



# CITY OF CLEARWATER, FLORIDA ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022





# ON THE COVER



Crest Lake Park, located at 201 S. Glenwood Ave., underwent a \$6.4 million renovation to become one of the city's signature parks. The project was funded through the city's BP Deepwater Horizon oil spill settlement money.

Visitors can now enjoy a variety of new amenities including wider sidewalks around the lake and through the park, new lighting, irrigation, landscaping and grassing, four new play areas including a splash pad, restrooms, two picnic shelters, improvement to the shoreline, a lighted fountain in the lake, rain gardens to filter stormwater, an arboretum, lakeside scenic boardwalks and decks, two sand volleyball courts and improved parking areas.

**City of Clearwater, Florida  
Annual Comprehensive Financial Report  
for Fiscal Year Ended September 30, 2022**



Brian J. Aungst Sr.  
*Mayor*

David Allbritton  
*Councilmember*

Kathleen Beckman  
*Councilmember*

Mark Bunker  
*Councilmember*

Lina Teixeira  
*Councilmember*

Jennifer Poirrier  
*City Manager*

Brian Jay Ravins  
*Finance Director*

*Prepared by: City of Clearwater Finance Department*

**City of Clearwater, Florida  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended September 30, 2022**

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# CITY OF CLEARWATER

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TELEPHONE (727) 562-4040 FAX (727) 562-4052

CITY MANAGER

April 28, 2023

The Honorable Mayor, Councilmembers,  
and Citizens of the City of Clearwater:

The City of Clearwater Charter (Section 2.01(c)3), Florida Statutes, and various covenants relating to debt and pension obligations of the City require an annual audit of the financial statements of all funds of the City by a firm of licensed certified public accountants. These statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS). Pursuant to these requirements we hereby issue the annual comprehensive financial report of the City of Clearwater for the fiscal year ended September 30, 2022.

This report consists of management's representations concerning the finances of the City. 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 government'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. Because the cost of internal controls should not outweigh their benefits, 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.

Carr Riggs Ingram, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are in the Single Audit section of this report.

Brian J. Aungst Sr., Mayor

Mark Bunker, Councilmember  
Kathleen Beckman, Councilmember



David Allbritton, Councilmember  
Lina Teixeira, Councilmember

"Equal Employment and Affirmative Action Employer"

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis report (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the City of Clearwater, Florida**

Clearwater is located on the Pinellas Peninsula on Florida's west coast. It is directly located on the Gulf of Mexico, 20 miles west of Tampa and 20 miles north of St. Petersburg. Clearwater is the county seat of Pinellas County and one of the largest cities in the Tampa Bay area. The Clearwater area offers a semitropical climate and 28 miles of beautiful beaches. Consequently, tourism is an important component of the economy. In addition to tourism and its related hospitality and service sectors, Clearwater enjoys a diversity of manufacturing businesses; professional, financial, and insurance service industries; high-tech companies; corporate headquarters; and a growing healthcare ecosystem.

The City operates under the council/manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a mayor and four members elected at large on a non-partisan basis. The City Council is responsible for adopting ordinances, adopting the budget, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments.

The City provides police and fire protection; construction and maintenance of streets, bridges, sidewalks, storm drainage, public parks, and recreation facilities; planning, zoning, subdivision, and building code regulation and enforcement; redevelopment of commercial and residential neighborhoods; supervised recreation programs; public libraries; water supply and distribution; waste water collection, treatment, and disposal; natural gas distribution; solid waste collection and recycling; stormwater management; marina, airpark, downtown boat slips, and public fishing pier operations; and operation of the city-wide parking system.

The annual budget serves as the foundation for the City's financial planning and control. Per the City Code of Ordinances, the City Manager is required to provide to the City Council an operating budget for the ensuing fiscal year, a capital improvement budget, and a five-year capital improvement program, along with an accompanying budget message no later than 60 days prior to the end of the fiscal year. The Council is required to hold public hearings on the budget and to adopt a final operating budget and capital improvement budget no later than September 30, the last day of the City's fiscal year. The appropriated budget is prepared by fund and by department within fund.

After five consecutive years of decline in City taxable property values, we have now experienced ten consecutive years of increases: 3.3%, 6.0%, 6.6%, 7.4%, 8.3%, 9.6%, 6.7%, 6.8%, 5.4% and 13.2% increases for January 1, 2013 thru January 1, 2022 tax rolls, respectively.

The unemployment rate for the Tampa metro area at September 30, 2022 was 2.5% versus 3.7% at September 30, 2021, which compared favorably to the national rate of 3.5% and the state unemployment rate of 2.7% as of September 30, 2022. Local tourism was significantly impacted by COVID-19, but has recovered to exceed pre-COVID levels. We remain optimistic that pent-up travel demand and the attractiveness of domestic vacation destinations will continue to fuel the strong demand in area tourism.

