environment	-	-	-	124,729	124,729
Public safety	-	-	-	110,209	110,209
Assigned to:					
General government	-	83,582	-	-	83,582
Fire protection	-	-	-	11,115	11,115
Library	-	-	-	6,116	6,116
Parks and recreation	-	-	599,356	248,403	847,759
Public safety	-	-	-	9,941	9,941
Physical environment	-	-	-	66,379	66,379
Transportation	-	-	-	1,342,773	1,342,773
Unassigned:	<u>6,950,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,950,539</u>
Total fund balances	<u>10,078,099</u>	<u>505,965</u>	<u>812,160</u>	<u>2,505,402</u>	<u>13,901,626</u>
Total liabilities and fund balances	<u>\$ 11,561,296</u>	<u>\$ 527,280</u>	<u>\$ 863,909</u>	<u>\$ 2,568,169</u>	<u>\$ 15,520,654</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, 2020

Fund balances - total governmental funds	\$	13,901,626
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Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental capital assets			
Non depreciable	\$	10,600,991	
Depreciable		47,655,207	
Less, accumulated depreciation		29,707,395	28,548,803

The net pension asset related to governmental activities does not represent financial resources and is not reported in the funds.	2,133,033
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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.	1,888,767
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Accrued interest payable on long-term debt does not represent the current use of financial resources and is not reported as a liability in the governmental funds	(19,427)
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Deferred inflows of resources related to OPEB and net pension liabilities and other post employee benefits do not have a current financial resources focus, and therefore are not recognized in the governmental fund statements	(2,007,329)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Net pension liability		(844,697)	
Revenue notes and line of credit payable		(2,499,622)	
Capital lease payable		(210,000)	
Compensated absences		(925,661)	
Other post employment benefits		(974,246)	(5,454,226)

Net position of governmental activities	\$	38,991,247
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The notes to the basic financial statements are an integral part of this statement.

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General	Community Redevelopment Agency	Capital Projects	Other Non-major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 4,816,672	\$ 907,284	\$ -	\$ -	\$ 5,723,956
Utility taxes	2,521,486	-	-	-	2,521,486
Local business taxes	141,507	-	-	-	141,507
Local option taxes	113,567	-	1,882,831	214,688	2,211,086
Franchise fees	1,473,793	-	-	-	1,473,793
Licenses and permits	456,010	-	-	-	456,010
Impact fees	-	-	-	231,593	231,593
Special assessments	-	-	-	248,548	248,548
Sales tax	1,090,262	-	-	-	1,090,262
Intergovernmental	2,201,862	-	-	-	2,201,862
Charges for services	810,945	-	-	82,579	893,524
Fines and forfeitures	64,109	-	-	-	64,109
Interest income and net appreciation in fair value of investments	289,582	7,236	20,169	46,107	363,094
Contributions and donations	42,193	-	26,250	12,950	81,393
Other	1,369,021	-	-	-	1,369,021
Total revenues	<u>15,391,009</u>	<u>914,520</u>	<u>1,929,250</u>	<u>836,465</u>	<u>19,071,244</u>
Expenditures:					
Current operating:					
General government	2,853,512	110,701	-	-	2,964,213
Public safety					
Law enforcement	1,366,127	-	-	-	1,366,127
Fire protection	3,684,135	-	-	-	3,684,135
Building department	647,265	-	-	29,395	676,660
Physical environment	418,198	-	-	41,999	460,197
Transportation	651,162	-	17,737	259,742	928,641
Culture and recreation					
Library	1,111,312	-	-	-	1,111,312
Parks and recreation	3,191,920	-	-	28,238	3,220,158
Capital outlay	116,867	85,200	1,122,124	941,067	2,265,258
Debt service:					
Capital lease principal	-	-	-	5,000	5,000
Principal retirement	-	-	-	959,752	959,752
Interest and other charges	-	-	-	93,514	93,514
Total expenditures	<u>14,040,498</u>	<u>195,901</u>	<u>1,139,861</u>	<u>2,358,707</u>	<u>17,734,967</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,350,511</u>	<u>718,619</u>	<u>789,389</u>	<u>(1,522,242)</u>	<u>1,336,277</u>
Other financing sources (uses):					
Transfers in	257,000	-	-	1,759,250	2,016,250
Transfers out	<u>(243,650)</u>	<u>(289,000)</u>	<u>(1,483,600)</u>	<u>-</u>	<u>(2,016,250)</u>
Total other financing sources (uses)	<u>13,350</u>	<u>(289,000)</u>	<u>(1,483,600)</u>	<u>1,759,250</u>	<u>-</u>
Net change in fund balances	<u>1,363,861</u>	<u>429,619</u>	<u>(694,211)</u>	<u>237,008</u>	<u>1,336,277</u>
Fund balances, beginning of year	<u>8,714,238</u>	<u>76,346</u>	<u>1,506,371</u>	<u>2,268,394</u>	<u>12,565,349</u>
Fund balances, end of year	<u>\$ 10,078,099</u>	<u>\$ 505,965</u>	<u>\$ 812,160</u>	<u>\$ 2,505,402</u>	<u>\$ 13,901,626</u>

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, 2020

Net change in fund balances - total governmental funds \$ 1,336,277

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	\$ 2,265,258	
Less, current year depreciation	<u>2,106,608</u>	158,650
Gain (loss) on disposal of assets		

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

Principal payments	(959,752)	
Capital lease payment	<u>(5,000)</u>	964,752

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	109,020	
Accrued interest on long-term debt	12,969	
Compensated absences	(154,776)	
Other post employment benefits	<u>(49,900)</u>	<u>(82,687)</u>

Change in net position - governmental activities \$ 2,376,992

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, 2020

	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Assets				
Current assets:				
Pooled cash and investments	\$ 4,922,044	\$ 3,114,269	\$ 2,748,168	\$ 10,784,481
Accounts receivable, net:				
Accounts receivable	1,227,716	268,125	117,886	1,613,727
Due from other governments	-	8,388	-	8,388
Inventories	184,675	-	-	184,675
Restricted assets:				
Pooled cash and investments:				
Sinking fund	137,469	2,410	4,346	144,225
Customer deposits	582,216	53,757	-	635,973
Total current assets	7,054,120	3,446,949	2,870,400	13,371,469
Noncurrent assets:				
Restricted pooled cash and investments:				
Sinking fund	1,641,805	122,733	147,941	1,912,479
Capital projects	14,319,641	-	-	14,319,641
Capital assets:				
Nondepreciable	2,207,801	-	410,850	2,618,651
Depreciable, net of accumulated depreciation	22,644,426	1,802,233	5,139,173	29,585,832
Unamortized bond costs - prepaid insurance	1,266	-	-	1,266
Total noncurrent assets	40,814,939	1,924,966	5,697,964	48,437,869
Total assets	47,869,059	5,371,915	8,568,364	61,809,338
Deferred outflows of resources				
Deferred outflows of resources related to OPEB	35,081	27,296	8,481	70,858
Deferred outflows of resources related to pensions	66,774	133,549	33,387	233,710
	101,855	160,845	41,868	304,568
Liabilities				
Current liabilities:				
Accounts payable	570,688	88,771	13,003	672,462
Accrued liabilities	39,674	24,178	5,671	69,523
Current liabilities, payable from restricted assets:				
Accrued interest payable	137,469	2,410	4,346	144,225
Customer deposits	582,216	53,757	-	635,973
Construction contracts payable	42,316	-	-	42,316
Current portion of long-term obligations:				
Compensated absences	13,561	7,219	2,680	23,460
Bonds and notes payable	949,089	40,112	72,246	1,061,447
Total current liabilities	2,335,013	216,447	97,946	2,649,406
Noncurrent liabilities:				
Compensated absences	167,249	89,030	33,056	289,335
Other post employment benefits	204,908	168,038	39,447	412,393
Net pension liability	241,341	482,679	120,670	844,690
Bonds and notes payable	10,921,700	375,459	677,142	11,974,301
Total noncurrent liabilities	11,535,198	1,115,206	870,315	13,520,719
Total liabilities	13,870,211	1,331,653	968,261	16,170,125
Deferred inflows of resources				
Deferred inflow of resources related to OPEB	43,169	29,099	10,133	82,401
Deferred inflow of resources related to pensions	157,674	315,348	78,838	551,860
Deferred charges on debt refunding	10,872	-	-	10,872
Total deferred inflows of resources	211,715	344,447	88,971	645,133
Net position				
Net investment in capital assets	12,929,516	1,386,662	4,800,635	19,116,813
Restricted for:				
Debt service	1,641,805	122,733	147,941	1,912,479
Capital projects	14,319,641	-	-	14,319,641
Unrestricted	4,998,026	2,347,265	2,604,424	9,949,715
Total net position	\$ 33,888,988	\$ 3,856,660	\$ 7,553,000	\$ 45,298,648

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, 2020

	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Operating revenues				
Charges for services	\$ 11,470,343	\$ 3,134,459	\$ 1,501,379	\$ 16,106,181
Intergovernmental	-	8,388	-	8,388
Other	453,620	3,727	-	457,347
Total operating revenues	<u>11,923,963</u>	<u>3,146,574</u>	<u>1,501,379</u>	<u>16,571,916</u>
Operating expenses				
Salaries, wages, and employee benefits	1,736,553	1,230,750	307,419	3,274,722
Materials and supplies	162,421	191,038	67,416	420,875
Contractual and other services	4,608,994	1,071,420	187,336	5,867,750
Depreciation and amortization	1,731,126	500,131	393,771	2,625,028
Total operating expenses	<u>8,239,094</u>	<u>2,993,339</u>	<u>955,942</u>	<u>12,188,375</u>
Operating income (loss)	<u>3,684,869</u>	<u>153,235</u>	<u>545,437</u>	<u>4,383,541</u>
Nonoperating revenues (expenses)				
Interest income and net appreciation in fair value of investments	479,985	69,449	61,894	611,328
Interest expense	(362,773)	(14,267)	(25,695)	(402,735)
Gain on the sale of capital assets	5,692	-	5,226	10,918
Total nonoperating revenues (expenses)	<u>122,904</u>	<u>55,182</u>	<u>41,425</u>	<u>219,511</u>
Income before contributions and transfers	1,163,492	137,703	586,862	1,433,967
Changes in net position	3,807,773	208,417	586,862	4,603,052
Net position - beginning	<u>30,081,215</u>	<u>3,648,243</u>	<u>6,966,138</u>	<u>40,695,596</u>
Net position - end of year	<u>\$ 33,888,988</u>	<u>\$ 3,856,660</u>	<u>\$ 7,553,000</u>	<u>\$ 45,298,648</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, 2020

	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Cash flows from operating activities:				
Cash received from customers	\$ 11,278,206	\$ 3,075,466	\$ 1,483,512	\$ 15,837,184
Other operating and intergovernmental revenue	453,620	16,379	-	469,999
Cash paid to suppliers for goods and services	(4,823,619)	(1,226,483)	(248,800)	(6,298,902)
Cash payments to and for the benefit of employees	(1,726,544)	(1,217,363)	(304,087)	(3,247,994)
Cash provided by operating activities	<u>5,181,663</u>	<u>647,999</u>	<u>930,625</u>	<u>6,760,287</u>
Cash flows from capital and related financing activities:				
Principal payments on long-term debt	(913,427)	(38,763)	(69,817)	(1,022,007)
Interest payments on long-term debt	(289,790)	(15,810)	(28,476)	(334,076)
Proceeds from the sale of capital assets	5,692	-	5,226	10,918
Acquisition and construction of capital assets	(2,270,777)	(24,975)	(171,753)	(2,467,505)
Proceeds of issuance from long term debt	6,569,778	-	-	6,569,778
Bond issuance costs	1,060	-	-	1,060
Cash used by capital and related financing activities	<u>3,102,536</u>	<u>(79,548)</u>	<u>(264,820)</u>	<u>2,758,168</u>
Cash flows from investing activity:				
Interest and dividends on investments	<u>473,937</u>	<u>70,194</u>	<u>61,904</u>	<u>606,035</u>
Cash used by investing activities	<u>473,937</u>	<u>70,194</u>	<u>61,904</u>	<u>606,035</u>
Net increase (decrease) in pooled cash and investments	8,758,136	638,645	727,709	10,124,490
Pooled cash and investments at beginning of year	<u>12,845,039</u>	<u>2,654,524</u>	<u>2,172,746</u>	<u>17,672,309</u>
Pooled cash and investments at end of year	<u>\$ 21,603,175</u>	<u>\$ 3,293,169</u>	<u>\$ 2,900,455</u>	<u>\$ 27,796,799</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 CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Reconciliation of cash and investments to Statement of Net Position:				
Total unrestricted pooled cash and investments	\$ 4,922,044	\$ 3,114,269	\$ 2,748,168	\$ 10,784,481
Total restricted pooled cash and investments	16,681,131	178,900	152,287	17,012,318
Total pooled cash and investments	<u>\$ 21,603,175</u>	<u>\$ 3,293,169</u>	<u>\$ 2,900,455</u>	<u>\$ 27,796,799</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 3,684,869	\$ 153,235	\$ 545,437	\$ 4,383,541
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,731,126	500,131	393,771	2,625,028
Change in operating assets and liabilities:				
Decrease (increase) in accounts receivable	(192,137)	(58,993)	(17,867)	(268,997)
Decrease (increase) in due from other governments	-	4,264	-	4,264
Increase in inventories	(2,396)	-	-	(2,396)
Decrease (increase) in deferred outflows	(18,331)	(14,601)	(4,152)	(37,084)
Increase (decrease) in accounts payable	(53,398)	36,856	5,952	(10,590)
Increase (decrease) in pension and other accrued liabilities	6,067	20,777	4,570	31,414
Increase in deferred inflows	(14,819)	(20,794)	(4,975)	(40,588)
Increase (decrease) in customer deposits	3,590	(881)	-	2,709
Increase in OPEB	21,132	19,018	5,283	45,433
Increase (decrease) in accumulated unused compensated absences	15,960	8,987	2,606	27,553
Net cash provided by operating activities	<u>\$ 5,181,663</u>	<u>\$ 647,999</u>	<u>\$ 930,625</u>	<u>\$ 6,760,287</u>
Non cash investing, capital, and financing activities:				
Amortization of bond premiums	\$ 9,319	\$ -	\$ -	\$ 9,319
Construction contracts payable at year end	42,316	-	-	42,316
Change in fair value of investments	8,974	(25,638)	(4,629)	(21,293)

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, 2020

	<u>Pension Trust Fund</u>
Assets	
Cash and cash equivalents:	
Money market	\$ 95,580
Investments, at fair value:	
Equity securities	8,518,561
U.S. Treasury Bonds, Notes and Bills	<u>3,333,350</u>
Total investments	<u>11,851,911</u>
Total assets	<u>11,947,491</u>
Net position	
Restricted for pension benefits	10,758,937
Restricted for pension benefits - Share Plan	<u>1,188,554</u>
Total net position	<u><u>\$ 11,947,491</u></u>

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Pension Trust Fund</u>
Additions	
Contributions:	
City	\$ 397,353
Employees	43,474
Total contributions	<u>440,827</u>
Investment income:	
Interest earnings and net decrease in the fair value of investments	<u>744,126</u>
Total additions	<u>1,184,953</u>
Deductions	
Administrative expenses	41,183
Distributions	<u>196,435</u>
Total deductions	<u>237,618</u>
Change in net position	947,335
Net position - beginning of year	<u>11,000,156</u>
Net position - end of year	<u>\$ 11,947,491</u>

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020

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. 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, 2020

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, 2020

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, 2020

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

Appropriations for outstanding authorized encumbrances are automatically re-appropriated on October 1st 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:

	<u>Supplemental Appropriations</u>
General Fund	\$ 224,056
Street Improvement	113,180

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 \$1,613,727 in the proprietary funds are shown net of the allowance of \$241,610.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Taxes Receivable

In the governmental funds, delinquent ad valorem taxes receivable is measurable, but not available as of the end of the fiscal year and are shown as deferred inflows of resources if not expected to be collected soon enough after year-end to pay current liabilities. The deferred inflow will be recognized as revenue in the fiscal year that it becomes available. There were no delinquent ad valorem taxes receivable and related inflows of resources reported by the City for the year ended September 30, 2020.

Property Taxes

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pinellas County Property Appraiser and the Pinellas County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2020 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, 2020

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

The following is the breakdown in governmental fund inventories at September 30, 2020:

	Amount
Equipment supplies	\$ 11,316
Fuel supplies	25,310
	<u>\$ 36,626</u>

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

Capital Assets

The City's property, plant, equipment, 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, 2020 totaled \$2,106,608 and \$2,633,287 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, 2020

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, 2020

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 30th, the amount remaining to be amortized for the sale of the cell tower lease is \$833,582. For the fiscal year ending September 30, 2020, \$20,540 was amortized as other revenue. Additionally, recreation, library, and street assessment revenues received but not yet earned total \$71,255 at September 30, 2020.