Clearwater Beach remains one of the nation's most unique travel destinations. The City's Beach by Design Redevelopment Plan, anchored by Beach Walk, resulted in significant economic redevelopment on Clearwater Beach. Beach Walk is a winding beachside promenade that stretches from north to south beach and features lush landscaping, artistic touches, and clear views of the water line. It is a walkable destination that connects people to the beach, and nearby restaurants and shops. It is one of the reasons that Clearwater Beach was ranked the #1 beach in the United States and #6 in the world by TripAdvisor.

### **Long-term Financial Planning**

Financial planning continues to be of critical importance to the City in meeting the challenges of both the immediate and foreseeable future. City staff and the City Council annually participate in a Strategic Planning council meeting to review priorities and financial condition in preparation for the annual budget process. This includes a review of current long-term forecasts for the General Fund and major utility funds. The City annually



updates a General Fund Financial Sustainability Analysis that includes a ten-year forecast of General Fund revenues and expenditures. Similar rate studies for the major utility funds are performed at least every five years, and provide similar ten-year forecasts presented to City Council by the rate study consultant.

Major projects undertaken by the City will continue to have long term financial implications for existing as well as future resources and revenues. The planning and decisions undertaken by the City are always evaluated in the context of the financial burden that will be placed on both current and prospective residents, as well as the potential economic and environmental impacts.

### **Relevant Financial Policies**

It is a policy of the City Council to maintain a minimum fund balance in the General Fund equal to eight and one-half percent (8.5%) of the subsequent year's budgeted expenditures to meet unanticipated financial needs. Per Council policy, excess funds may be appropriated by the City Council for specific capital improvement projects or other one-time needs.

It is a policy of the City Council that all enterprise fund operations shall be self-supporting. Council policy requires a review of rate schedules every five years, at a minimum, to help ensure that enterprise funds are self-supporting. Additionally, Council policy requires that unrestricted fund balances of the utility enterprise funds be maintained at a level equivalent to the greater of six months of operation and maintenance expenses, or other minimum reserve levels indicated in the current rate study for the utility enterprise fund. The minimum reserve level for non-utility enterprise funds is three months of operation and maintenance expenses.

### **Major Initiatives**

The City continues to proactively fund capital projects to support the City's five utility operations, which consist of Water and Sewer, Stormwater, Solid Waste, Recycling, and Gas Utility operations. A total of \$51.2 million is budgeted for utility capital projects for fiscal year 2023 with a total of \$370.2 million budgeted over the next six years.

Downtown Clearwater is experiencing a period of rebirth, as the sleepy downtown undergoes a transformation, due to the activation of local art, activities at Station Square Park, and a full roster of events and activities happening in the heart of Downtown Clearwater all year long. The downtown area is well-poised to continue its growth, largely due to the long-anticipated waterfront redevelopment and grand re-opening of Coachman Park this Summer of 2023.

Additionally, the City is embarking on a significant development of the downtown waterfront bluff area. In November 2022, Clearwater residents voted in favor of the redevelopment of two prime downtown waterfront city-owned sites, which will offer mixed-use retail and residential uses. A development agreement for the properties includes a 158-room hotel, construction of 500-600 apartments, new dining and retail options, new event and green space, and additional parking. These additions to Clearwater's downtown are expected to spearhead strong economic redevelopment of the downtown area. Finally, in addition to the downtown and beach areas, U.S. Highway 19 – a major north-south corridor through the heart of the city – is experiencing rapid redevelopment.

The North Marina Master Plan initial phase is concluded and includes new parking, improved design and landscape of existing parking areas, expanded public use and amenity areas, additional open space, and enhanced decorative lighting.

The ULI initiatives remain a high priority for the City during fiscal year 2022. Additional related projects remaining include streetscaping in the Downtown Gateway, construction of a festival core in the same area, and Complete Streets planning initiatives. North Ward Elementary School has been acquired and is in the early planning stages of an adaptive reuse that will renovate and preserve the historic structures of this beloved 100-year-old building in the North Marina Area. These projects and others are of a size and substance to redefine the face of downtown and surrounding areas.

Another major initiative includes advancing the City's sustainability and resiliency efforts per Council's fiscal 2021 adoption of the City's "Greenprint 2.0", which is an update to the original Clearwater Greenprint plan adopted in 2011. Greenprint 2.0 is a sustainability plan that defines overarching goals and objectives, as well as specific

actions, to improve Clearwater's environment, economy, resilience, and public health while reducing the city's greenhouse gas emissions. Goals include the reduction of city-wide greenhouse gas emissions to 25% below 2007 levels by the year 2035 and 80% below 2007 levels by the year 2050. Additional goals include replacement of 100% of the City's light-duty vehicles with electric or carbon-free fuel vehicles by 2050, as well as 50% of the City's heavy-duty and freight trucks.