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, 2020

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, 2020

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, 2020

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, 2020, the fund balance committed for stabilization is \$3,090,494.

- 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, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (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.

Impact of Recently Issued Accounting Principles

The GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for September 30, 2020 year-end. The objective is to improve the information that is disclosed in notes to government financial statements related to debt, which includes direct borrowings and direct placements. It also clarified which liabilities governments should include when disclosing information related to debt. The City has implemented this Statement for fiscal year 2020.

The GASB issued Statement No. 95, *Postponement of the Effectiveness Dates of Certain Authoritative Guidance*, which provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The City has implemented this Statement for fiscal year 2020.

NOTE 2 – DEPOSITS AND INVESTMENTS:

Equity in Pooled Cash and Investments

At September 30, 2020, the carrying amount of the City's deposits with financial institutions, excluding fiduciary funds, was \$16,311,711 and the bank account balance was \$16,291,402. 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.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

<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	\$ 1,602	-	n/a	n/a
Cash in bank	16,311,711	-	n/a	n/a
Total cash and cash equivalents	16,313,313	38.91%		
<u>Investments</u>				
Certificates of Deposit	1,779,647	4.24%	1.90	AAA
Money Markets	23,587	0.06%	0.00	AAAm
SBA Florida Prime	312,897	0.75%	1.00	AAAm
Federal Home Loan Mortgage ARM FHLMC	124,032	0.30%	2.93	AAA
Federal Home Loan Mortgage CMO FHLMC	4,149,155	9.90%	2.00	AAA
Federal Home Loan Mortgage MBS FHLMC	3,436,888	8.20%	2.24	AAA
Government National Mortgage Association ARM GNMA	219,249	0.52%	4.47	AAA
Government National Mortgage Association CMO GNMA	4,472,025	10.67%	2.44	AAA
Government National Mortgage Association MBS GNMA	338,584	0.81%	2.95	AAA
Federal National Mortgage Association ARM FNMA	58,284	0.14%	2.41	AAA
Federal National Mortgage Association CMO FNMA	4,222,869	10.07%	2.69	AAA
Federal National Mortgage Association MBS FNMA	6,477,793	15.45%	2.60	AAA
Total investments	25,615,010			
Total pooled cash and investments	<u>\$ 41,928,324</u>	100.00%		

Equity in Pooled Investments

Custodial Risk

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

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;

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

- 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, 2020 of 48 days. The investment policy of Florida PRIME is to manage the dollar weighted average maturity to 60 days or less.

On September 30, 2020, the fair value of the City's investments in Florida PRIME was \$312,897 with no liquidity restrictions.

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

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

At September 30, 2020, 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.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

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	\$ 1,779,647	6.95%	20.00%
Money Markets	23,587	0.09%	10.00%
SBA Florida Prime	312,897	1.22%	25.00%
US/Government Agencies			
Federal Home Loan Mortgage ARM FHLMC	124,032	0.48%	
Federal Home Loan Mortgage MBS FHLMC	3,436,888	13.42%	
Government National Mortgage Association ARM GNMA	219,249	0.86%	
Government National Mortgage Association MBS GNMA	338,584	1.32%	
Federal National Mortgage Association ARM FNMA	58,284	0.23%	
Federal National Mortgage Association MBS FNMA	6,477,793	25.29%	
Total US/Government Agencies	10,654,830	41.60%	75.00%
Collateralized Mortgage Obligations (CMO's)			
Federal Home Loan Mortgage CMO FHLMC	4,149,155	16.20%	
Government National Mortgage Association CMO GNMA	4,472,025	17.46%	
Federal National Mortgage Association CMO FNMA	4,222,869	16.49%	
Total Collateralized Mortgage Obligations (CMO's)	12,844,049	50.14%	75.00%
	<u>\$25,615,010</u>	<u>100.00%</u>	

Interest Rate Risk

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

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	\$ 1,779,647	\$ 1,007,045	\$ 772,600	\$ -	\$ -	\$ -
Money Markets	23,587	23,587	-	-	-	-
SBA Pool Florida Prime	312,897	312,897	-	-	-	-
Federal Home Loan Mortgage ARM FHLMC	124,032	-	-	-	124,032	-
Federal Home Loan Mortgage CMO FHLMC	4,149,155	1,139,657	1,351,877	1,558,139	9,546	89,936
Federal Home Loan Mortgage MBS FHLMC	3,436,888	1,155,269	288,494	1,873,390	119,735	-
Government National Mortgage Association ARM GNMA	219,249	-	-	-	15,907	203,343
Government National Mortgage Association CMO GNMA	4,472,025	1,799,679	1,671,353	504,531	496,463	-
Government National Mortgage Association MBS GNMA	338,584	-	-	-	35,682	302,902
Federal National Mortgage Association ARM FNMA	58,284	-	-	-	58,284	-
Federal National Mortgage Association CMO FNMA	4,222,869	1,167,858	1,726,164	752,202	566,286	10,359
Federal National Mortgage Association MBS FNMA	6,477,793	6,673	1,500,690	4,278,457	691,973	-
	<u>\$ 25,615,010</u>	<u>\$ 6,612,665</u>	<u>\$ 7,311,178</u>	<u>\$ 8,966,719</u>	<u>\$ 2,117,908</u>	<u>\$ 606,540</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

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.

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

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

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

Concentration of Credit Risk

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

	<u>Firefighters Pension Plan</u>	
	Portfolio Allocation	Amount in Trust as of September 30, 2020
Cash and cash equivalents:		
Money Market	0.80%	\$ 95,580
Investments, at fair value:		
Broad Market HQ Bond Fund	13.90%	1,660,701
Core Plus Fixed Income	14.00%	1,672,649
Diversified Large Cap	36.10%	4,313,044
Diversified Small to Mid Cap	10.20%	1,218,644
International Blend	15.90%	1,899,651
Core Real Estate	9.10%	1,087,222
Total		<u>\$ 11,947,491</u>

Interest Rate Risk

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

	<u>Fire Pension Investment Pool (FMIVT)</u>	
Fixed Income Fund	Modified Duration in Years	Weighted Average Maturity (WAM) in Years
FMIVT Broad Market High Quality Bond Fund	5.52	6.60
FMIVT Core Plus Fixed Income Fund	3.35	5.82

Fair Value Measurement

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

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

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

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

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

The City had the following recurring fair value measurements comprised of investments as of September 30, 2020:

		2020		
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
Certificates of Deposit - Negotiable	\$ 1,775,612	\$ -	\$ 1,775,612	\$ -
U.S. Government Agency Securities	401,565	-	401,565	-
Collateralized Mortgage Obligations	12,844,048	-	12,844,048	-
Mortgage-backed Securities	10,253,266	-	10,253,266	-
Total Investments Measured at Fair Value	<u>\$ 25,274,491</u>	<u>\$ -</u>	<u>\$ 25,274,491</u>	<u>\$ -</u>
Investments Measured at Amortized Cost				
Money Market Mutual Fund	23,587			
Certificates of Deposit - Non-negotiable	4,035			
Local Government Investment Pool (LGIP)	<u>312,897</u>			
Total Investments Measured at Cost	<u>\$ 340,519</u>			
Total Investments	<u>\$ 25,615,010</u>			

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

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

The Firefighters' Pension Plan had the following recurring fair value measurements comprised of investments as of September 30, 2020:

	2020			
	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
External Investment Pool:				
FMIVT funds:				
Broad Market HQ Bond Fund	\$ 1,660,701	\$ -	\$ 1,660,701	\$ -
Core Plus Fixed Income	1,672,649	-	-	1,672,649
Diversified Large Cap	4,313,044	-	4,313,044	-
Diversified Small to Mid Cap	1,218,644	-	1,218,644	-
International Blend	1,899,651	-	1,899,651	-
Core Real Estate	1,087,222	-	-	1,087,222
Total Investments Measured at Fair Value	\$ 11,851,911	\$ -	\$ 9,092,040	\$ 2,759,871

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.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

FMIvT Diversified Small to Mid Cap Equity Portfolio

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

FMIvT International Equity Portfolio

This portfolio invests in two underlying funds, the 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.

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

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

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – RECEIVABLES:

Receivables at September 30, 2020 for the City's governmental and enterprise funds, including the applicable allowances for uncollectible accounts are as follows:

	Interest	Utility Taxes & Franchise Fees	Liens	Special Assessments	Accounts	Total Gross Receivables	Less: Allowance for Uncollectibles	Net Total Receivables
Governmental activities								
General fund	\$ 16,173	\$ 337,759	\$ 2,842,236	\$ -	\$ 44,601	\$ 3,240,769	\$ (2,793,131)	\$ 447,638
Community Redevelopment Agency	1,000	-	-	-	-	1,000	-	1,000
Capital Projects	1,149	-	-	-	-	1,149	-	1,149
Non-major governmental funds	2,769	-	-	24,398	9,389	36,556	(3,731)	32,825
Gross receivables	21,091	337,759	2,842,236	24,398	53,990	3,279,474	-	482,612
Less: allowance for uncollectibles	-	-	-	-	-	-	(2,796,862)	-
Net total receivables governmental activities	\$ 21,091	\$ 337,759	\$ 2,842,236	\$ 24,398	\$ 53,990	\$ 3,279,474	\$ (2,796,862)	\$ 482,612
Business-type activities								
Water and sewer utility	\$ 29,056	\$ -	\$ 173,259	\$ 23,404	\$ 1,174,747	\$ 1,400,466	\$ (172,750)	\$ 1,227,716
Solid waste utility	4,433	-	50,275	-	259,736	314,444	(46,319)	268,125
Stormwater utility	3,979	-	20,700	-	115,748	140,427	(22,541)	117,886
Gross receivables	37,468	-	244,234	23,404	1,550,231	1,855,337	-	1,613,727
Less: allowance for uncollectibles	-	-	-	-	-	-	(241,610)	-
Net total receivables business-type activities	\$ 37,468	\$ -	\$ 244,234	\$ 23,404	\$ 1,550,231	\$ 1,855,337	\$ (241,610)	\$ 1,613,727

Due from Other Governments

The following amounts were due from other governments as of September 30, 2020.

Fund	Name of Government	Revenue Source	Amount
Governmental Funds			
General	State of Florida	Half-Cent Sales Tax	\$ 179,749
General	State of Florida	Alcoholic Beverage Tax	11,782
General	Pinellas County	Court Fines and Fees	1,410
General	Pinellas County	Pinellas County EMS Reimbursement	9,449
General	State of Florida	Firefighters' Supplemental Compensation	4,555
General	State of Florida	Communications Services Tax	115,044
General	State of Florida	Motor Fuel Tax Rebate	3,227
General	State of Florida	Mobile Home Licensing Fees	48
General	Federal Emergency Management Agency	Federally Funded Public Assistance (Irma)	7,190
General	Federal Emergency Management Agency	Federally Funded Public Assistance (Hermine)	7,653
General	State of Florida	Bldg Surcharge Refund (Q1, Q2, & Q3)	3,994
General	Pinellas County	Target Solutions Reimbursement	1,139
General	Pinellas County	CARES Act Grant	9,000
Total general fund			354,238
Capital Projects Fund	Pinellas County	Local Government Infrastructure Tax	461,841
Capital Projects Fund	Pinellas County	Fire Capital Reimbursement	-
Total capital projects fund			461,841
Street Improvement	State of Florida	Local Option Gas Tax	52,972
Total street improvement fund			52,972
Parkland Fund	Tampa Bay Estuary Program	Tampa Bay Estuary Grant	-
Total Parkland Fund			\$ -
Total governmental funds			869,051
Proprietary Funds			
Solid Waste	Pinellas County	Recycling Grant	8,388
Total proprietary funds			\$ 8,388

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4 – CAPITAL ASSETS:

The following is a summary of changes in capital assets at September 30, 2020:

	Balance Sept. 30, 2019	Additions	Disposals	Balance Sept. 30, 2020
Governmental activities:				
Nondepreciable assets:				
Land	\$ 9,654,746	\$ 339,194	\$ -	\$ 9,993,940
Construction in progress	1,173,643	375,833	942,425	607,051
Depreciable assets:				
Buildings	4,909,235	946,669	-	5,855,904
Infrastructure	33,197,249	909,318	-	34,106,567
Equipment and Vehicles	7,321,324	636,320	264,908	7,692,736
Total at historical cost	56,256,197	3,207,334	1,207,333	58,256,198
Less, accumulated depreciation for:				
Buildings	3,520,908	142,168		3,663,076
Infrastructure	19,694,833	1,451,678		21,146,511
Equipment and Vehicles	4,649,954	512,762	264,908	4,897,808
Total accumulated depreciation	27,865,695	2,106,608	264,908	29,707,395
Governmental activities capital assets, net	<u>\$28,390,502</u>	<u>\$1,100,726</u>	<u>\$ 942,425</u>	<u>\$28,548,803</u>
Business-type activities:				
Nondepreciable assets:				
Land	\$ 606,548	\$ -	\$ -	\$ 606,548
Construction in progress	4,632,461	780,937	3,401,295	2,012,103
Depreciable assets:				
Buildings	343,689	-	-	343,689
Infrastructure	44,289,375	4,070,694	-	48,360,069
Equipment and Vehicles	9,954,923	340,801	166,343	10,129,381
Total at historical cost	59,826,996	5,192,432	3,567,638	61,451,790
Less, accumulated depreciation for:				
Buildings	287,489	12,934	-	300,423
Infrastructure	20,148,735	1,847,221	-	21,995,956
Equipment and Vehicles	6,344,140	773,132	166,343	6,950,929
Total accumulated depreciation	26,780,364	2,633,287	166,343	29,247,308
Business-type activities capital assets, net	<u>\$33,046,632</u>	<u>\$2,559,145</u>	<u>\$3,401,295</u>	<u>\$32,204,483</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4 – CAPITAL ASSETS (continued):

Depreciation expense was charged to governmental functions as follows:

	<u>Amount</u>
General government	\$ 283,489
Law enforcement	4,366
Fire protection	292,289
Building department	8,372
Physical environment	7,041
Transportation	408,567
Library	283,443
Parks and recreation	819,041
Total depreciation expense	<u>\$ 2,106,608</u>

Depreciation expense for the Water and Sewer Fund, Solid Waste Fund, and the Stormwater Fund is \$1,739,386, \$500,131, and \$393,770, respectively.

Construction projects actively underway as of September 30, 2020 were as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
<u>General Government</u>		
Marina Channel Dredging	\$ 43,805	\$ 31,437
Main Street Intersections Brick Street Reconstruction	11,250	-
Citywide HVAC Project	15,327	-
Clearwater Capital Joint Use Agreement	150,000	-
Park Furnishings Rnl & Repl	8,909	-
Fishing Pier Improvements	7,600	-
Parks & BM Office Improvements	8,101	-
Folly Farms Improvements (Weiss property)	311,460	(94,840)
Library 2nd Floor Meeting Room Addition	49,102	141,939
Gazebo Improvements	140	239
CRA Seawall	1,357	-
Total General Government	<u>\$ 607,051</u>	<u>\$ 78,774</u>
<u>Proprietary</u>		
Pipe Relining	\$ 191,056	\$ -
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	-
Trimble Readers (3)	30,205	4,035
Intangible Assets/Software	343,178	48,657
Espiritu Santo Springs/Washington Brennan Water Main	213,580	1,448
Pinellas Avenue Water Main & Fire Protection	118,474	27,526
Philippe Pointe Pedestrian Bridge Water Main	75,611	9,389
Water & Wastewater I & I Study	809,020	40,200
9th Ave/Marshall St. Master Pump	63,457	88,994
Total Proprietary	<u>\$ 1,852,368</u>	<u>\$ 220,249</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund transfers for the year ended September 30, 2020, consisted of the following:

Transfers from governmental funds:	
General fund	\$ 243,650
Community Redevelopment Agency	289,000
Capital Projects fund	<u>1,483,600</u>
Total transfers from	<u>\$ 2,016,250</u>
Transfers to governmental funds:	
General fund	\$ 257,000
Marina fund	36,000
Parkland fund	445,000
Street Light fund	7,650
Street Improvement fund	200,000
Debt Service fund	<u>1,070,600</u>
Total transfers to	<u>\$ 2,016,250</u>

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

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CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 – LONG TERM LIABILITIES:

The following is a summary of changes in long-term liabilities for the year ended September 30, 2020:

	Balance Sept. 30, 2019	Increases	Decreases	Balance Sept. 30, 2020	Amount Due Within One Year	Long Term Debt
Governmental Activities						
Direct borrowings:						
Revenue Note, Series 2018	\$ 1,268,500	\$ -	\$ 122,400	\$ 1,146,100	\$ 126,700	\$ 1,019,400
Refunding Revenue Bond, Series 2012	920,000	-	300,000	620,000	305,000	315,000
Capital Improvement Revenue Note, Series 2008	1,056,000	-	519,000	537,000	537,000	-
Capital Improvement Revenue Note, Series 2006	214,874	-	18,352	196,522	18,991	177,531
Total bonds payable	3,459,374	-	959,752	2,499,622	987,691	1,511,931
Direct borrowing:						
Capital lease of real property	215,000	-	5,000	210,000	5,000	205,000
Compensated absences	770,885	537,173	382,397	925,661	69,425	856,236
Governmental activities total	4,445,259	537,173	1,347,149	3,635,283	1,062,116	2,573,167
Business-Type Activities						
Direct borrowings:						
Water and Sewer Revenue Note, Series 2018	2,093,422	6,569,778	451,700	8,211,500	467,200	7,744,300
Refunding Revenue Bond, Series 2012	485,000	-	160,000	325,000	160,000	165,000
Capital Improvement Revenue Note, Series 2006	4,918,892	-	419,644	4,499,248	434,247	4,065,001
Total bonds payable	7,497,314	6,569,778	1,031,344	13,035,748	1,061,447	11,974,301
Compensated absences	285,242	145,470	117,917	312,795	23,460	289,335
Business-type activities totals	7,782,556	6,715,248	1,149,261	13,348,543	1,084,907	12,263,636
Total all activities	\$ 12,227,815	\$ 7,252,421	\$ 2,496,410	\$ 16,983,826	\$ 2,147,023	\$ 14,836,803

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 Central State Bank, N.A., which matures on November 1, 2033. Upon original issuance, the note was initially a non-revolving line of credit allowing the city to draw up to \$8,663,200 at any one time, or through a series of draws through October 31, 2019. The city issued a series of draws through September 30, 2019 in the amount of \$2,093,422, with the final draw of \$6,569,778 on October 31, 2019. The note was issued to finance various infrastructure improvements for the City's water and sewer system. Debt service payments are made semi-annually. Payment of the loan is from pledged revenues of the net revenues of the water and sewer system.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 – LONG TERM LIABILITIES (continued):

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.