Finally, a major redevelopment initiative is the creation of a new tax increment financing district for the area directly north of the downtown district, commonly referred to as the North Greenwood area. A series of community meetings were held over the past year to solicit citizen input, culminating in City Council approval of the new Community Redevelopment Agency (CRA) Redevelopment Trust in February 2023. Additionally, City Council has provided \$5 million in ARPA-related funding for the new tax increment district to ensure it gets off to a strong and productive start.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the 43<sup>rd</sup> consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

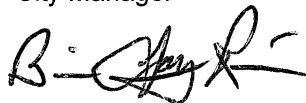
In addition, the City received the GFOA's Distinguished Budget Presentation Award for the fiscal year 2022 Budget document, the 36<sup>th</sup> consecutive year that this award has been received. In order to qualify, the City's Budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device.

We wish to thank the many members of the Citywide Audit Team, which is composed of individuals in the Finance Department and other financial staff throughout the City, for their professionalism and dedication in producing this report. A special thank you goes to Monica Mitchell, Assistant Finance Director, for her leadership in completion of this report. Sincere appreciation is also extended to the City's external auditors, Carr Riggs Ingram, for their advice and assistance in the preparation of this report. Finally, we would like to thank the City Council for their interest, continued support, and leadership in planning and conducting the financial operations of the City in a progressive and responsible manner.

Sincerely,



Jennifer Poirrier  
City Manager



Brian Jay Ravins  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

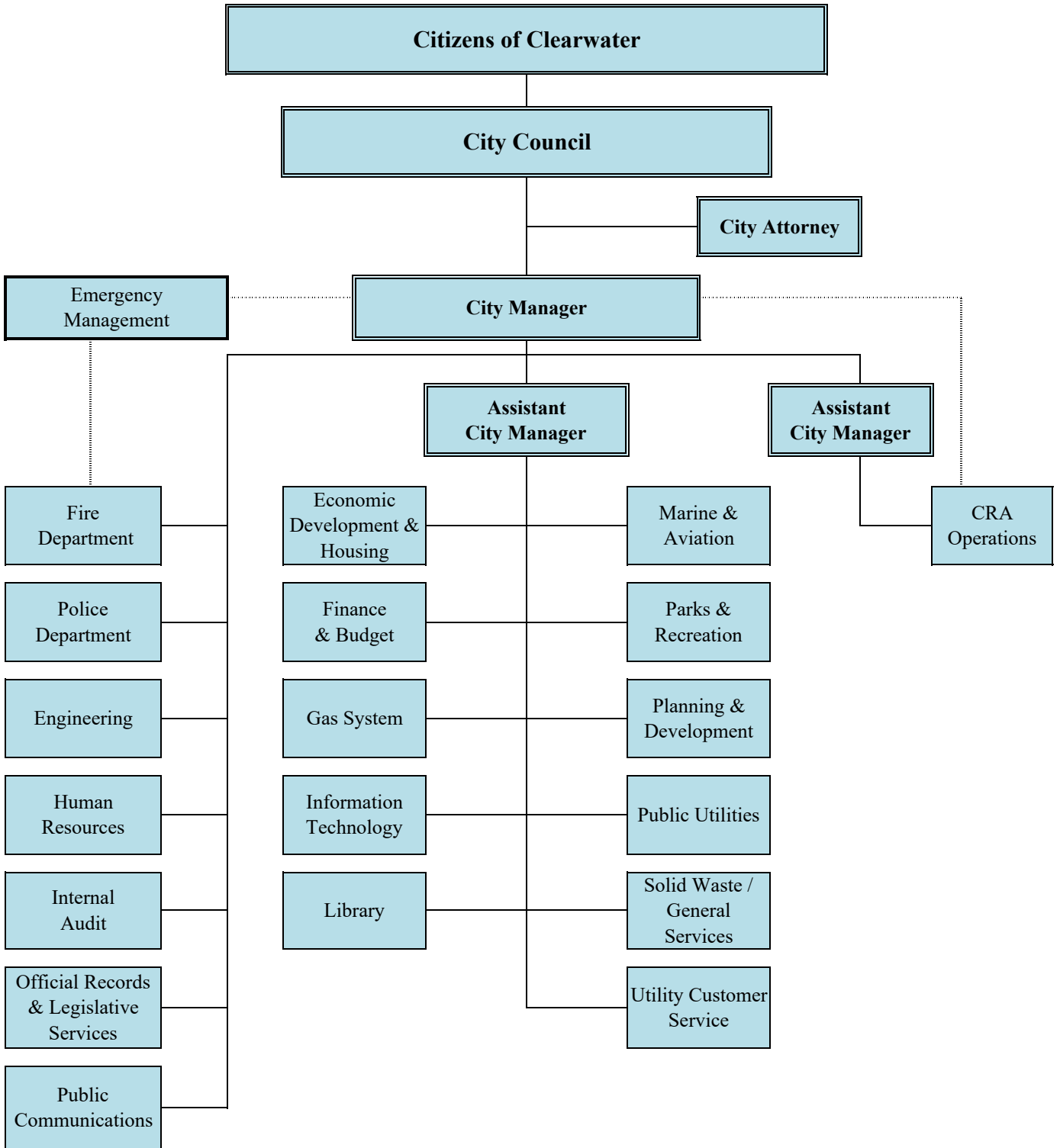
**City of Clearwater  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO





**Carr, Riggs & Ingram, LLC**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and City Council Members  
City of Clearwater, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clearwater, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental funds, nonmajor enterprise funds, internal service funds and fiduciary funds presented as supplementary information in the accompanying combining and individual fund statements as of and for the year ended September 30, 2022, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clearwater, Florida, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Special Development Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each of the nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds of the City of Clearwater, Florida as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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



## **Emphasis of a Matter**

### *Change in Accounting Principle*

As discussed in Note I.F. to the financial statements, in the current year the City of Clearwater, Florida adopted new accounting guidance, GASB No. 87, *Leases*. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, 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.

### ***Supplementary Information***

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

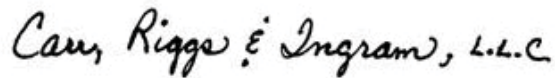
### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2023, 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 "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

April 28, 2023



## Management's Discussion and Analysis

This *Management's Discussion and Analysis* report provides the reader with a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. *Management's Discussion and Analysis (MD&A)* should be read in conjunction with the City's *Transmittal Letter*, which begins on page v of this report.

### Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$1.3 billion (*net position*). Of this amount, \$621.4 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$15.2 million, or 1.2%, from the prior year's net position. Net position for governmental activities increased by \$14.4 million, or 2.3%, while the business-type net position increased by \$749 thousand, or 0.12%.
- Governmental net position increased \$14.4 million in fiscal 2022, versus an increase of \$87.8 million in fiscal 2021. An increase of \$78.1 million in governmental program expenses, most significantly in the public safety, culture and recreation, and transportation programs, offset by an increase in governmental program revenues of \$22.6 million, resulted in an increase in net program expenses of \$55.5 million. Total general revenues for governmental activities decreased by \$16.5 million, or 13.2%, primarily due to a decrease of \$25.2 million in investment earnings due to a decrease in market valuation of the City's investment portfolio due to rising interest rates, offset by a \$3.7 million increase in property taxes, a \$3.3 million increase in sales taxes, and a \$1.1 million increase in state revenue sharing. Transfers from business-type activities decreased \$1.3 million.
- Business-type net position increased \$749 thousand in fiscal 2022, versus an increase of \$35.1 million in fiscal 2021. Net revenue from business-type activities, before investment earnings and transfers, decreased \$5.9 million, or 12.7%, as the result of an increase in program expenses of \$21.6 million, offset by an increase in charges for services of \$13.1 million and an increase in grants and contributions of \$2.6 million. The most significant increase in charges for services was in the Water & Sewer Utility (\$5.6 million), where charges for services increased as a result of a 4% rate increase effective October 1, 2021; the Gas Utility (\$4.3 million) where charges for services increased due to a new rate structure with rate increases effective March 1, 2021 and March 1, 2022; the Solid Waste Utility (\$1.5 million) due to a rate increase of 3.75% effective October 1, 2021; and the Marine Fund (\$1.2 million) due to increased resale revenues resulting from higher fuel costs as well as slip rental increases effective May 2022. General revenues decreased \$29.8 million due to a decrease in market valuation of the City's investment portfolio due to rising interest rates. Transfers to governmental activities decreased \$1.3 million.
- As of September 30, 2022, the City's governmental funds reported combined ending fund balances of \$194.2 million, an increase of \$15.5 million, or 8.7%, in comparison with the prior year. Of this amount, \$58.5 million (or 30.1%) is *available for spending* at the government's discretion (*unassigned fund balance*).
- As of September 30, 2022, unrestricted fund balance (the total of the *committed*, *assigned* and *unassigned* components of *fund balance*) for the general fund was \$58.5 million, or 40.5% of total fiscal 2022 general fund expenditures.
- Total outstanding long-term liabilities increased \$12.7 million from the prior year, primarily due to an increase in bonds payable in the amount of \$16.4 million and an increase in the net pension liability of \$7.0 million, and an increase in the liability for compensated absences of \$320 thousand; offset by a decrease in lease obligations of \$521 thousand, a decrease in claims payable of \$325 thousand, a decrease in financed purchase agreements of \$5.8 million and a decrease in the liability for other postemployment benefits of \$4.5 million.