	Governmental Activities					Business - Type Activities					
	Land Purchase	Land Purchase	Library Expansion	Capital Improvements	Total	Water & Sewer Capital Improvements ⁽¹⁾	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	\$ 1,146,100	\$ 620,000	\$ 537,000	\$ 196,522	\$ 2,499,622	\$ 8,211,500	\$ 325,000	\$ 748,461	\$ 3,335,236	\$ 415,551	\$ 13,035,748
Interest Rate	3.4300%	2.3400%	3.3396%	2.8600%		3.3600%	2.3400%	3.4800%	3.4800%	3.4800%	
Annual Debt Service											
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
2025	163,810	-	-	25,837	189,647	735,251	-	98,293	437,940	54,573	1,326,057
Thereafter	491,391	-	-	103,130	594,521	6,616,862	-	393,172	1,752,257	218,292	8,980,583
	<u>\$ 1,310,409</u>	<u>\$ 634,626</u>	<u>\$ 545,967</u>	<u>\$ 232,317</u>	<u>\$ 2,723,318</u>	<u>\$ 10,292,954</u>	<u>\$ 332,664</u>	<u>\$ 884,637</u>	<u>\$ 3,941,957</u>	<u>\$ 491,157</u>	<u>\$ 15,943,369</u>

DEBT SERVICE REQUIREMENTS

The annual debt service requirements for the governmental activities long-term debt as of September 30, 2020 are as follow:

Year Ending September 30,	Series 2006, Capital Improvement Revenue Note		
	Principal	Interest	Total
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	21,775	4,062	25,837
2026 - 2029	94,726	8,404	103,130
Total debt service	<u>\$ 196,522</u>	<u>\$ 35,795</u>	<u>\$ 232,317</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 – LONG TERM LIABILITIES (continued):

Year Ending September 30,	Series 2008, Capital Improvement Revenue Note		
	Principal	Interest	Total
2021	\$ 537,000	\$ 8,967	\$ 545,967
Total debt service	<u>\$ 537,000</u>	<u>\$ 8,967</u>	<u>\$ 545,967</u>

Year Ending September 30,	Series 2012, Refunding Revenue Bond		
	Principal	Interest	Total
2021	\$ 305,000	\$ 10,940	\$ 315,940
2022	315,000	3,686	318,686
Total debt service	<u>\$ 620,000</u>	<u>\$ 14,626</u>	<u>\$ 634,626</u>

Year Ending September 30,	Series 2018, Revenue Note		
	Principal	Interest	Total
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	145,300	18,510	163,810
2026 - 2028	467,000	24,391	491,391
Total debt service	<u>\$ 1,146,100</u>	<u>\$ 164,309</u>	<u>\$ 1,310,409</u>

The annual debt service requirements for the business-type activities long-term debt as of September 30, 2020 are as follow:

Year Ending September 30,	Series 2006, Capital Improvement Revenue Note		
	Principal	Interest	Total
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	497,924	92,882	590,806
2026 - 2029	2,171,542	192,179	2,363,721
Total debt service	<u>\$ 4,499,248</u>	<u>\$ 818,503</u>	<u>\$ 5,317,751</u>

Year Ending September 30,	Series 2012, Refunding Revenue Bond		
	Principal	Interest	Total
2021	\$ 160,000	\$ 5,733	\$ 165,733
2022	165,000	1,931	166,931
Total debt service	<u>\$ 325,000</u>	<u>\$ 7,664</u>	<u>\$ 332,664</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 – LONG TERM LIABILITIES (continued):

Year Ending September 30,	Series 2018, Water and Sewer Revenue Note		
	Principal	Interest	Total
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	534,400	200,851	735,251
2026 - 2029	5,710,500	906,362	6,616,862
Total debt service	<u>\$ 8,211,500</u>	<u>\$ 2,081,454</u>	<u>\$ 10,292,954</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, 2020 is \$210,000.

NOTE 7 – PENSION PLANS:

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

The City's pension expense totaled \$485,395 for the FRS Pension Plan, HIS Plan and Firefighters Pension Plan for the year ended September 30, 2020.

A. **Florida Retirement System**

Plan Description

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

www.dms.myflorida.com/workforce_operations/retirement/publications.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – PENSION PLANS (continued):

There are over 1,000 participating employers served by the FRS and Retiree Health Insurance Subsidy (HIS) defined benefit plans. Since January of 1996, the FRS pension plan has been closed to new entrants. The number of years of creditable service required to vest for enrolled employees is determined by the employee's membership class. Employees vest after completing 10 years of creditable service 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 6 employees participating in DROP as of September 30, 2020.

Benefits Provided

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

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

Contributions

Presently, the System requires a 3.00% contribution from covered members in the regular, special risk and senior management classes. The City is required to contribute an actuarially determined rate. The employer's contribution rates are based upon employees' gross earnings and are effective from July 1 thru June 30. The rates effective for July 1, 2020 thru June 30, 2021 are: regular employees, 10.00%; special risk, 24.45%; and senior management, 27.29%. 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 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, 2020 was \$110,825 equal to the required contribution for this year.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – PENSION PLANS (continued):

Pension Costs

At September 30, 2020, the City reported a liability of \$1,380,125 for its proportionate share of the FRS pension plan's net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2020, the City's proportion was .003184306%, which was a decrease of 0.00081% from the proportion measured as of June 30, 2019.

The City recognized pension expense of \$7,494 for its proportionate share at September 30, 2020. 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	\$ 52,820	\$ -
Changes in Actuarial Assumptions	249,847	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	82,174	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	750,310
City Contributions Subsequent to the Measurement Date	32,631	-
Total	<u>\$ 417,472</u>	<u>\$ 750,310</u>

A total of \$32,631 was reported as deferred outflows of resources as a result of contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30	Amount
2021	\$ (159,631)
2022	(86,592)
2023	(48,555)
2024	(34,952)
2025	(35,739)
Thereafter	-

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – PENSION PLANS (continued):

Investments

Investment management of assets contributed and held on behalf of the Florida Retirement System is provided by the State Board of Administration. Accounting and administration of benefits and contributions, commissions, actuarial studies and proposal rules and regulations for the administration of the FRS is provided by the Florida Division of Retirement. The State Legislature is responsible for setting contribution and benefit levels and providing the statutory guidance for the administration of the FRS. Plan target allocation as of September 30, 2020 was as follows:

Investment Category	Target Allocations	Annual	Compound	Standard
		Arithmetic	Annual (Geometric)	
		Return	Return	Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Assumed Inflation - mean			2.4%	1.7%

Actuarial Methods & Assumptions: Total pension liability was determined by actuarial valuation as of July 1, 2020, using the following actuarial assumptions:

Florida Retirement System	
Valuation date	7/1/2020
Measurement date	6/30/2020
Inflation	2.40%
Salary increases (including inflation)	3.25%
Mortality	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018
Actuarial cost Method	Individual Entry Age
Municipal Bond Rate*	2.21%

*The municipal bond rate used to determine total pension liability decreased from 3.50% to 2.21%

The actuarial assumptions that determined the total pension liability as of June 30, 2020, were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – PENSION PLANS (continued):

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

	1% Decrease 5.80%	Current Rate 6.80%	1% Increase 7.80%
FRS Net Pension Liability	\$ 69,209,049,720	\$ 43,341,473,720	\$ 21,736,761,720
City's proportion of net pension liability	2,203,828	1,380,125	692,165

Amounts presented were determined as of June 30

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, 2020, 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, 2020, the contribution rate was 1.66 percent of gross compensation. The City's contribution to the HIS plan for fiscal year ending September 30, 2020 was approximately \$14,453, equal to the required contribution for this year.

Pension Costs

At September 30, 2020, the City reported a liability of \$309,223 for its proportionate share of the HIS pension plan's net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2020, the City's proportion was .002532575%, which was a decrease of 0.00076% from the same as the proportion measured as of June 30, 2019.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – PENSION PLANS (continued):

The City recognized a pension contra-expense in the amount of \$77,033 for its proportionate share at September 30, 2020. 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	\$ 12,649	\$ 239
Changes in Actuarial Assumptions	33,250	17,980
Net Difference Between Projected and Actual Earnings on HIS Program		
Investments	247	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	335,179
City Contributions Subsequent to the Measurement Date	3,799	-
Total	<u>\$ 49,945</u>	<u>\$ 353,398</u>

A total of \$3,799 was reported as deferred outflows of resources as a result of contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (85,700)
2022	(74,522)
2023	(69,000)
2024	(42,542)
2025	(23,464)
Thereafter	(12,024)

Actuarial Assumptions

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

	HIS Pension Plan Assumptions
Valuation date	7/1/2020
Measurement date	6/30/2020
Inflation	2.40%
Salary increases (including inflation)	3.25%
Mortality	Generational PUB-2010 with Projection Scale MP-2018
Actuarial cost Method	Individual Entry Age
Municipal Bond Rate*	2.21%

*The municipal bond rate used to determine total pension liability decreased from 3.50% to 2.21%

The actuarial assumptions that determined the total pension liability as of June 30, 2020, 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 THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – PENSION PLANS (continued):

The discount rate used to measure the total pension liability was 2.21% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the municipal bond index.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability calculated using the current discount rate of 2.21 percent, along with what the net pension liability would be if the discount rate used was 1-percentage-point lower (1.21 percent) and 1-percentage-point higher (3.21 percent).

	1% Decrease 1.21%	Current Rate 2.21%	1% Increase 3.21%
HIS Net Pension Liability	\$ 14,114,026,804	\$ 12,209,837,125	\$ 10,651,263,443
City's proportion of net pension liability (asset)	357,448	309,223	269,751

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 \$414,602 for the year ended September 30, 2020. 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 2020 for the City Manager was \$18,978.

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 THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – PENSION PLANS (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, 2020, pension plan membership consists of the following:

Membership Classification	Number of Plan Members
Inactive plan members or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	23
	<u>29</u>

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

Contributions. Plan members are required to contribute 1 percent of their annual covered salary. The City's contribution to the fund is determined by actuarial valuation. The City is required to contribute an amount equal to the minimum required contribution as a percentage of covered payroll. The employee contribution requirement may be amended by City ordinance, but the employer contribution requirement is subject to State minimums. The City's contribution of \$482,530 (30.46 percent of covered payroll) for 2020 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 \$112,822 for 2020 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, 2020, the City reported a net pension asset of \$2,133,033. The net pension asset was measured as of September 30, 2020. The City recognized pension expense of \$554,934 at September 30, 2020. 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, 2020

NOTE 7 – PENSION PLANS (continued):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 283,549	\$ 854,325
Changes in Actuarial Assumptions	1,112,572	322,360
Net Difference Between Projected and Actual Earnings on Firefighter Pension Plan Investments	100,867	102,480
City Contributions Subsequent to the Measurement Date	-	-
Total	<u>\$ 1,496,988</u>	<u>\$ 1,279,165</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
2021	\$ (19,247)
2022	65,969
2023	74,603
2024	46,578
2025	42,379
Thereafter	7,541

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, 2020 was as follows:

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

For the year ended September 30, 2020, 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 6.67% for the year ended September 30, 2020.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – PENSION PLANS (continued):

Net Pension Liability (Asset)

The components of the net pension liability (asset) at September 30, 2020, were as follows:

Total pension liability	\$ 8,738,726
Plan fiduciary net position	<u>(10,871,759)</u>
City's net pension liability (asset)	<u>\$ (2,133,033)</u>
Plan fiduciary net position as a percentage of total pension liability	-124.41%

Actuarial Methods & Assumptions: Total pension liability was determined by actuarial valuation as of September 30, 2020, using the following actuarial assumptions:

	<u>Firefighters Pension Plan</u>
Actuarial valuation date	10/1/2019
Measurement date	9/30/2020
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 of 7.00% 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.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – PENSION PLANS (continued):

Rate of Return: The long-term expected real rate of return on plan asset classes as of September 30, 2020 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

Changes in Net Pension Liability:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance as of September 30, 2019	\$ 7,231,921	\$ (9,801,225)	(2,569,304)
Changes due to:			
Service Cost	562,872	-	562,872
Expected Interest Growth	542,297	(699,572)	(157,275)
Unexpected Investment Income	-	21,003	21,003
Demographic Experience	310,761	-	310,761
Employer Contributions	-	(482,530)	(482,530)
Employee Contributions	-	(42,044)	(42,044)
Benefit Payments & Refunds	(91,426)	91,426	-
Administrative Expenses	-	41,183	41,183
Changes in Benefit Terms	182,301	-	182,301
Assumption Changes	-	-	-
Balance as of September 30, 2020	<u>\$ 8,738,726</u>	<u>\$ (10,871,759)</u>	<u>\$ (2,133,033)</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).

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Total pension liability	\$ 10,354,861	\$ 8,738,726	\$ 7,465,186
Fiduciary net position	(10,871,759)	(10,871,759)	(10,871,759)
Net pension liability (asset)	<u>\$ (516,898)</u>	<u>\$ (2,133,033)</u>	<u>\$ (3,406,573)</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020 is \$1,188,554. The Share Plan balance is reported on the City's fiduciary trust fund financial statements.

NOTE 8 – DEFERRED COMPENSATION PLAN:

The City offers an optional deferred compensation plan, created in accordance with Internal Revenue Code Section 457, to all employees in addition to pension plans. Under the provisions of Internal Revenue Code Section 457, *Deferred Compensation Plans*, and GASB Statement No. 32, *Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans*, all assets and income of the plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the plan are not reported within the City's financial statements at September 30, 2020.

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, 2020, 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	127
	<u>142</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020, and the total OPEB Liability used to calculate the net OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Total pension liability was determined by actuarial valuation as of September 30, 2020 using the following actuarial assumptions:

Actuarial valuation date	10/1/2019
Measurement date	9/30/2020
Discount rate*	2.14% 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 7.00% for the 2019/20 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 3.58% per annum to 2.14% per annum and the monthly implied subsidy at age 62 for the 2019/20 fiscal year was changed from \$510.62 to \$525.00 (CORE), from \$80.62 to \$50.00 (CORE with co-insurance), from \$161.25 to \$125.00 (HDHP), and from \$295.62 to \$200.00 (minimum coverage).

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

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

Discount Rate Liability

The discount rate used to measure total OPEB Liability was 2.14%. 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>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of September 30, 2019	\$ 1,235,548	\$ -	\$ 1,235,548
Changes due to:			
Service Cost	103,667	-	103,667
Expected Interest Growth	28,064	-	28,064
Unexpected Investment Income	-	-	-
Demographic Experience	(91,102)	-	(91,102)
Employer Contributions	-	-	-
Employee Contributions	-	-	-
Benefit Payments & Refunds	(55,927)	-	(55,927)
Administrative Expenses	-	-	-
Changes in Benefit Terms	-	-	-
Assumption Changes	166,389	-	166,389
Balance as of September 30, 2020	<u>\$ 1,386,639</u>	<u>\$ -</u>	<u>\$ 1,386,639</u>

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

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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 2.14%, along with what the net OPEB liability would be if the discount rate used was 1-percentage-point lower (1.14 percent) and 1-percentage-point higher (3.14 percent).

	1% Decrease 1.14%	Current Rate 2.14%	1% Increase 3.14%
Total OPEB liability	\$ 1,515,706	\$ 1,386,639	\$ 1,271,321
Net pension liability (asset)	\$ 1,515,706	\$ 1,386,639	\$ 1,271,321

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 7.00 percent graded down to 5.00 percent, along with what the net OPEB liability would be if the healthcare cost trend rate used was 1-percentage-point lower (6.00 percent graded down to 4.00 percent) and 1-percentage-point higher (8.00 percent graded down to 6.00 percent).

	1% Decrease (6.00% graded down to 4.00%)	Trend Rate 7.00% graded down to 5.00%	1% Increase (8.00% graded down to 6.00%)
Total OPEB liability	\$ 1,222,633	\$ 1,386,639	\$ 1,584,782
Net OPEB liability (asset)	\$ 1,222,633	\$ 1,386,639	\$ 1,584,782

OPEB Costs – For the year ended September 30, 2020, the City recognized OPEB expense of \$71,354. 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, 2019	\$ 85,530	\$ 195,048
Changes due to:		
Amortization payments	(22,988)	(27,438)
Investment gain/loss	-	-
Demographic gain/loss	-	91,102
Assumption changes	166,389	-
Total changes	143,401	63,664
Balance as of September 30, 2020	\$ 228,931	\$ 258,712

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

Year Ending September 30,	Amount
2021	\$ (4,450)
2022	(4,450)
2023	(4,450)
2024	(4,450)
2025	(4,450)
Thereafter	(7,531)

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, 2020.

	<u>Deposits</u>	<u>Withdrawals</u>
Sources of deposits:		
Ad valorem taxes	\$ 383,630	\$ -
Ad valorem taxes from Pinellas County	523,654	-
Interest and investment income	7,236	-
Purpose of withdrawals:		
Personal services	-	47,519
District fees	-	1,045
Façade and partnership incentives	-	41,642
Land lease - CSX	-	650
LED lighting	-	2,910
Public art	-	15,307
Signage	-	1,125
Streetscaping - benches, trash cans, planter, ballasts	-	503
Baranoff oak tree support system	-	20,615
Gazebo improvements	-	140
Marina restroom improvements	-	15,343
Second floor design Library	-	49,102
Transfer to General fund for Waterfront Park repayment	-	157,000
Transfer to Series 2018 Debt for Baranoff Oak	-	132,000
Totals	<u>\$ 914,520</u>	<u>\$ 484,901</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020. The City had no significant reductions in insurance coverage during the fiscal year ended September 30, 2020. In addition, there have been no settlements that exceeded the City's insurance coverage in any of the past three fiscal years.

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

NOTE 12 – STATE AND FEDERAL GRANT CONTINGENCIES:

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

NOTE 13 – SUBSEQUENT EVENTS:

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Pinellas County received \$170.1 million in CARES Act funds to address the communities most pressing needs. The City received \$183,121 in April 2021 for budgeted personnel and services diverted to a substantially different use; personal protective equipment; public health expenses for communication of COVID-19 orders and facility improvements, sanitation and disinfection of facilities; and, to improve telework capabilities for city employees.

American Rescue Plan

The American Rescue Plan was signed into law on March 11, 2021. The plan will provide relief to state, local, and tribal governments. To date, there is uncertainty as to how much funding the City of Safety Harbor will receive in FY 2021 and FY 2022.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Property taxes	\$ 5,121,910	\$ 5,121,910	\$ 4,816,672	\$ (305,238)
Utility taxes	2,446,720	2,510,620	2,521,486	10,866
Local business tax	150,000	145,000	141,507	(3,493)
Local option tax	100,000	100,000	113,567	13,567
Franchise fees	1,493,290	1,506,690	1,473,793	(32,897)
Licenses and permits	504,820	535,400	456,010	(79,390)
Sales tax	1,182,410	1,029,580	1,090,262	60,682
Intergovernmental	2,106,800	2,083,380	2,201,862	118,482
Charges for services	999,550	795,420	810,945	15,525
Fines and forfeitures	38,470	30,800	64,109	33,309
Interest income and net appreciation in fair value of investments	186,000	141,510	289,582	148,072
Contributions and donations	38,000	46,200	42,193	(4,007)
Other	1,102,870	1,148,760	1,369,021	220,261
Amounts available for appropriation	<u>15,470,840</u>	<u>15,195,270</u>	<u>15,391,009</u>	<u>195,739</u>
Charges to appropriations (outflows):				
General Government:				
City Commission	160,890	159,190	147,978	11,212
City Manager	260,860	260,550	239,346	21,204
City Clerk	164,450	149,710	149,648	62
Elections	17,900	18,510	11,431	7,079
Finance	290,040	285,830	276,245	9,585
Human Resources	307,170	270,710	265,843	4,867
Community Development	313,490	309,390	296,649	12,741
City Attorney	159,660	149,660	131,880	17,780
Nondepartmental	391,180	433,720	385,591	48,129
Maintenance	766,630	670,230	621,411	48,819
Nonoperating	327,490	327,490	327,490	-
Total general government	<u>3,159,760</u>	<u>3,034,990</u>	<u>2,853,512</u>	<u>181,478</u>
Public Safety:				
Law enforcement	1,400,460	1,400,460	1,366,127	34,333
Fire protection	3,862,070	3,839,430	3,684,135	155,295
Building department	531,320	701,870	647,265	54,605
Total public safety	<u>5,793,850</u>	<u>5,941,760</u>	<u>5,697,527</u>	<u>244,233</u>
Physical environment	<u>496,740</u>	<u>462,100</u>	<u>418,198</u>	<u>43,902</u>
Transportation	<u>788,870</u>	<u>761,400</u>	<u>651,162</u>	<u>110,238</u>

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND – GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Culture and recreation:				
Library	\$ 1,204,980	\$ 1,177,100	\$ 1,111,312	\$ 65,788
Parks and recreation	3,748,620	3,562,180	3,191,920	370,260
Total culture and recreation	<u>4,953,600</u>	<u>4,739,280</u>	<u>4,303,232</u>	<u>436,048</u>
Capital outlay	<u>95,500</u>	<u>108,580</u>	<u>116,867</u>	<u>(8,287)</u>
Other Financing Sources (Uses)				
Transfers in from other funds	257,000	257,000	257,000	-
Transfers out to other funds	<u>(243,650)</u>	<u>(243,650)</u>	<u>(243,650)</u>	<u>-</u>
Total Other Financing Sources	<u>13,350</u>	<u>13,350</u>	<u>13,350</u>	<u>-</u>
Total charges to appropriations	<u>15,301,670</u>	<u>15,061,460</u>	<u>14,053,848</u>	<u>1,007,612</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>195,870</u>	<u>160,510</u>	<u>1,363,861</u>	<u>1,203,351</u>
Appropriated fund balance	<u>(195,870)</u>	<u>(160,510)</u>	<u>-</u>	<u>160,510</u>
Deficiency of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,363,861</u>	<u>\$ 1,363,861</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.

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND – COMMUNITY REDEVELOPMENT AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Property taxes	\$ 908,720	\$ 908,720	\$ 907,284	\$ (1,436)
Interest income and net appreciation in fair value of investments	<u>8,000</u>	<u>8,000</u>	<u>7,236</u>	<u>(764)</u>
Amounts available for appropriation	<u>916,720</u>	<u>916,720</u>	<u>914,520</u>	<u>(2,200)</u>
Charges to appropriations (outflows):				
General government	217,320	232,320	110,701	121,619
Capital outlay	532,000	560,807	85,200	475,607
Transfers out to other funds	<u>289,000</u>	<u>289,000</u>	<u>289,000</u>	<u>-</u>
Total charges to appropriations	<u>1,038,320</u>	<u>1,082,127</u>	<u>484,901</u>	<u>597,226</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>(121,600)</u>	<u>(165,407)</u>	<u>429,619</u>	<u>595,026</u>
Appropriated fund balance	<u>121,600</u>	<u>165,407</u>	<u>-</u>	<u>(165,407)</u>
Deficiency of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429,619</u>	<u>\$ 429,619</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

\$ 484,901

Differences - budget to GAAP

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

289,000

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

\$ 195,901

See Independent Auditors' Report.

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

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

See Independent Auditors' Report.

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

	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 110,825	\$ 114,958	\$ 147,506	\$ 170,230	\$ 247,855	\$ 274,634
Contributions in relation to the statutorily required contribution	(110,825)	(114,958)	(147,506)	(170,230)	(247,855)	(274,634)
Annual contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 870,509	\$ 1,025,472	\$ 1,321,018	\$ 1,586,879	\$ 2,282,984	\$ 2,416,414
City's contributions as a percentage of covered payroll	13%	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 PLAN¹
LAST TEN MEASUREMENT PERIODS

	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.002532575%	0.003291212%	0.004272498%	0.005347533%	0.007417542%	0.008084719%
City's proportionate share of the net pension liability (asset)	\$ 309,223	\$ 368,254	\$ 452,206	\$ 571,783	\$ 864,484	\$ 824,514
Plan fiduciary net position as a percentage of the total pension liability (asset)	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%
City's covered payroll	\$879,658	\$1,107,117	\$ 1,402,897	\$ 1,704,511	\$ 2,319,170	\$ 2,451,390
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	35%	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.

See Independent Auditors' Report.

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

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

See Independent Auditors' Report.

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,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Changes due to:							
Service Cost	\$ 562,872	\$ 473,494	\$ 490,136	\$ 436,960	\$ 338,895	\$ 190,271	\$ 256,386
Expected Interest Growth	542,297	510,843	449,280	390,035	239,563	320,285	249,194
Unexpected Investment Income	-	-	-	-	-	-	-
Demographic Experience	310,761	(577,812)	(20,193)	(307,493)	(5,117)	(201,410)	-
Employer Contributions	-	-	-	-	-	-	-
Employee Contributions	-	-	-	-	-	-	-
Benefit Payments & Refunds	(91,426)	(20,757)	(3,498)	-	(5,142)	-	-
Administrative Expenses	-	-	-	-	-	-	-
Changes in Benefit Terms	182,301	-	-	-	-	-	-
Assumption Changes	-	-	-	273,806	1,484,984	(562,306)	-
Net Change in Total Pension Liability	1,506,805	385,768	915,725	793,308	2,053,183	(253,160)	505,580
Total Pension Liability/(Asset)-Beginning	\$ 7,231,921	\$ 6,846,153	\$ 5,930,428	\$ 5,137,120	\$ 3,083,937	\$ 3,337,097	\$ 2,831,517
Total Pension Liability/(Asset)-Ending (a)	\$ 8,738,726	\$ 7,231,921	\$ 6,846,153	\$ 5,930,428	\$ 5,137,120	\$ 3,083,937	\$ 3,337,097
Fiduciary Net Position:							
Changes due to:							
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expected Interest Growth	(699,572)	(634,095)	(557,899)	(461,895)	(399,621)	(491,498)	(362,994)
Unexpected Investment Income	21,003	140,107	(43,156)	(426,077)	(64,282)	580,202	(96,582)
Demographic Experience	-	-	-	-	-	-	-
Employer Contributions	(482,530)	(530,342)	(512,791)	(497,252)	(389,600)	(403,688)	(395,359)
Employee Contributions	(42,044)	(16,657)	(15,181)	(14,270)	(12,244)	(10,861)	(10,486)
Benefit Payments & Refunds	91,426	20,757	3,498	-	5,142	-	-
Administrative Expenses	41,183	37,053	38,673	30,224	24,690	19,650	28,190
Changes in Benefit Terms	-	-	-	-	-	-	-
Assumption Changes	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	(1,070,534)	(983,177)	(1,086,856)	(1,369,270)	(835,915)	(306,195)	(837,231)
Plan Fiduciary Net Position-Beginning	\$ (9,801,225)	\$ (8,818,048)	\$ (7,731,192)	\$ (6,361,922)	\$ (5,526,007)	\$ (5,219,812)	\$ (4,382,581)
Plan Fiduciary Net Position-Ending (b)	\$ (10,871,759)	\$ (9,801,225)	\$ (8,818,048)	\$ (7,731,192)	\$ (6,361,922)	\$ (5,526,007)	\$ (5,219,812)
Net Pension Liability/(Asset) (a) + (b)	(2,133,033)	(2,569,304)	(1,971,895)	(1,800,764)	(1,224,802)	(2,442,070)	(1,882,715)
Plan Fiduciary Net Position as a percentage of Total Pension Liability/(Asset)	-124%	-136%	-129%	-130%	-124%	-179%	-156%
Covered Payroll	\$ 1,584,365	\$ 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 Payroll	135%	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	Contributions Recognized By the Plan	Contribution Excess (Deficiency)	Covered Payroll	Contributions Recognized as a % of Covered Payroll
	(a)	(b)	(b-a)	(d)	(b/d)
2020	\$ 490,099	\$ 482,530	\$ (7,569)	\$ 1,584,365	30.46%
2019	544,685	530,342	(14,343)	1,488,212	35.64%
2018	510,920	512,791	1,871	1,541,067	33.28%
2017	393,136	497,252	104,116	1,367,798	36.35%
2016	337,319	389,600	52,281	1,133,154	34.38%
2015	235,025	403,688	168,663	1,062,547	37.99%
2014	253,234	395,359	142,125	1,076,940	13.20%
2013	276,436	276,436	-	996,003	0.00%
2012	305,507	305,507	-	907,930	0.00%
2011	300,585	300,585	-	975,490	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>
2020	6.67%
2019	5.98%
2018	8.20%
2017	4.39%
2016	7.91%
2015	-0.05%
2014	9.97%
2013	10.45%
2012	17.70%

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.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF SAFETY HARBOR FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION SEPTEMBER 30, 2020

Firefighters' Pension Plan

Actuarial assumptions and methods. The amounts reported for the year ended September 30, 2020 are based on the October 1, 2019 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. Since the prior measurement date, the employee contribution rate increased from 1.00% of pensionable earnings to 6.00% (phased-in over a two-year period for employees hired prior to that date) and the normal retirement age was decreased from any age with 25 years of service to any age with 20 years of service.

Changes to assumptions. There were no changes to the plan's assumptions since the prior measurement date.