## Overview of the Financial Statements

This discussion and analysis (MD&A) is intended to serve as an introduction to the City of Clearwater's *basic financial statements*. The City's basic financial statements are comprised of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the financial statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-Wide Financial Statements

The government-wide financial statements are the *statement of net position* and the *statement of activities*. These statements report information about the City as a whole using accounting methods similar to those used by private-sector businesses. Emphasis is placed on the net position of *governmental activities* and *business-type activities*, and the *change in net position*. Governmental activities are principally supported by taxes and intergovernmental revenues. Governmental activities include most of the City's basic services, including police, fire, public works, parks and recreation, and general administration. Business-type activities are intended to recover all or a significant portion of their costs through user fees and charges. The City's water and sewer system, stormwater system, gas system, solid waste and recycling, marine, aviation, Clearwater Harbor Marina, and parking system operations are reported as business-type activities.

- The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the City is improving or deteriorating. Net position is reported in three major categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.
- The *statement of activities* presents information showing how the City's net position changed as a result of the year's activities. All changes in net position are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expense of the City's various programs net of related revenues, as well as a separate presentation of revenues available for general purposes.

The government-wide financial statements include not only the City of Clearwater itself but also the Clearwater Redevelopment Agency (CRA). The CRA, though legally separate, is reported as part of the *primary government* as a *blended* component unit because the City Council serves as the CRA's governing board and City management has operational responsibility for the CRA.

### Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detailed information about the City's major funds – not the City as a whole. *Fund accounting* helps to ensure and demonstrate *compliance* with finance-related legal requirements. Based on restrictions on the use of monies, the City has established many funds that account for the multitude of services provided to residents. These fund financial statements focus on the City's most significant funds: *governmental*, *proprietary*, and *fiduciary*.

**Governmental funds.** *Governmental funds* are used to report most of the City's basic services. These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The funds focus on the *inflows and outflows of current resources* and the *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the

General, Special Development, Special Programs, and Capital Improvement funds, which are considered to be major funds. Data from the other seven governmental funds are combined into a single aggregated columnar presentation. Individual fund data for each of these nonmajor governmental funds is provided in *Combining and Individual Fund Statements and Schedules* section of this report.

Annual appropriated budgets are adopted for the General Fund, the Special Development Special Revenue Fund, and the Community Redevelopment Agency Special Revenue Fund. Budgetary comparison statements and/or schedules have been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found on pages 22-27 of this report.

**Proprietary funds.** The City maintains two different types of 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 the fiscal activities related to water and sewer, gas, solid waste & recycling and stormwater utilities, along with marine, aviation, parking system, and Clearwater Harbor Marina downtown boat slip operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the City's building maintenance, custodial services, self-insurance program, risk management program, employee group insurance, vehicle acquisition and maintenance, and various support activities including data processing, telecommunications, and postal services. All of the City's internal service funds predominantly benefit governmental activities and consequently have been aggregated and included within *governmental activities* in the government-wide financial statements.

*Proprietary funds* 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 Water and Sewer Utility, Gas Utility, Solid Waste & Recycling Utility, and Stormwater Utility enterprise funds, which are considered to be *major* funds of the City. The remaining four *non-major* enterprise funds are combined into a single aggregated presentation in the proprietary fund financial statements. Similarly, governmental activity *internal service* funds are aggregated into a single presentation. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the form of *combining statements* in the supplementary information section of this report.

The basic proprietary fund financial statements can be found on pages 28-39 of this report.

**Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the fiduciary funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The City of Clearwater maintains two different types of fiduciary funds. *Pension trust funds* are used to report resources held in trust for retirees and beneficiaries covered by the City's pension plans. A *custodial fund* is used to report resources held by the City in a custodial capacity for individuals, private organizations and other governments, such as the Clearwater Downtown Development Board.

The fiduciary fund statements can be found on pages 40-41 of this report.

## Notes to the Financial Statements

The *notes to the financial statements* provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements, including the City's progress in funding its obligations to provide pension benefits and other post-employment benefits to its employees.

The notes to the financial statements can be found on pages 44-112 of this report.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligations to provide pension benefits and other post-employment benefits to its employees.

Required supplementary information can be found on pages 113-119 of this report.

The *combining statements* referred to earlier in connection with non-major governmental funds, non-major enterprise funds, and internal service funds, are presented immediately following the required supplementary information.