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, 2020

	Special Revenue Funds											Debt Service	Total Other Governmental Funds
	Public Safety	Street Improvement	Street Assessment	Marina Boat Basin	City Tree Bank	Multimodal Impact Fee	Library Impact Fee	Law Enforcement Fund	Street Light Assessment	Parkland	Total Special Revenue Funds		
Assets													
Cash and cash equivalents	\$ 106,036	\$ 791,044	\$ 35,616	\$ 194,273	\$ 118,857	\$ 570,060	\$ 88,716	\$ 2,076	\$ 97,758	\$ 261,463	\$ 2,265,899	\$ 216,473	\$ 2,482,372
Receivables, net:													
Accounts receivable	160	1,046	1,153	9,668	177	838	130	-	19,653	-	32,825	-	32,825
Due from other governments	-	52,972	-	-	-	-	-	-	-	-	52,972	-	52,972
Total assets	\$ 106,196	\$ 845,062	\$ 36,769	\$ 203,941	\$ 119,034	\$ 570,898	\$ 88,846	\$ 2,076	\$ 117,411	\$ 261,463	\$ 2,351,696	\$ 216,473	\$ 2,568,169
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ -	\$ 3,460	\$ -	\$ 5,170	\$ 960	\$ 12,515	\$ -	\$ -	\$ 19,786	\$ 13,060	\$ 54,951	\$ -	\$ 54,951
Accrued liabilities	-	-	-	704	-	-	-	-	-	-	704	-	704
Customer deposits	-	-	-	6,959	-	-	-	-	-	-	6,959	-	6,959
Unearned revenue	-	-	153	-	-	-	-	-	-	-	153	-	153
Total liabilities	-	3,460	153	12,833	960	12,515	-	-	19,786	13,060	62,767	-	62,767
Fund Balances													
Restricted for:													
Fire protection	95,081	-	-	-	-	-	-	-	-	-	95,081	-	95,081
Transportation	-	71,320	36,616	-	-	33,261	-	-	50,256	-	191,453	-	191,453
Library	-	-	-	-	-	-	82,730	-	-	-	82,730	-	82,730
Debt service	-	-	-	-	-	-	-	-	-	-	-	216,473	216,473
Committed to:													
Physical environment	-	-	-	124,729	-	-	-	-	-	-	124,729	-	124,729
Public safety	-	-	-	-	110,209	-	-	-	-	-	110,209	-	110,209
Assigned to:													
Fire protection	11,115	-	-	-	-	-	-	-	-	-	11,115	-	11,115
Library	-	-	-	-	-	-	6,116	-	-	-	6,116	-	6,116
Parks and recreation	-	-	-	-	-	-	-	-	-	248,403	248,403	-	248,403
Public safety	-	-	-	-	7,865	-	-	2,076	-	-	9,941	-	9,941
Physical environment	-	-	-	66,379	-	-	-	-	-	-	66,379	-	66,379
Transportation	-	770,282	-	-	-	525,122	-	-	47,369	-	1,342,773	-	1,342,773
Total fund balances	106,196	841,602	36,616	191,108	118,074	558,383	88,846	2,076	97,625	248,403	2,288,929	216,473	2,505,402
Total liabilities and fund balances	\$ 106,196	\$ 845,062	\$ 36,769	\$ 203,941	\$ 119,034	\$ 570,898	\$ 88,846	\$ 2,076	\$ 117,411	\$ 261,463	\$ 2,351,696	\$ 216,473	\$ 2,568,169

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CITY OF SAFETY HARBOR, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds												
	Public Safety	Street Improvement	Street Assessment	Marina Boat Basin	City Tree Bank	Multimodal 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	\$ -	\$ 214,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,688	\$ -	\$ 214,688
Impact fees	5,375	-	-	-	-	13,424	5,362	-	-	207,432	231,593	-	231,593
Special assessments	-	-	9	-	-	-	-	-	248,539	-	248,548	-	248,548
Charges for services	-	2,810	-	52,406	27,363	-	-	-	-	-	82,579	-	82,579
Interest income and net appreciation in fair value of investments	2,955	16,186	-	4,681	2,888	14,572	2,154	11	2,147	513	46,107	-	46,107
Contributions and donations	-	-	-	-	-	-	-	-	-	12,950	12,950	-	12,950
Total revenues	8,330	233,684	9	57,087	30,251	27,996	7,516	11	250,686	220,895	836,465	-	836,465
Expenditures:													
Current operating:													
Building department	-	-	-	-	29,395	-	-	-	-	-	29,395	-	29,395
Physical environment	-	-	-	41,999	-	-	-	-	-	-	41,999	-	41,999
Transportation	-	21,855	-	-	-	-	-	-	237,887	-	259,742	-	259,742
Parks and recreation	-	-	-	-	-	-	-	-	-	28,238	28,238	-	28,238
Capital outlay	17,468	124,323	-	43,805	-	200,000	-	-	-	555,471	941,067	-	941,067
Debt service													
Capital lease principal	-	-	-	-	-	-	-	-	-	5,000	5,000	-	5,000
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	959,752	959,752
Interest and other charges	-	-	-	-	-	-	-	-	-	-	-	93,514	93,514
Total expenditures	17,468	146,178	-	85,804	29,395	200,000	-	-	237,887	588,709	1,305,441	1,053,266	2,358,707
Excess (deficiency) of revenues over (under) expenditures	(9,138)	87,506	9	(28,717)	856	(172,004)	7,516	11	12,799	(367,814)	(468,976)	(1,053,266)	(1,522,242)
Other financing sources (uses):													
Transfers in	-	200,000	-	36,000	-	-	-	-	7,650	445,000	688,650	1,070,600	1,759,250
Total other financing sources (uses)	-	200,000	-	36,000	-	-	-	-	7,650	445,000	688,650	1,070,600	1,759,250
Net change in fund balances	(9,138)	287,506	9	7,283	856	(172,004)	7,516	11	20,449	77,186	219,674	17,334	237,008
Fund balances, beginning 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
Fund balances, end of year	\$ 106,196	\$ 841,602	\$ 36,616	\$ 191,108	\$ 118,074	\$ 558,383	\$ 88,846	\$ 2,076	\$ 97,625	\$ 248,403	\$ 2,288,929	\$ 216,473	\$ 2,505,402

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CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – PUBLIC SAFETY
YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Impact fees	\$ 7,000	\$ 7,000	\$ 5,375	\$ (1,625)
Interest income and net appreciation in fair value of investments	800	800	2,955	2,155
Amounts available for appropriation	7,800	7,800	8,330	530
Charges to appropriations (outflows):				
Capital outlay	18,000	18,000	17,468	532
Total charges to appropriations	18,000	18,000	17,468	532
Excess (deficiency) of resources over (under) charges to appropriations	(10,200)	(10,200)	(9,138)	1,062
Appropriated fund balance	10,200	10,200	-	(10,200)
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,138)</u>	<u>\$ (9,138)</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, 2020

	Budget Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Local option taxes	\$ 235,000	\$ 235,000	\$ 214,688	\$ (20,312)
Charges for services	-	-	2,810	2,810
Interest income and net appreciation in fair value of investments	8,000	8,000	16,186	8,186
Transfer In	200,000	200,000	200,000	-
Amounts available for appropriation	443,000	443,000	433,684	(9,316)
Charges to appropriations (outflows):				
Transportation	32,000	32,000	21,855	10,145
Capital outlay	815,000	915,400	124,323	791,077
Total charges to appropriations	847,000	947,400	146,178	801,222
Excess (deficiency) of resources over (under) charges to appropriations	(404,000)	(504,400)	287,506	791,906
Appropriated fund balance	404,000	504,400	-	(504,400)
Excess of resources over charges to appropriations	\$ -	\$ -	\$ 287,506	\$ 287,506
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule			\$ 433,684	
Differences - budget to GAAP				
Transfer from other funds are inflows of budgetary resources but are not resources for financial reporting purposes			200,000	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			\$ 233,684	

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CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – STREET ASSESSMENT
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Special assessments	\$ -	\$ -	\$ 9	\$ 9
Amounts available for appropriation	-	-	9	9
Charges to appropriations (outflows):				
Capital outlay	-	-	-	-
Total charges to appropriations	-	-	-	-
Excess of resources over charges to appropriations	-	-	9	9
Appropriated fund balance	-	-	-	-
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</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, 2020

	Budget Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Revenues:				
Charges for services	\$ 48,960	\$ 54,080	\$ 52,406	\$ (1,674)
Interest income and net appreciation in fair value of investments	4,080	4,080	4,681	601
Transfers in	36,000	36,000	36,000	-
Amounts available for appropriations	89,040	94,160	93,087	(1,073)
Charges to appropriations (outflows):				
Physical environment	58,540	58,540	41,999	16,541
Capital Outlay	125,000	185,000	43,805	141,195
Total charges to appropriations	183,540	243,540	85,804	157,736
Excess (deficiency) of resources over (under) charges to appropriations	(94,500)	(149,380)	7,283	156,663
Appropriated fund balance	94,500	149,380	-	149,380
Excess of resources over charges to appropriations	\$ -	\$ -	\$ 7,283	\$ 7,283
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule			\$ 93,087	
Differences - budget to GAAP				
Transfer from other funds are inflows of budgetary resources but are not resources for financial reporting purposes			36,000	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			\$ 57,087	

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CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – CITY TREE BANK
YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Charges for services	\$ 15,000	\$ 15,000	\$ 27,363	\$ 12,363
Interest income and net appreciation in fair value of investments	2,500	2,500	2,888	388
Amounts available for appropriation	17,500	17,500	30,251	12,751
Charges to appropriations (outflows):				
Public safety	63,000	71,585	29,395	42,190
Total charges to appropriations	63,000	71,585	29,395	42,190
Excess (deficiency) of resources over (under) charges to appropriations	(45,500)	(54,085)	856	54,941
Appropriated fund balance	45,500	54,085	-	(54,085)
Excess of resources over charges to appropriations	\$ -	\$ -	\$ 856	\$ 856

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, 2020

	Budget Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Impact fees	\$ 31,000	\$ 31,000	\$ 13,424	\$ (17,576)
Interest income and net appreciation in fair value of investments	20,000	20,000	14,572	(5,428)
Amounts available for appropriation	51,000	51,000	27,996	(23,004)
Charges to appropriations (outflows):				
Capital outlay	-	200,000	200,000	-
Total charges to appropriations	-	200,000	200,000	-
Excess (deficiency) of resources over (under) charges to appropriations	51,000	(149,000)	(172,004)	(23,004)
Appropriated fund balance	(51,000)	149,000	-	(149,000)
Excess of resources over charges to appropriations	\$ -	\$ -	\$ (172,004)	\$ (172,004)

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

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – LIBRARY IMPACT FEE
YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Impact fees	\$ 10,000	\$ 10,000	\$ 5,362	\$ (4,638)
Interest income and net appreciation in fair value of investments	<u>2,500</u>	<u>2,500</u>	<u>2,154</u>	<u>(346)</u>
Amounts available for appropriation	<u>12,500</u>	<u>12,500</u>	<u>7,516</u>	<u>(4,984)</u>
Excess of resources over charges to appropriations	12,500	12,500	7,516	(4,984)
Appropriated fund balance	<u>(12,500)</u>	<u>(12,500)</u>	<u>-</u>	<u>12,500</u>
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,516</u>	<u>\$ 7,516</u>

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

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – LAW ENFORCEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Interest income and net appreciation in fair value of investments	\$ -	\$ -	\$ 11	\$ 11
Amounts available for appropriation	-	-	11	11
Excess (deficiency) of resources over (under) charges to appropriations	-	-	11	11
Appropriated fund balance	-	-	-	-
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</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 LIGHT ASSESSMENT FUND
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Special assessment	\$ 245,770	\$ 245,770	\$ 248,539	\$ 2,769
Interest income and net appreciation in fair value of investments	1,320	1,320	2,147	827
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>258,336</u>	<u>3,596</u>
Charges to appropriations (outflows):				
Transportation	<u>232,000</u>	<u>232,000</u>	<u>237,887</u>	<u>(5,887)</u>
Total charges to appropriations	<u>232,000</u>	<u>232,000</u>	<u>237,887</u>	<u>(5,887)</u>
Excess (deficiency) of resources over (under) charges to appropriations	22,740	22,740	20,449	(2,291)
Appropriated fund balance	<u>(22,740)</u>	<u>(22,740)</u>	<u>-</u>	<u>22,740</u>
(Deficiency) excess of resources (under) over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,449</u>	<u>\$ 20,449</u>
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule			\$ 258,336	
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>\$ 250,686</u>	

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CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – PARKLAND FUND
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Impact fees	\$ 20,150	\$ 20,150	\$ 207,432	\$ 187,282
Interest income and net appreciation in fair value of investments	15,000	15,000	513	(14,487)
Donations and contributions	-	-	12,950	12,950
Transfers in	100,000	445,000	445,000	-
Amounts available for appropriations	135,150	480,150	665,895	185,745
Charges to appropriations (outflows) -				
Parks and recreation	28,500	28,500	28,238	262
Capital outlay	163,420	561,620	555,471	6,149
Capital lease principal	5,000	5,000	5,000	-
Total charges to appropriations	196,920	595,120	588,709	6,411
Excess of resources over charges to appropriations	(61,770)	(114,970)	77,186	192,156
Appropriated fund balance	61,770	114,970	-	(114,970)
Deficiency of revenues under expenditures	\$ -	\$ -	\$ 77,186	\$ 77,186
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule			\$ 665,895	
Differences - budget to GAAP				
Transfer from other funds are inflows budgetary resources but are not resources for financial reporting purposes			445,000	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			\$ 220,895	
Explanation of differences between budgetary outflows and GAAP expenditures:				
Actual amounts (budgetary basis) charges to appropriations per the budgetary comparison schedule			\$ 588,709	
Differences - budget to GAAP				
Capital lease payments are outflows of budgetary resources but are not expenditures for financial reporting purposed			5,000	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			\$ 583,709	

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CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – DEBT SERVICE
YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Revenues:				
Transfers in	\$1,070,600	\$1,070,600	\$ 1,070,600	\$ -
Amount available for appropriations	1,070,600	1,070,600	1,070,600	-
Charges to appropriations (outflows):				
Principal payments	959,800	959,800	959,752	48
Interest and other fiscal charges	94,270	94,270	93,514	756
Total charges to appropriations	1,054,070	1,054,070	1,053,266	804
Deficiency of resources under charges to appropriations	16,530	16,530	17,334	(804)
Appropriated fund balance	(16,530)	(16,530)	-	(16,530)
Excess of resources over charges to appropriations	\$ -	\$ -	\$ 17,334	\$ 17,334
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule			\$ 1,070,600	
Differences - budget to GAAP				
Transfer from other funds are inflows budgetary resources but are not resources for financial reporting purposes			1,070,600	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			\$ -	

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CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUND
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Local option taxes	\$ 2,016,920	\$ 2,016,920	\$ 1,882,831	\$ (134,089)
Intergovernmental	2,720	2,720	-	(2,720)
Interest income and net appreciation in fair value of investments	45,000	45,000	20,169	(24,831)
Contributions and donations	-	-	26,250	26,250
	<u>-</u>	<u>-</u>	<u>26,250</u>	<u>26,250</u>
Amounts available for appropriation	<u>2,064,640</u>	<u>2,064,640</u>	<u>1,929,250</u>	<u>(135,390)</u>
Charges to appropriations (outflows):				
Other Non-Capitalized	25,000	25,000	17,737	7,263
Capital outlay	1,125,390	1,925,602	1,122,124	803,478
Transfers to other funds	<u>1,138,600</u>	<u>1,483,600</u>	<u>1,483,600</u>	<u>-</u>
Total charges to appropriations	<u>2,288,990</u>	<u>3,434,202</u>	<u>2,623,461</u>	<u>810,741</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>(224,350)</u>	<u>(1,369,562)</u>	<u>(694,211)</u>	<u>675,351</u>
Appropriated fund balance	<u>224,350</u>	<u>1,369,562</u>	<u>-</u>	<u>(1,369,562)</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (694,211)</u>	<u>\$ (694,211)</u>
Explanation of differences between budgetary outflows and GAAP expenditures:				
Actual amounts (budgetary basis) charges to appropriations per the budgetary comparison schedule			\$ 2,623,461	
Differences - budget to GAAP				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes			<u>1,483,600</u>	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances of governmental funds			<u>\$ 1,139,861</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, 2020

	Fire Budget	Actual Amounts			Total Amounts	Variance Favorable (Unfavorable)
		City Amounts	Fire District Amounts	EMS Amounts		
Revenue:						
Municipality - City of						
Safety Harbor	\$ 2,609,531	\$ 2,438,534	\$ -	\$ -	\$ 2,438,534	\$ (170,997)
Intergovernmental	-	1,884	-	-	1,884	1,884
EMS District funds	1,024,250	-	-	1,024,253	1,024,253	3
EMS District funds ^a	-	(9,449)	-	9,449	-	-
Pinellas County EMS Water Rescue Grant Program	-	(10,000)	-	10,000	-	-
Safety Harbor Fire District	151,260	-	151,260	-	151,260	-
State Excise Pass Thru	112,830	113,567	-	-	113,567	737
Total revenues	<u>3,897,871</u>	<u>2,534,536</u>	<u>151,260</u>	<u>1,043,702</u>	<u>3,729,498</u>	<u>(168,373)</u>
Expenditures:						
Personnel services	3,249,330	2,126,370	151,260	938,211	3,215,841	33,489
Contractual/other services	370,460	200,964	-	46,589	247,553	122,907
State Excise Passing Thru	112,830	113,567	-	-	113,567	(737)
Station/Overhead allowable costs ^a	-	(9,449)	-	9,449	-	-
EMS Water Rescue	-	(10,000)	-	10,000	-	-
Materials and supplies	114,960	52,928	-	50,925	103,853	11,107
Capital outlay	50,291	48,684	-	-	48,684	1,607
Total expenditures	<u>3,897,871</u>	<u>2,523,064</u>	<u>151,260</u>	<u>1,055,174</u>	<u>3,729,498</u>	<u>168,373</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ 11,472</u>	<u>\$ -</u>	<u>\$ (11,472)</u>	<u>\$ -</u>	<u>\$ -</u>

^a Reference Emergency Medical Services ALS First Responder Agreement October 1, 2019, Article VII, Section 701(e)

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET
LIBRARY SUB-FUNDS
YEAR ENDED SEPTEMBER 30, 2020

		<u>Actual Amounts</u>			
	<u>Library Budget</u>	<u>City Amounts</u>	<u>Library Amounts</u>	<u>Total Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:					
Municipality - City of Safety Harbor	\$ 1,323,040	\$ 1,034,493	\$ -	\$ 1,034,493	\$ (288,547)
Intergovernmental	220,290	-	220,285	220,285	(5)
Other revenues	33,100	17,630	-	17,630	(15,470)
Chrissie Shull Elmore Trust	<u>21,000</u>	<u>21,000</u>	<u>-</u>	<u>21,000</u>	<u>-</u>
Total revenues	<u>1,597,430</u>	<u>1,073,123</u>	<u>220,285</u>	<u>1,293,408</u>	<u>(304,022)</u>
Expenditures:					
Personnel services	903,560	739,571	146,260	885,831	17,729
Contractual/other services	235,040	190,672	-	190,672	44,368
Materials and supplies	23,900	17,036	-	17,036	6,864
Capital outlay	<u>434,930</u>	<u>125,844</u>	<u>74,025</u>	<u>199,869</u>	<u>235,061</u>
Total expenditures	<u>1,597,430</u>	<u>1,073,123</u>	<u>220,285</u>	<u>1,293,408</u>	<u>304,022</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET
WATER AND SEWER FUND
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES			
Charges for services	\$ 10,729,230	\$ 11,470,343	\$ 741,113
Other	459,620	453,620	(6,000)
Total operating revenue	<u>11,188,850</u>	<u>11,923,963</u>	<u>735,113</u>
OPERATING EXPENSES			
Salaries, wages, and employee benefits	1,906,300	1,736,553	169,747
Materials and supplies	282,424	162,421	120,003
Contractual and other services	5,792,387	4,608,994	1,183,393
Capital outlay	8,197,666	1,596,205	6,601,461
Total operating expenses	<u>16,178,777</u>	<u>8,104,173</u>	<u>8,074,604</u>
Operating income (loss)	<u>(4,989,927)</u>	<u>3,819,790</u>	<u>8,809,717</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income and net appreciation in fair value of investments	290,820	479,985	189,165
Interest expense	(419,880)	(362,773)	57,107
Gain on the sale of capital assets	5,750	5,692	(58)
Debt service principal retirement	<u>(922,770)</u>	<u>(922,765)</u>	<u>5</u>
Total nonoperating revenues (expenses)	<u>(1,046,080)</u>	<u>(799,861)</u>	<u>246,219</u>
Income (loss) before appropriated net assets	(6,036,007)	3,019,929	9,055,936
Appropriated net assets	<u>6,036,007</u>	<u>-</u>	<u>(6,036,007)</u>
Changes in net assets	<u>\$ -</u>	3,019,929	<u>\$ 3,019,929</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net assets - proprietary funds			
Depreciation and amortization		(1,731,126)	
Capital outlay		1,596,205	
Debt service principal repayment		<u>922,765</u>	
Change in net assets GAAP basis		<u>\$ 3,807,773</u>	

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET
SOLID WASTE FUND
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES			
Charges for services	\$ 3,089,800	\$ 3,134,459	\$ 44,659
Intergovernmental	13,470	8,388	(5,082)
Other	10,000	3,727	(6,273)
Total operating revenues	<u>3,113,270</u>	<u>3,146,574</u>	<u>33,304</u>
OPERATING EXPENSES			
Salaries, wages, and employee benefits	1,351,960	1,230,750	121,210
Materials and supplies	276,490	191,038	85,452
Contractual and other services	1,176,590	1,071,420	105,170
Capital outlay	708,189	24,967	683,222
Total operating expenses	<u>3,513,229</u>	<u>2,518,175</u>	<u>995,054</u>
Operating income (loss)	<u>(399,959)</u>	<u>628,399</u>	<u>1,028,358</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income and net appreciation in fair value of investments	70,260	69,449	(811)
Interest expense	(15,810)	(14,267)	1,543
Gain on the sale of capital assets	15,000	-	(15,000)
Debt service principal retirement	<u>(38,770)</u>	<u>(38,763)</u>	<u>(7)</u>
Total nonoperating revenues (expenses)	<u>30,680</u>	<u>16,419</u>	<u>47,099</u>
Income (loss) before appropriated net assets	(430,639)	644,818	1,075,457
Appropriated net assets	<u>430,639</u>	<u>-</u>	<u>(430,639)</u>
Changes in net position	<u>\$ -</u>	644,818	<u>\$ 644,818</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(500,131)	
Capital outlay		24,967	
Debt service principal repayment		<u>38,763</u>	
Change in net position GAAP basis		<u>\$ 208,417</u>	

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET
STORMWATER FUND
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES			
Charges for services	\$ 1,489,500	\$ 1,501,379	\$ 11,879
Intergovernmental	-	-	-
Other	-	-	-
Total operating revenue	<u>1,489,500</u>	<u>1,501,379</u>	<u>11,879</u>
OPERATING EXPENSES			
Salaries, wages, and employee benefits	368,950	307,419	61,531
Materials and supplies	82,000	67,416	14,584
Contractual and other services	273,093	187,336	85,757
Capital outlay	<u>555,689</u>	<u>171,753</u>	<u>383,936</u>
Total operating expenses	<u>1,279,732</u>	<u>733,924</u>	<u>545,808</u>
Operating income (loss)	<u>209,768</u>	<u>767,455</u>	<u>557,687</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income and net appreciation			
in fair value of investments	24,930	61,894	36,964
Interest expense	(28,480)	(25,695)	2,785
Gain on the sale of capital assets	4,800	5,226	426
Debt service principal retirement	<u>(69,820)</u>	<u>(69,817)</u>	<u>(3)</u>
Total nonoperating revenues (expenses)	<u>(68,570)</u>	<u>(28,392)</u>	<u>40,178</u>
Income (loss) before appropriated net assets	141,198	739,063	597,865
Appropriated net assets	<u>(141,198)</u>	<u>-</u>	<u>141,198</u>
Changes in net position	<u>\$ -</u>	739,063	<u>\$ 739,063</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(393,771)	
Capital outlay		171,753	
Debt service principal repayment		<u>69,817</u>	
Change in net position GAAP basis		<u>\$ 586,862</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)

	2020	2019	2018*	2017	2016	2015	2014*	2013	2012	2011
Governmental Activities										
Net investment in capital assets	\$ 25,839,181	\$ 24,716,131	\$ 22,559,405	\$ 22,503,388	\$ 20,413,796	\$ 18,705,536	\$ 18,038,191	\$ 18,127,134	\$ 17,747,220	\$ 17,815,778
Restricted	1,201,497	1,738,084	2,499,538	2,113,838	2,158,213	2,175,369	2,638,130	6,211,733	6,703,478	8,618,746
Unrestricted	11,950,569	10,160,392	8,957,190	8,562,317	9,981,724	10,212,509	8,559,267	4,850,303	4,828,789	4,700,754
Total governmental activities net position	<u>\$ 38,991,247</u>	<u>\$ 36,614,607</u>	<u>\$ 34,016,133</u>	<u>\$ 33,179,543</u>	<u>\$ 32,553,733</u>	<u>\$ 31,093,414</u>	<u>\$ 29,235,588</u>	<u>\$ 29,189,170</u>	<u>\$ 29,279,487</u>	<u>\$ 31,135,278</u>
Business-type Activities										
Net investment in capital assets	\$ 19,116,813	\$ 24,816,184	\$ 22,904,068	\$ 19,839,464	\$ 19,967,583	\$ 19,179,343	\$ 18,085,216	\$ 18,413,858	\$ 16,597,580	\$ 13,561,385
Restricted	16,232,120	11,332,008	10,321,373	10,568,422	10,231,976	10,538,939	8,685,536	6,854,934	6,065,933	5,249,420
Unrestricted	9,949,715	4,547,404	4,280,845	5,370,298	4,144,658	4,083,783	6,239,990	7,456,566	8,467,665	8,668,700
Total business-type activities net position	<u>\$ 45,298,648</u>	<u>\$ 40,695,596</u>	<u>\$ 37,506,286</u>	<u>\$ 35,778,184</u>	<u>\$ 34,344,217</u>	<u>\$ 33,802,065</u>	<u>\$ 33,010,742</u>	<u>\$ 32,725,358</u>	<u>\$ 31,131,178</u>	<u>\$ 27,479,505</u>
Primary Government										
Net investment in capital assets	\$ 44,955,994	\$ 49,532,315	\$ 45,463,473	\$ 42,342,852	\$ 40,381,379	\$ 37,884,879	\$ 36,123,407	\$ 36,540,992	\$ 34,344,800	\$ 31,377,163
Restricted	17,433,617	13,070,092	12,820,911	12,682,260	12,390,189	12,714,308	11,323,666	13,066,667	12,769,411	13,868,166
Unrestricted	21,900,284	14,707,796	13,238,035	13,932,615	14,126,382	14,296,292	14,799,257	12,306,869	13,296,454	13,369,454
Total primary government net position	<u>\$ 84,289,895</u>	<u>\$ 77,310,203</u>	<u>\$ 71,522,419</u>	<u>\$ 68,957,727</u>	<u>\$ 66,897,950</u>	<u>\$ 64,895,479</u>	<u>\$ 62,246,330</u>	<u>\$ 61,914,528</u>	<u>\$ 60,410,665</u>	<u>\$ 58,614,783</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 85 in 2018. Financial data restated in 2018 for comparative purposes.

SCHEDULE 2

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

Page 1 of 2

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 3,283,817	\$ 3,454,214	\$ 3,180,590	\$ 3,257,408	\$ 2,965,594	\$ 2,808,975	\$ 2,922,955	\$ 2,931,779	\$ 3,139,084	\$ 3,219,077
Law enforcement	1,427,226	1,359,740	1,313,651	1,277,859	1,260,699	1,213,281	1,179,493	1,224,491	1,268,788	1,266,876
Fire protection	4,011,958	4,096,325	3,881,364	4,000,144	3,942,197	3,585,085	3,894,577	3,788,045	3,724,329	3,843,029
Building department	690,456	548,162	542,380	484,448	390,407	334,862	307,766	290,904	296,574	300,126
Physical environment	460,790	501,629	500,711	491,636	467,017	374,898	423,295	405,422	414,406	483,956
Transportation	1,318,193	1,306,846	1,318,998	1,594,249	1,614,526	1,851,031	1,520,855	1,588,963	2,009,562	1,858,826
Library	1,396,194	1,593,137	1,577,190	1,542,784	1,498,730	1,461,672	1,466,178	1,467,129	1,528,418	1,560,737
Parks and recreation	4,025,073	4,050,804	3,740,028	3,545,138	3,274,817	3,006,095	2,934,957	2,786,955	2,737,957	2,663,696
Interest and other fiscal charges on long-term debt	80,545	150,009	54,488	146,190	119,243	239,418	189,032	208,644	183,650	176,977
Total governmental activities expenses	16,694,252	17,060,866	16,109,400	16,339,856	15,533,230	14,875,317	14,839,108	14,692,332	15,302,768	15,373,300
Business-type activities:										
Water and wastewater	8,601,867	9,214,092	8,423,410	8,287,692	8,235,173	7,701,878	7,669,583	7,762,326	7,080,853	7,301,156
Solid waste	3,007,606	2,917,406	2,807,743	2,861,263	2,586,702	2,546,132	2,688,181	2,637,708	2,662,998	2,623,957
Stormwater	981,637	910,440	1,166,631	1,043,174	1,050,346	936,715	871,193	828,019	818,113	814,809
Total business-type activities expenses	12,591,110	13,041,938	12,397,784	12,192,129	11,872,221	11,184,725	11,228,957	11,228,053	10,561,964	10,739,922
Total primary government expenses	\$ 29,285,362	\$ 30,102,804	\$ 28,507,184	\$ 28,531,985	\$ 27,405,451	\$ 26,060,042	\$ 26,068,065	\$ 25,920,385	\$ 25,864,732	\$ 26,113,222
Program Revenues (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	\$ 134,716	\$ 145,743	\$ 122,823	\$ 153,275	\$ 78,602	\$ 77,093	\$ 67,995	\$ 129,579	\$ 90,475	\$ 75,110
Law enforcement	10,441	17,052	15,384	17,262	13,442	11,412	10,381	45,377	77,056	90,658
Fire protection	12,820	54,650	85,787	31,425	31,567	9,450	16,794	23,376	6,845	6,890
Building department	483,373	811,984	532,923	322,968	250,257	222,337	215,144	311,272	169,407	150,485
Physical environment	-	215,135	53,485	252,343	39,435	46,166	46,550	42,964	49,913	51,235
Transportation	264,817	453,586	261,768	283,183	282,396	275,797	344,165	343,274	40,550	9,624
Library	22,423	47,934	41,169	55,144	51,460	42,663	49,311	49,077	47,223	55,745
Parks and recreation	964,841	802,000	885,164	813,304	798,929	895,477	854,196	859,165	743,694	736,353
Operating grants and contributions	1,648,240	1,740,458	1,419,324	1,296,499	1,287,503	1,255,345	1,481,182	1,452,065	1,234,112	1,294,887
Capital grants and contributions	39,200	163,842	73,297	335,104	868,643	693,263	62,633	42,210	166,567	31,067
Total governmental activities program revenues	3,580,871	4,452,384	3,491,124	3,560,507	3,702,234	3,529,003	3,148,351	3,298,359	2,625,842	2,502,054
Business-type activities:										
Charges for services:										
Water and wastewater	11,470,343	10,135,847	9,331,647	8,585,590	7,461,978	7,149,079	7,857,807	8,059,551	7,952,369	8,233,441
Solid waste	3,134,459	2,989,087	2,955,565	2,954,431	2,923,310	2,894,957	2,900,306	2,847,160	2,797,521	2,871,451
Stormwater	1,501,379	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	8,388	76,627	5,884	55,231	32,934	-	12,988	12,959	13,067	13,457
Capital grants and contributions	-	1,145	56,908	-	-	-	4,839	413,289	1,057,627	240,675
Total business-type activities program revenues	16,114,569	14,650,195	13,749,024	12,745,089	11,430,450	11,044,052	11,772,839	12,325,993	12,482,393	12,026,991
Total primary government program revenues	\$ 19,695,440	\$ 19,102,579	\$ 17,240,148	\$ 16,305,596	\$ 15,132,684	\$ 14,573,055	\$ 14,921,190	\$ 15,624,352	\$ 15,108,235	\$ 14,529,045