Combining and individual fund statements can be found on pages 124-143 of this report.

## Government-Wide Financial Analysis

The total net position of the City increased in both fiscal 2021 and fiscal 2022. As noted earlier, *net position* may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1.3 billion at the close of the fiscal year ended September 30, 2022. This represents an increase of \$15.2 million from the September 30, 2021 total net position of \$1.3 billion. The City reports positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities, for both the current year and the prior year, as indicated in the following table:

<b>City of Clearwater, Florida - Net Position</b>						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$305,916,983	\$534,164,114	\$367,906,428	\$389,951,851	\$ 673,823,411	\$ 924,115,965
Capital and right to use assets	336,840,569	301,221,878	422,821,587	435,181,441	759,662,156	736,403,319
Total assets	<u>642,757,552</u>	<u>835,385,992</u>	<u>790,728,015</u>	<u>825,133,292</u>	<u>1,433,485,567</u>	<u>1,660,519,284</u>
<b>Deferred Outflows of Resources</b>						
	126,021,377	19,282,621	25,026,691	12,305,934	151,048,068	31,588,555
<b>Liabilities</b>						
Current and other liabilities	20,633,840	24,681,069	32,440,255	23,710,370	53,074,095	48,391,439
Long-term debt outstanding:						
Due within one year	16,246,953	14,631,732	2,925,032	7,835,406	19,171,985	22,467,138
Due in more than one year	69,101,852	40,652,449	144,022,024	159,099,549	213,123,876	199,751,998
Total liabilities	<u>105,982,645</u>	<u>79,965,250</u>	<u>179,387,311</u>	<u>190,645,325</u>	<u>285,369,956</u>	<u>270,610,575</u>
<b>Deferred Inflows of Resources</b>						
	21,215,210	147,538,435	10,173,276	21,349,200	31,388,486	168,887,635
<b>Net position</b>						
Net investment in capital assets	296,598,838	283,538,240	284,557,636	285,263,520	581,156,474	568,801,760
Restricted	53,555,294	295,043,664	11,607,679	48,861,477	65,162,973	343,905,141
Unrestricted	291,426,942	48,583,024	330,028,804	291,319,704	621,455,746	339,902,728
Total net position	<u>\$641,581,074</u>	<u>\$627,164,928</u>	<u>\$626,194,119</u>	<u>\$625,444,701</u>	<u>\$ 1,267,775,193</u>	<u>\$ 1,252,609,629</u>

A large portion of the City's net position (\$581.2 million or 45.8%) represents its net investment in capital assets (e.g., land, infrastructure, land improvements, buildings, and equipment, less any related outstanding debt used to acquire those assets). The City uses these capital assets to provide services to citizens, and 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 resources, since the capital assets themselves will not be used to liquidate these liabilities.

There was an increase of \$13.1 million (4.6%) in *net investment in capital assets* for *governmental activities* versus the previous year. The increase was due to a net increase of \$35.6 million in governmental capital and right to use assets for the current fiscal year, offset by an increase in related bonds payable of \$24.9 million net of unspent bond proceeds, an increase of \$1.7 million in accounts and contracts payable, a decrease of \$521 thousand in lease obligations, and a decrease of \$5.4 million in financed purchase agreements. The increase in governmental capital and right to use assets of \$35.6 million resulted from capital asset additions of \$57.9 million offset by depreciation expense of \$22.8 million, and

net capital asset retirements of \$850 thousand, in addition to a decrease in right to use assets of \$486 thousand, net of accumulated amortization.

*Net investment in capital assets for business-type activities* decreased by \$706 thousand (0.25%) versus the previous year due to a net decrease in business-type capital assets of \$12.3 million consisting of \$21.2 million of net capital asset additions, offset by \$23.1 million in current year depreciation expense, and net capital asset retirements of \$10.4 million, offset by an increase of \$2.0 million in accounts and contracts payable, and a decrease of \$13.6 million in related debt.

An additional portion of the City's net position (\$65.2 million or 5.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$621.4 million or 49.0%) may be used to meet the government's ongoing obligations to citizens and creditors.