SCHEDULE 2

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

Page 2 of 2

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (Expense)/Revenue										
Governmental activities	\$ (13,113,381)	\$ (12,608,482)	\$ (12,618,276)	\$ (12,779,349)	\$ (11,830,996)	\$ (11,346,314)	\$ (11,690,757)	\$ (11,393,973)	\$ (12,676,926)	\$ (12,871,246)
Business-type activities	<u>3,523,459</u>	<u>1,608,257</u>	<u>1,351,241</u>	<u>552,960</u>	<u>(441,771)</u>	<u>(140,673)</u>	<u>543,882</u>	<u>1,097,940</u>	<u>1,920,429</u>	<u>1,287,069</u>
Total primary government net expense	<u>\$ (9,589,922)</u>	<u>\$ (11,000,225)</u>	<u>\$ (11,267,035)</u>	<u>\$ (12,226,389)</u>	<u>\$ (12,272,767)</u>	<u>\$ (11,486,987)</u>	<u>\$ (11,146,875)</u>	<u>\$ (10,296,033)</u>	<u>\$ (10,756,497)</u>	<u>\$ (11,584,177)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 5,723,956	\$ 5,257,349	\$ 4,913,710	\$ 4,571,161	\$ 4,390,452	\$ 4,193,398	\$ 3,722,248	\$ 3,215,616	\$ 3,267,040	\$ 3,454,605
Utility taxes	2,521,486	2,436,400	2,324,144	2,288,535	2,322,071	2,423,913	2,459,059	2,386,797	2,473,714	2,427,378
Local business tax	141,507	144,019	149,597	140,393	141,389	162,446	135,802	150,074	154,396	146,230
Local option tax	2,211,086	2,307,990	2,215,907	2,113,583	2,082,591	2,039,692	1,884,907	1,798,283	1,721,958	1,632,711
Franchise fees	1,473,793	1,502,259	1,416,403	1,315,493	1,347,753	1,462,318	1,473,646	1,361,010	1,435,731	1,463,744
Sales tax	1,090,262	1,150,183	1,125,671	1,078,525	1,151,421	1,018,441	980,143	928,330	889,029	874,854
Intergovernmental	595,815	628,185	611,561	593,293	568,087	554,343	529,971	494,362	469,506	472,827
Interest income and net appreciation/(depreciation) in										
fair value of investments	363,095	623,432	(58,532)	42,800	228,367	260,606	204,396	(44,637)	198,116	507,216
Other	1,369,021	1,157,139	1,273,426	1,261,376	1,059,184	968,183	898,056	916,748	1,018,166	1,202,034
Gain on sale of capital assets	-	-	-	-	-	-	-	18,632	-	-
Transfers	-	-	-	-	-	120,800	120,800	120,800	(806,520)	-
Total governmental activities	<u>15,490,021</u>	<u>15,206,956</u>	<u>13,971,887</u>	<u>13,405,159</u>	<u>13,291,315</u>	<u>13,204,140</u>	<u>12,409,028</u>	<u>11,346,015</u>	<u>10,821,136</u>	<u>12,181,599</u>
Business-type activities:										
Interest income and net appreciation/(depreciation) in										
fair value of investments	611,328	830,015	(107,028)	62,990	289,499	322,693	247,524	(48,331)	209,919	438,080
Other	457,347	697,159	656,820	750,612	656,365	706,309	698,586	722,038	696,670	680,091
Proceeds from sale of capital assets	10,918	53,879	35,888	67,405	38,059	23,794	14,305	(1,791)	18,135	12,155
Transfers	-	-	-	-	-	(120,800)	(120,800)	(120,800)	806,520	-
Total business-type activities	<u>1,079,593</u>	<u>1,581,053</u>	<u>585,680</u>	<u>881,007</u>	<u>983,923</u>	<u>931,996</u>	<u>839,615</u>	<u>551,116</u>	<u>1,731,244</u>	<u>1,130,326</u>
Total primary government	<u>\$ 16,569,614</u>	<u>\$ 16,788,009</u>	<u>\$ 14,557,567</u>	<u>\$ 14,286,166</u>	<u>\$ 14,275,238</u>	<u>\$ 14,136,136</u>	<u>\$ 13,248,643</u>	<u>\$ 11,897,131</u>	<u>\$ 12,552,380</u>	<u>\$ 13,311,925</u>
Change in Net Position										
Governmental activities	\$ 2,376,640	\$ 2,598,474	\$ 1,353,611	\$ 625,810	\$ 1,460,319	\$ 1,857,826	\$ 718,271	\$ (47,958)	\$ (1,855,790)	\$ (689,647)
Business-type activities	<u>4,603,052</u>	<u>3,189,310</u>	<u>1,936,921</u>	<u>1,433,967</u>	<u>542,152</u>	<u>791,323</u>	<u>1,383,497</u>	<u>1,649,056</u>	<u>3,651,673</u>	<u>2,417,395</u>
Total primary government	<u>\$ 6,979,692</u>	<u>\$ 5,787,784</u>	<u>\$ 3,290,532</u>	<u>\$ 2,059,777</u>	<u>\$ 2,002,471</u>	<u>\$ 2,649,149</u>	<u>\$ 2,101,768</u>	<u>\$ 1,601,098</u>	<u>\$ 1,795,883</u>	<u>\$ 1,727,748</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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function/Program										
Governmental activities:										
General government	\$ 134,716	\$ 145,743	\$ 122,823	\$ 153,275	\$ 83,602	\$ 87,093	\$ 77,995	\$ 129,579	\$ 240,475	\$ 75,110
Law enforcement	10,441	17,052	15,384	19,535	13,442	11,412	12,492	45,377	77,056	94,936
Fire protection	1,397,706	1,521,128	1,280,284	1,181,764	1,103,427	1,099,660	1,286,708	1,277,703	1,013,478	1,062,292
Building department	483,373	811,984	536,239	322,968	250,257	222,337	215,144	311,272	169,407	150,485
Physical environment	-	215,135	53,485	252,343	39,435	46,166	46,550	42,964	49,913	51,235
Transportation	270,061	458,678	266,711	337,114	290,095	281,295	349,283	348,022	46,986	9,624
Library	263,708	319,602	252,737	216,339	257,791	251,109	287,149	284,277	278,199	293,653
Parks and recreation	1,020,866	963,062	963,461	1,077,169	1,664,185	1,529,931	873,030	859,165	750,328	764,719
Total governmental activities program revenues	<u>3,580,871</u>	<u>4,452,384</u>	<u>3,491,124</u>	<u>3,560,507</u>	<u>3,702,234</u>	<u>3,529,003</u>	<u>3,148,351</u>	<u>3,298,359</u>	<u>2,625,842</u>	<u>2,502,054</u>
Business-type activities:										
Water and wastewater	11,470,343	10,196,879	9,324,805	8,623,997	7,464,998	7,149,079	7,857,807	8,059,551	7,952,369	8,233,441
Solid waste	3,142,847	3,004,682	2,968,291	2,972,346	2,952,133	2,894,957	2,913,294	2,860,119	2,810,588	2,884,908
Stormwater	1,501,379	1,448,634	1,455,928	1,148,746	1,013,319	1,000,016	1,001,738	1,406,323	1,719,436	908,642
Total business-type activities program revenues	<u>16,114,569</u>	<u>14,650,195</u>	<u>13,749,024</u>	<u>12,745,089</u>	<u>11,430,450</u>	<u>11,044,052</u>	<u>11,772,839</u>	<u>12,325,993</u>	<u>12,482,393</u>	<u>12,026,991</u>
Total primary government program revenues	<u>\$ 19,695,440</u>	<u>\$ 19,102,579</u>	<u>\$ 17,240,148</u>	<u>\$ 16,305,596</u>	<u>\$ 15,132,684</u>	<u>\$ 14,573,055</u>	<u>\$ 14,921,190</u>	<u>\$ 15,624,352</u>	<u>\$ 15,108,235</u>	<u>\$ 14,529,045</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 4

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,606,544	\$ 2,886,389
Unrestricted	-	-	-	-	-	-	-	-	5,829,922	6,081,005
Nonspendable	37,106	47,227	56,861	49,054	55,115	70,326	32,752	34,784	33,461	193,576
Restricted	-	-	-	-	-	-	-	-	-	22,755
Committed	3,090,454	3,094,602	3,105,626	2,959,770	3,277,514	2,941,837	2,593,469	2,580,409	2,573,083	2,670,058
Assigned	-	-	-	-	-	-	1,626,050	68,270	397,680	833,730
Unassigned	6,950,539	5,572,409	4,121,377	4,686,532	5,043,036	4,835,512	4,539,230	5,637,597	5,432,242	5,247,275
Total general fund	<u>\$ 10,078,099</u>	<u>\$ 8,714,238</u>	<u>\$ 7,283,864</u>	<u>\$ 7,695,356</u>	<u>\$ 8,375,665</u>	<u>\$ 7,847,675</u>	<u>\$ 8,791,501</u>	<u>\$ 8,321,060</u>	<u>\$ 8,436,466</u>	<u>\$ 8,967,394</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,699,254	\$ 4,229,317
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	669,310
Restricted	1,220,924	1,770,480	2,539,831	793,526	2,219,447	2,247,003	2,638,130	2,536,772	2,700,566	4,229,317
Committed	234,938	270,368	305,950	136,495	1,101,979	1,865,060	278,536	267,150	265,067	231,984
Assigned	2,367,665	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)	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,823,527</u>	<u>\$ 3,851,111</u>	<u>\$ 4,938,227</u>	<u>\$ 1,757,001</u>	<u>\$ 4,480,060</u>	<u>\$ 5,293,354</u>	<u>\$ 3,823,867</u>	<u>\$ 3,528,270</u>	<u>\$ 3,699,254</u>	<u>\$ 4,898,627</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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Property taxes	\$ 5,723,956	\$ 5,257,349	\$ 4,913,710	\$ 4,571,161	\$ 4,390,452	\$ 4,193,398	\$ 3,722,248	\$ 3,215,616	\$ 3,267,040	\$ 3,454,605
Utility taxes	2,521,486	2,436,400	2,324,144	2,288,535	2,322,071	2,423,913	2,459,059	2,386,797	2,473,714	2,427,378
Local business tax	141,507	144,019	149,597	140,393	141,389	162,446	135,802	150,074	154,396	146,230
Local option tax	2,211,086	2,307,990	2,215,907	2,113,583	2,082,591	2,039,692	1,884,907	1,798,283	1,721,958	1,632,711
Franchise fees	1,473,793	1,502,259	1,416,403	1,315,493	1,347,753	1,462,318	1,473,646	1,361,010	1,435,731	1,463,744
Licenses and permits	456,010	546,706	356,505	313,308	244,417	219,997	215,144	311,272	169,407	150,485
Impact fees	231,593	434,211	98,772	282,018	66,932	42,030	44,430	59,875	43,729	5,738
Special assessments	248,548	246,398	246,527	246,399	246,523	247,516	317,863	312,657	10,696	991
Sales tax	1,090,262	1,150,183	1,125,671	1,078,525	1,151,421	1,018,441	980,143	928,330	889,029	874,854
Intergovernmental	2,201,862	2,435,214	2,005,369	2,087,631	1,938,918	1,844,722	1,982,488	1,967,332	1,850,861	1,779,621
Charges for services	893,524	1,394,621	1,403,501	1,124,691	947,888	1,021,620	995,188	1,037,575	860,674	885,181
Fines and forfeitures	64,109	17,052	15,384	84,544	40,328	49,232	31,911	77,530	140,659	127,865
Interest income and net appreciation/(depreciation)										
in fair value of investments	363,094	623,432	(58,527)	42,800	228,367	260,606	204,396	(44,637)	198,116	507,216
Contributions and donations	81,393	91,271	93,813	137,265	24,387	648,229	81,298	-	-	25,000
Other	1,369,021	1,072,235	1,156,235	1,139,320	1,064,184	978,183	908,056	961,860	1,037,488	1,202,034
Total revenues	19,071,244	19,659,340	17,463,011	16,965,666	16,237,621	16,612,343	15,436,579	14,523,574	14,253,498	14,683,653
Expenditures										
General government	2,964,213	3,175,775	2,937,077	3,019,755	2,683,451	2,505,098	2,591,242	2,584,760	2,798,564	2,969,719
Law enforcement	1,366,127	1,355,163	1,312,142	1,277,165	1,260,277	1,211,298	1,177,579	1,221,973	1,264,935	1,260,120
Fire protection	3,684,135	3,964,948	3,881,238	3,814,412	3,716,483	3,703,257	3,726,465	3,672,859	3,566,685	3,673,446
Building department	676,660	532,507	519,765	477,770	386,078	360,833	302,451	288,643	293,273	295,895
Physical environment	460,197	493,901	491,378	476,995	469,248	390,432	406,815	425,653	403,240	484,875
Transportation	928,641	934,366	973,410	1,093,147	1,096,530	1,324,730	972,351	1,051,453	1,466,218	1,327,636
Library	1,111,312	1,307,317	1,330,932	1,278,687	1,204,159	1,187,566	1,141,108	1,095,553	1,157,376	1,190,494
Parks and recreation	3,220,158	3,370,197	3,347,990	3,078,040	2,799,249	2,570,983	2,477,869	2,329,512	2,287,102	2,210,288
Capital outlay	2,265,258	4,476,774	1,357,742	2,605,597	2,025,945	2,058,101	1,098,447	1,422,734	4,096,731	1,183,334
Debt service										
Capital lease principal	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-
Principal retirement	959,752	937,728	303,141	1,254,309	746,860	722,400	702,982	628,982	414,062	401,643
Interest and other fiscal charges	93,514	157,906	65,287	156,332	129,645	167,784	189,032	208,644	179,572	174,431
Total expenditures	17,734,967	20,711,582	16,525,102	18,537,209	16,522,925	16,207,482	14,791,341	14,930,766	17,927,758	15,171,881
Excess (deficiency) of revenues over (under) expenditures	1,336,277	(1,052,242)	937,909	(1,571,543)	(285,304)	404,861	645,238	(407,192)	(3,674,260)	(488,228)
Other Financing Sources (Uses)										
Transfers in	2,016,250	2,206,153	\$ 1,743,553	1,610,096	1,158,780	2,662,020	1,018,770	1,104,830	921,720	889,080
Transfers out	(2,016,250)	(2,206,153)	(1,743,553)	(1,610,096)	(1,158,780)	(2,541,220)	(897,970)	(984,030)	(1,728,240)	(889,080)
Bond Issuance Costs	-	-	-	-	-	-	-	-	(24,521)	-
Debt proceeds	-	1,395,500	-	-	-	-	-	-	2,775,000	-
Total other financing sources (uses)	-	1,395,500	-	-	-	120,800	120,800	120,800	1,943,959	-
Net change in fund balances	\$ 1,336,277	\$ 343,258	\$ 937,909	\$ (1,571,543)	\$ (285,304)	\$ 525,661	\$ 766,038	\$ (286,392)	\$ (1,730,301)	\$ (488,228)
Debt service as a percentage of noncapital expenditures	6.84%	6.78%	2.46%	8.89%	6.08%	6.33%	6.55%	6.20%	4.29%	4.12%

SCHEDULE 6

City of Safety Harbor, Florida
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

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

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

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

SCHEDULE 7

City of Safety Harbor, Florida
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Fiscal Years

Fiscal Year	Taxable Year	Direct Rate	Overlapping Rates					Total
		City of Safety Harbor Operating	Pinellas County	School District	Emergency Medical Services ^a	Transit District ^a	Other ^b	
2020	2019	3.9500	5.3590	6.4270	0.9158	0.7500	1.1800	18.5818
2019	2018	3.9500	5.3590	6.5840	0.9158	0.7500	1.1932	18.7520
2018	2017	3.9500	5.2755	7.0090	0.9158	0.7500	1.3097	19.2100
2017	2016	3.9500	5.2755	7.3180	0.9158	0.7500	1.3070	19.5163
2016	2015	4.0479	5.2755	7.7700	0.9158	0.7305	1.3251	20.0648
2015	2014	4.0479	5.2755	7.8410	0.9158	0.7305	1.3421	20.1528
2014	2013	3.7343	5.2755	8.0600	0.9158	0.7305	1.3581	20.0742
2013	2012	3.3808	5.0105	8.3020	0.9158	0.7305	1.3656	19.7052
2012	2011	3.3808	4.8730	8.3850	0.8506	0.7305	1.2390	19.4589
2011	2010	3.3808	4.8730	8.3400	0.5832	0.5601	1.4410	19.1781

Source: Pinellas County Tax Collector's Office

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

^b Other includes:

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

SCHEDULE 8

City of Safety Harbor, Florida
PRINCIPAL TAXPAYERS - REAL PROPERTY
 Current Year and Ten Years Ago

Taxpayer	2020		2011	
	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation
Safety Harbor Property Holdings, LLC	\$ 20,000,000	1.40%	\$ -	0.00%
Adelphia 4 LLC	18,738,300	1.31%	-	0.00%
Mease Hospitals, Inc.	-	0.00%	15,147,217	1.66%
Preedom Land Trust	12,867,000	0.90%	11,961,823	1.31%
E C A Elle Northwood Partners LLC	10,360,000	0.72%	-	0.00%
Safety Harbor Spa & Resort, LLC	-	0.00%	11,884,991	1.30%
Northwood Oaks, LLC	-	0.00%	9,310,000	1.02%
Leisure Associates Ltd Partnership	9,550,000	0.67%	5,250,000	0.57%
Northwood Pinellas, LLC	8,050,000	0.56%	-	0.00%
Baycare Properties, LLC	7,216,200	0.50%	-	0.00%
Health Care Property Investment, Inc.	6,797,000	0.48%	4,878,032	0.53%
201 Main Street LLC	6,692,397	0.47%	-	0.00%
Safety Harbor Investment Properties	5,780,828	0.40%	6,050,000	0.66%
Northwood Commons LLC	-	0.00%	6,650,000	0.73%
Bayshore Palms Apartments Inc.	-	0.00%	6,600,000	0.72%
Capstone Capital Corp	-	0.00%	3,510,000	0.38%
	<u>\$ 106,051,725</u>	<u>7.42%</u>	<u>\$ 81,242,063</u>	<u>8.89%</u>
Total Taxable Assessed Value	<u>\$ 1,429,278,199</u>		<u>\$ 913,638,832</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	2020		2011	
	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation
Duke Energy Florida	\$ 11,720,824	25.09%	\$ -	0.00%
Mastercut Tool Corp	4,410,526	9.44%	2,608,426	5.54%
Florida Gas Transmission	3,684,199	7.89%	-	0.00%
Spectrum Sunshine State LLC	2,191,114	4.69%	-	0.00%
Frontier Communications	1,893,435	4.05%	-	0.00%
Angelica Textile Services	985,743	2.11%	2,388,411	5.07%
Countryside Surgi-Center	971,183	2.08%	1,032,388	2.19%
Nice Services, Inc.	958,795	2.05%	-	0.00%
Sawyer Products, Inc.	895,086	1.92%	-	0.00%
Wow! Internet, Cable & Phone	800,758	1.71%	-	0.00%
Florida Power Corp	-	0.00%	7,577,258	16.09%
Verizon Florida LLC	-	0.00%	3,829,566	8.13%
Bright House Networks LLC	-	0.00%	2,881,771	6.12%
US Bancorp Equipment Fin	-	0.00%	1,989,727	4.22%
Florida Gas Transmission	-	0.00%	1,976,452	4.20%
Safety Harbor Resort and Spa	-	0.00%	1,946,438	4.13%
Diagnostic Clinic	-	0.00%	1,001,020	2.13%
	<u>\$ 28,511,663</u>	<u>61.03%</u>	<u>\$ 27,231,457</u>	<u>57.81%</u>
Total Taxable Assessed Value	<u>\$ 46,718,832</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 ^a		Delinquent Tax Collections ^b	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2020	2019	\$ 5,391,852	\$ 4,816,836	89.34%	\$ 4,523	\$ 4,821,360	89.42%
2019	2018	5,120,486	4,693,889	91.67%	639	4,694,528	91.68%
2018	2017	4,776,219	4,419,680	92.54%	21,524	4,441,204	92.99%
2017	2016	4,467,829	4,138,275	92.62%	13,386	4,151,661	92.92%
2016	2015	4,323,266	4,012,278	92.81%	8,072	4,020,350	92.99%
2015	2014	4,127,679	3,840,246	93.04%	15,908	3,856,154	93.42%
2014	2013	3,610,112	3,358,137	93.02%	70,048	3,428,185	94.96%
2013	2012	3,217,132	2,945,922	91.57%	5,509	2,951,431	91.74%
2012	2011	3,243,229	3,015,807	92.99%	4,367	3,020,174	93.12%
2011	2010	3,346,414	3,087,460	92.26%	60,336	3,147,796	94.06%

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

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

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

SCHEDULE 11

City of Safety Harbor, Florida
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Debt as a Ratio to Personal Income ^a	Debt per Capita ^a
	Public Improvement Revenue Bonds	Capital Improvement Revenue Note	Capital Leases	Water and Wastewater Refunding Bond	Capital Improvement Revenue Note	Capital Leases			
2020	\$ 620,000	\$ 1,879,622	\$ 210,000	\$ 8,536,500	\$ 4,499,248	\$ -	\$ 15,745,370	2.02%	\$ 363
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

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

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

^b Issued \$4,275,000 in Capital Improvement Refunding Revenue Bonds, Series 2012.

^c Issued \$5,412,000 in Capital Improvement Revenue Bonds, Series 2008.

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

SCHEDULE 12

City of Safety Harbor, Florida **LEGAL DEBT MARGIN INFORMATION** Last Ten Fiscal Years

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

SCHEDULE 13

City of Safety Harbor, Florida DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT As of September 30, 2020

Government Unit	Debt Outstanding	Applicable to City of Safety Harbor	
		Percent ^a	Amount
Bonded Debt:			
Pinellas County School Board ^b	\$ 14,000	1.50%	\$ 210
Pinellas County ^b	12,691,808	1.65%	209,415
Capital Leases:			
Pinellas County School Board ^b	3,873,480	1.50%	58,102
Pinellas County ^b	<u>615,497</u>	1.65%	<u>10,156</u>
Total Overlapping Debt	\$ 17,194,785		\$ 277,883
Total Direct Debt ^c			<u>2,709,622</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 2,987,505</u>
Total Direct and Overlapping Governmental Activities Debt Per Capita ^d			<u>\$ 165.83</u>

Source: Pinellas County, Florida

^a Applicable net debt percentage is based on ratio of City to County-wide taxable values for tax year 2020.

^b The City of Safety Harbor is not responsible for the debt of the County or the School Board.

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

^d 2020 permanent Safety Harbor population is estimated at 18,016.

SCHEDULE 14

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

Governmental Activities							
Fiscal Year	Gross Revenues ^a	Operating Expenses ^b	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2020	\$ 12,503,587	\$ 7,903,774	\$ 4,599,813	\$ 987,691	\$ 63,892	\$ 1,051,583	4.37
2019	\$ 13,121,302	\$ 8,143,281	\$ 4,978,021	\$ 959,752	\$ 93,513	\$ 1,053,265	4.73
2018	\$ 11,791,319	\$ 7,925,975	\$ 3,865,344	\$ 810,735	\$ 76,688	\$ 887,423	4.36
2017	\$ 11,378,861	\$ 7,950,654	\$ 3,428,207	\$ 1,254,309	\$ 156,332	\$ 1,410,641	2.43
2016	\$ 11,190,207	\$ 7,521,407	\$ 3,668,800	\$ 746,860	\$ 129,645	\$ 876,505	4.19
2015	\$ 11,143,161	\$ 7,319,171	\$ 3,823,990	\$ 722,400	\$ 167,784	\$ 890,184	4.30
2014	\$ 11,005,175	\$ 7,347,963	\$ 3,657,212	\$ 702,982	\$ 187,865	\$ 890,847	4.11
2013	\$ 10,403,622	\$ 7,944,315	\$ 2,459,307	\$ 628,892	\$ 208,644	\$ 837,536	2.94
2012	\$ 10,199,565	\$ 7,403,103	\$ 2,796,462	\$ 414,062	\$ 179,572	\$ 593,634	4.71
2011	\$ 10,508,546	\$ 7,732,700	\$ 2,775,846	\$ 401,643	\$ 174,431	\$ 576,074	4.82

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

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

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

SCHEDULE 15

City of Safety Harbor, Florida PLEDGED REVENUE COVERAGE - BUSINESS-TYPE ACTIVITIES Last Ten Fiscal Years

Business-type Activities							
Fiscal Year	Gross Revenues ^a	Operating Expenses Less Depreciation ^b	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2020	\$ 17,174,856	\$ 9,563,347	\$ 7,611,509	\$ 1,061,447	\$ 430,349	\$ 1,491,796	5.10
2019	\$ 16,099,597	\$ 10,597,306	\$ 5,502,291	\$ 1,031,344	\$ 464,134	\$ 1,495,478	3.68
2018	\$ 14,236,024	\$ 10,318,787	\$ 3,917,237	\$ 560,531	\$ 198,438	\$ 758,969	5.16
2017	\$ 13,503,460	\$ 10,058,446	\$ 3,445,014	\$ 541,326	\$ 194,822	\$ 736,148	4.68
2016	\$ 12,343,380	\$ 9,798,220	\$ 2,545,160	\$ 525,211	\$ 209,229	\$ 734,440	3.47
2015	\$ 11,750,361	\$ 9,205,579	\$ 2,544,782	\$ 514,522	\$ 223,980	\$ 738,502	3.45
2014	\$ 12,453,598	\$ 9,127,514	\$ 3,326,084	\$ 504,072	\$ 237,716	\$ 741,788	4.48
2013	\$ 12,621,783	\$ 9,373,205	\$ 3,248,578	\$ 495,588	\$ 251,525	\$ 747,113	4.35
2012	\$ 12,108,369	\$ 8,971,037	\$ 3,137,332	\$ 454,175	\$ 299,044	\$ 753,219	4.17
2011	\$ 12,452,950	\$ 9,172,140	\$ 3,280,810	\$ 439,578	\$ 321,884	\$ 761,462	4.31

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

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

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

SCHEDULE 16

City of Safety Harbor, Florida DEMOGRAPHICS AND ECONOMIC STATISTICS Last Ten Fiscal Years

Fiscal Year	Population ^a	Estimated Personal Income ^b	Per Capita Personal Income ^c	Median Age ^d	Public School Enrollment ^e	Unemployment Rate ^f
2020	18,016	\$ 781,335,904	\$ 43,369	48.0	1,881	6.0%
2019	18,031	\$ 758,762,511	\$ 42,081	47.5	1,882	2.6%
2018	17,844	\$ 702,429,060	\$ 39,365	49.3	2,073	3.0%
2017	17,606	\$ 674,521,072	\$ 38,312	51.4	2,073	3.4%
2016	17,454	\$ 632,498,052	\$ 36,238	50.8	2,073	4.7%
2015	17,454	\$ 635,744,496	\$ 36,424	48.6	2,073	6.4%
2014	17,139	\$ 490,723,848	\$ 28,632	49.6	2,073	6.2%
2013	17,496	\$ 621,265,464	\$ 35,509	48.0	2,073	6.4%
2012	16,884	\$ 559,721,484	\$ 33,151	47.7	2,073	8.8%
2011	16,881	\$ 554,962,875	\$ 32,875	46.5	4,219	10.8%

Sources:

^a United States Census Bureau, Population Estimate July 1, 2019

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

^c United States Census Bureau, Income and Poverty

^d World Population Review

^e U.S. News and World Report

^f U.S. Bureau of Labor Statistics, Tamp-St. Petersburg-Clearwater, FL; Labor Force Data - Sept. 2020

SCHEDULE 17**City of Safety Harbor, Florida**
PRINCIPAL EMPLOYERS
Current Year ^a

Employer	Employees	Percentage of Total City Employment
Mease Countryside Hospital	1,000	11.18%
Angelica Corporation	150	1.68%
Safety Harbor Middle School	143	1.60%
Consulate Health Care	131	1.46%
Boat Steering Rebuilders LLC	129	1.44%
Master Cut Tool Corp	97	1.08%
Safety Harbor Elementary School	94	1.05%
Citrus County Investments Inc.	82	0.92%
Espiritu Santo Catholic School	74	0.83%
Safety Harbor Resort and Spa	65	0.73%
Total Employed Population	8,945	

Source: AtoZ Databases

^a Current year only, 2020.

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,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
City Manager	1.80	1.30	1.30	1.30	1.30	1.30	1.30	3.18	1.95	1.95
City Clerk	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.38	1.30	2.00
Human Resources	2.50	2.50	2.00	2.00	2.00	2.00	1.88	2.00	3.50	3.50
Finance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	4.00
Water & Wastewater Finance	9.00	9.00	9.00	9.00	9.00	10.00	9.70	9.20	9.35	9.85
Economic Dev. Director	-	-	-	-	-	-	-	-	-	-
Planning	3.36	3.36	3.30	3.30	3.30	3.70	3.45	3.30	3.15	3.65
Fleet Maintenance	3.10	3.10	3.10	3.10	3.10	3.05	3.15	3.15	3.15	4.05
Building Maintenance	6.00	6.62	6.45	6.45	5.95	5.70	5.70	5.80	5.80	5.80
CRA	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.60	0.60
Total General Government	30.41	30.53	29.80	29.80	29.30	30.40	29.83	31.81	32.30	35.40
Public Safety										
Building Department	6.50	6.50	5.50	5.50	5.00	5.00	4.00	4.00	4.00	4.00
Fire Control and EMS	30.50	30.50	30.00	30.00	30.00	29.00	32.00	32.00	29.50	31.20
Total Public Safety	37.00	37.00	35.50	35.50	35.00	34.00	36.00	36.00	33.50	35.20
Physical Environment										
Engineering	4.50	4.50	4.50	4.50	4.50	4.30	4.30	4.30	4.30	5.80
Information Systems	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50
Water	6.40	6.40	6.40	6.40	7.40	7.20	7.60	7.60	8.60	8.20
Stormwater	5.40	5.40	5.40	5.40	5.40	5.20	5.20	5.20	5.20	5.20
Wastewater	8.40	8.40	8.40	8.40	8.40	8.20	8.60	8.60	8.60	8.20
Sanitation	20.25	20.25	19.25	19.25	19.30	19.15	18.15	19.35	19.35	19.15
Total Physical Environment	48.95	48.95	47.95	47.95	49.00	48.05	47.85	49.05	50.05	50.05
Transportation										
Streets	10.40	10.40	10.40	10.40	10.40	10.20	10.30	10.30	10.30	12.20
Culture and Recreation										
Library	16.97	17.04	17.12	17.12	18.09	17.66	17.44	17.45	17.90	17.40
Parks	14.12	13.89	13.90	13.90	13.90	13.93	13.93	10.55	10.55	10.55
Recreation	28.46	29.11	26.04	26.04	24.91	22.07	21.63	19.93	18.75	19.05
Total Culture and Recreation	59.55	60.04	57.06	57.06	56.90	53.66	53.00	47.93	47.20	47.00
Total City	186.31	186.92	180.71	180.71	180.60	176.31	176.98	175.09	173.35	179.85

Source: City of Safety Harbor Annual Budget, Fiscal Years 2011 - 2020

SCHEDULE 19

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety										
Fire Control and EMS										
Inspections	-	-	715	715	715	715	715	715	715	715
Investigations	-	-	22	22	22	20	20	12	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
Building Department										
Building permits issued	3,039	3,268	3,054	2,762	1,903	1,924	1,935	1,700	1,823	1,658
Occupational licenses issued	1,125	1,177	1,177	1,166	1,212	1,246	1,110	1,267	1,375	1,325
Stormwater										
Storm drain/pipe cleaned (miles)	0.81	0.63	0.69	0.85	0.37	0.36	0.39	0.15	1.14	1.07
Ditches/creeks cleaned (miles)	26.29	5.34	7.11	7.83	15.00	13.81	18.03	13.88	25.76	25.76
Water										
Customer accounts	7,684	8,053	7,560	8,320	7,560	7,477	7,456	7,586	7,506	7,488
Average daily water consumption in millions of gallons	1.39	1.38	1.44	1.55	1.39	1.38	1.43	1.40	1.37	1.70
Wastewater										
Customer accounts	8,068	9,023	8,955	8,942	8,942	8,918	8,903	8,946	8,871	8,856
Average daily sewage flow in millions of gallons	1.53	1.47	1.52	1.61	1.53	1.52	1.11	1.40	1.44	1.20
Sanitation (solid waste)										
Refuse collected (tons)	11,249	11,077	11,361	11,493	12,544	11,309	10,923	12,016	12,618	12,604
Recyclables collected (tons)	3,499	3,636	3,606	3,835	3,484	3,396	3,299	2,600	2,141	1,741
Streets										
Streets swept (curb miles)	920	920	920	920	920	918	918	918	938	938
Curb/gutter/sidewalks replaced (cubic yds)	152	156	156	257	163	270	260	320	325	350
Pothole repairs (asphalt tons)	42	192	73	25	1299*	32	23	16	32	25
Culture and Recreation										
Recreation - Persons listed in programs										
Trips	1,037	1,943	2,087	1,919	2,324	2,400	2,666	2,355	2,445	1,588
Classes	22,493	31,237	31,363	31,505	30,362	34,100	29,680	33,630	26,377	21,254
Camps/After-school	15,596	17,606	29,158	30,166	25,989	27,397	28,452	35,257	19,617	20,503
Special events	3,749	2,423	1,336	1,740	3,201	3,558	6,252	3,761	843	786
Parks - Acres maintained	129.20	125.43	123.93	123.89	123.89	123.89	103.89	93.99	88.99	73.88
Library circulation	211,696	241,875	237,775	239,756	248,686	273,568	262,455	287,052	296,348	272,761
Library registered borrowers	16,753	19,275	16,053	15,156	14,140	14,844	10,082	10,043	10,056	9,700

* 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 2011 - 2020

N/A - Information not available

SCHEDULE 20

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Buildings	4	4	4	4	4	4	4	4	4	4
Vehicles	21	20	18	18	18	17	17	17	17	13
Public Safety										
Fire stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	13	12	12	12	11	11	11	11	13
Physical Environment										
Vehicles	44	42	35	35	35	35	35	35	36	51
Stormwater										
Drainage basins/creeks (sq. miles)	13.91	13.91	12.88	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Water										
Pipeline (miles)	76.9	76.9	76.6	76.5	76.5	76.5	76.3	76.3	76.0	75.8
Fire hydrants maintained	566	566	560	554	554	554	552	552	548	542
Wastewater										
Lift stations	25	25	25	25	25	25	25	25	25	25
Mains in collection system (miles)	66.48	66.48	66.44	66.3	66.3	66.3	66.3	66.3	66.3	66.3
Sanitation (solid waste)										
Collection vehicles	21	20	19	21	21	21	19	21	20	14
Streets										
Curb miles of street	104	104	100	100	100	100	100	100	100	100
Vehicles	19	19	18	17	17	17	17	17	16	17
Culture and Recreation										
Parks	20	18	17	17	16	16	12	12	11	11
Dog park	3	3	3	2	2	2	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	9	9	9	8	7	7	6	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	13	12	12	12	12	12	12	10	10
Baseball fields	3	3	3	3	4	4	4	4	4	4
Softball fields	2	2	2	2	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	16	14	8	8
Basketball courts										
Outdoor	7	7	4	4	4	4	4	4	4	4
Indoor	3	3	3	3	3	3	3	3	3	3
Vehicles	20	19	17	17	17	14	12	12	13	12
Museum/Cultural Center	1	1	1	1	1	1	1	1	-	-

Sources: City of Safety Harbor Annual Budget, Fiscal Years 2011 - 2020; 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, 2020, 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 16, 2021.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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 16, 2021



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, 2020, and have issued our report thereon dated June 16, 2021.

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 16, 2021, 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. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

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

Special District Component Units

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

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 16, 2021



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, 2020. 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, 2020.

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 16, 2021



on the cover:

Heart of the Community at Baranoff Park

photo credit: Dale S. Dervin, Acuity9