## Changes in Net Position

The following table reflects the changes in net position for the years ended September 30, 2022, and September 30, 2021:

City of Clearwater, Florida - Changes in Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 50,827,327	\$ 46,394,836	\$ 217,723,842	\$ 204,663,545	\$ 268,551,169	\$ 251,058,381
Operating grants and contributions	31,434,799	12,539,474	83,528	83,232	31,518,327	12,622,706
Capital grants and contributions	1,821,315	2,595,410	5,182,740	2,545,672	7,004,055	5,141,082
General revenues:						
Property taxes	76,820,577	73,092,866	-	-	76,820,577	73,092,866
Sales taxes	26,167,426	22,841,758	-	-	26,167,426	22,841,758
Utility taxes	18,467,096	17,745,583	-	-	18,467,096	17,745,583
Communications services taxes	4,190,145	4,174,817	-	-	4,190,145	4,174,817
Local business tax	2,066,475	2,127,380	-	-	2,066,475	2,127,380
Local option gas tax	1,460,864	1,438,852	-	-	1,460,864	1,438,852
State revenue sharing	5,339,006	4,274,388	-	-	5,339,006	4,274,388
Other	(25,707,547)	(337,667)	(30,792,608)	(993,609)	(56,500,155)	(1,331,276)
Total revenues	192,887,483	186,887,697	192,197,502	206,298,840	385,084,985	393,186,537
<b>Expenses</b>						
General Government	14,809,908	12,019,799	-	-	14,809,908	12,019,799
Public Safety	96,123,391	37,948,749	-	-	96,123,391	37,948,749
Physical Environment	4,245,215	3,077,088	-	-	4,245,215	3,077,088
Transportation	18,496,930	12,246,726	-	-	18,496,930	12,246,726
Economic Environment	4,860,554	4,544,782	-	-	4,860,554	4,544,782
Human Services	745,854	504,873	-	-	745,854	504,873
Culture and Recreation	47,191,882	38,751,718	-	-	47,191,882	38,751,718
Interest on Long-term Debt	1,214,810	528,347	-	-	1,214,810	528,347
Water and Sewer Utility	-	-	88,560,740	72,634,192	88,560,740	72,634,192
Gas Utility	-	-	43,643,399	37,232,595	43,643,399	37,232,595
Solid Waste Utility	-	-	22,090,198	22,061,698	22,090,198	22,061,698
Stormwater Utility	-	-	11,874,808	13,383,590	11,874,808	13,383,590
Recycling Utility	-	-	3,163,881	3,282,369	3,163,881	3,282,369
Other	-	-	12,897,851	12,023,913	12,897,851	12,023,913
Total expenses	187,688,544	109,622,082	182,230,877	160,618,357	369,919,421	270,240,439
Increase in net position before transfers	5,198,939	77,265,615	9,966,625	45,680,483	15,165,564	122,946,098
Transfers	9,217,207	10,543,235	(9,217,207)	(10,543,235)	-	-
Increase in net position	14,416,146	87,808,850	749,418	35,137,248	15,165,564	122,946,098
Net position - beginning	627,164,928	539,356,078	625,444,701	590,307,453	1,252,609,629	1,129,663,531
Total net position - ending	\$ 641,581,074	\$ 627,164,928	\$ 626,194,119	\$ 625,444,701	\$ 1,267,775,193	\$ 1,252,609,629



## Governmental Activities

*Net position of governmental activities* increased by \$14.4 million from \$627.2 million to \$641.6 million as of September 30, 2022. This represents a 2.3% increase in net position for governmental activities.

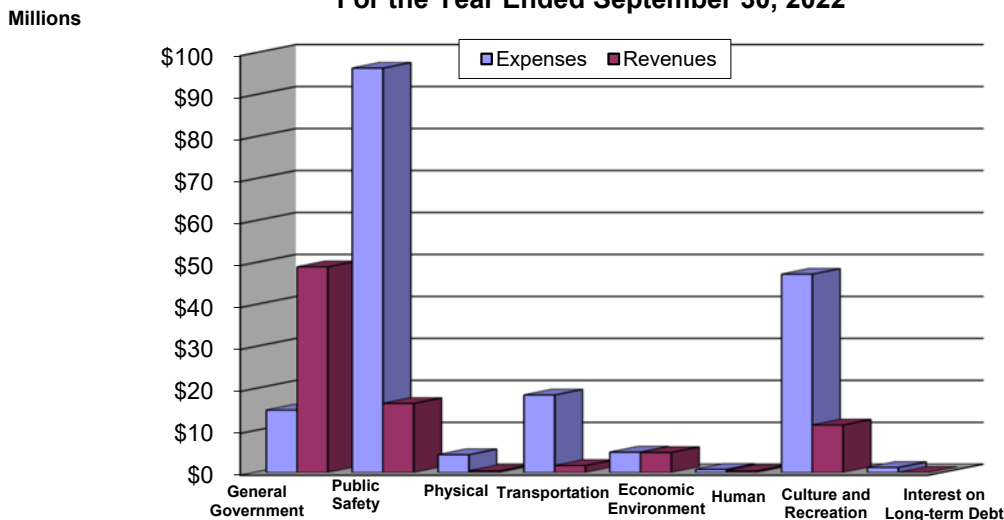
Total expenses for governmental activities increased by \$78.1 million, or 71.2%, versus the prior year. Although increases were budgeted in every program due to rising personnel and operating costs, the most significant increases were experienced in the public safety program (\$58.2 million), the culture and recreation program (\$8.4 million) and the transportation program (\$6.3 million), largely due to a large increase in the net pension asset and related decrease in pension expense during fiscal 2021, and subsequent elimination of the net pension asset in fiscal year 2022 due to investment losses resulting from the investment market downturn.

Total program revenues for governmental activities increased by \$22.6 million, or 36.7%, versus the prior year. This increase was due to a \$4.4 million increase in charges for services and an increase in operating grants and contributions of \$18.9 million, offset by a decrease of \$774 thousand in capital grants and contributions. The increase in operating grants and contributions is primarily due to an increase in the general government program of \$19.0 million resulting from the recognition of \$22.5 million in Coronavirus State and Local Fiscal Recovery Funds (SLFRF) authorized by the American Rescue Plan Act (ARPA), offset by a decrease of \$3.0 million in the public safety program due to one-time grants received in fiscal 2021 from Pinellas County for CARES Act funding (\$2.0 million) as well as reimbursements from FEMA of \$1.3 million for Hurricane Irma.

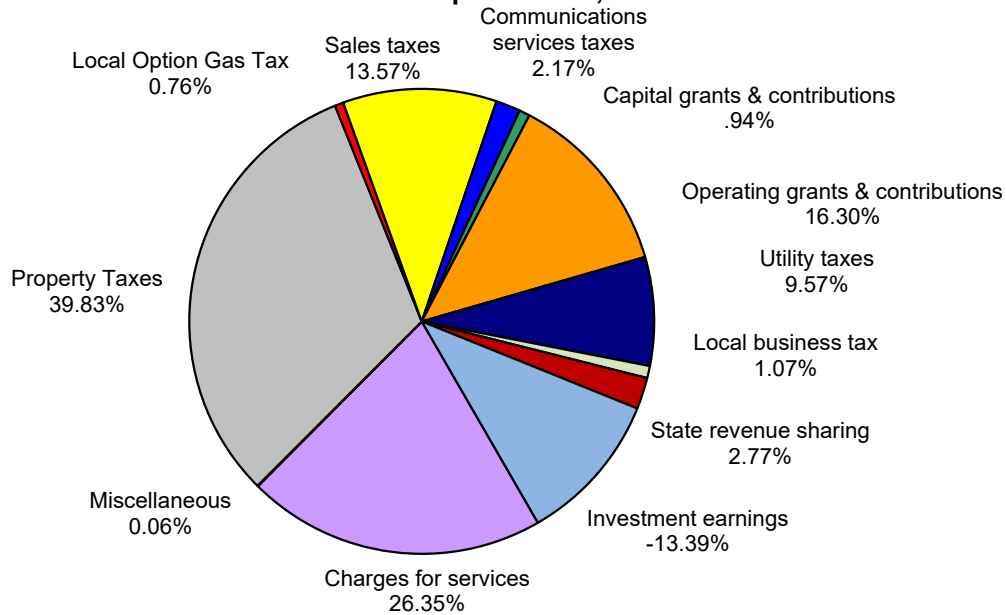
Total general revenues for governmental activities decreased by \$16.6 million, or 13.2%, primarily due to a decrease of \$25.2 million in investment earnings due to a decrease in market valuation of the City's investment portfolio resulting from rising interest rates, offset by a \$3.7 million increase in property taxes, a \$3.3 million increase in sales taxes, and a \$1.1 million increase in state revenue sharing. Because the millage rate did not change from the previous year, the increase in property taxes is due to an increase in taxable property values of approximately 5.2%, including new construction. The bulk of the increase is due to increases in current values, while new construction and annexations account for a smaller portion of the increase. Transfers from business-type activities decreased \$1.3 million.

The cost of all governmental activities this year was \$187.7 million. This reflects an increase of \$78.1 million, or 71.2%, from the fiscal 2021 total of \$109.6 million. However, as shown on the *Statement of Activities*, the amount that the City's taxpayers ultimately financed for fiscal 2022 activities totaled \$103.6 million, because some of the cost was paid for by those who directly benefited from the programs (\$50.8 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$33.3 million). This total of \$103.6 million is \$55.5 million, or 115.4%, greater than the fiscal 2021 amount financed from general revenues. A large contributor to this increase was decreased fiscal 2021 pension expense due to a large increase in the net pension asset, along with fiscal 2022 elimination of the net pension asset, and increases in salaries and benefits for governmental operations City-wide.

**Expenses and Program Revenues - Governmental Activities  
For the Year Ended September 30, 2022**



**Revenues by Sources - Governmental Activities  
For the Year Ended September 30, 2022**



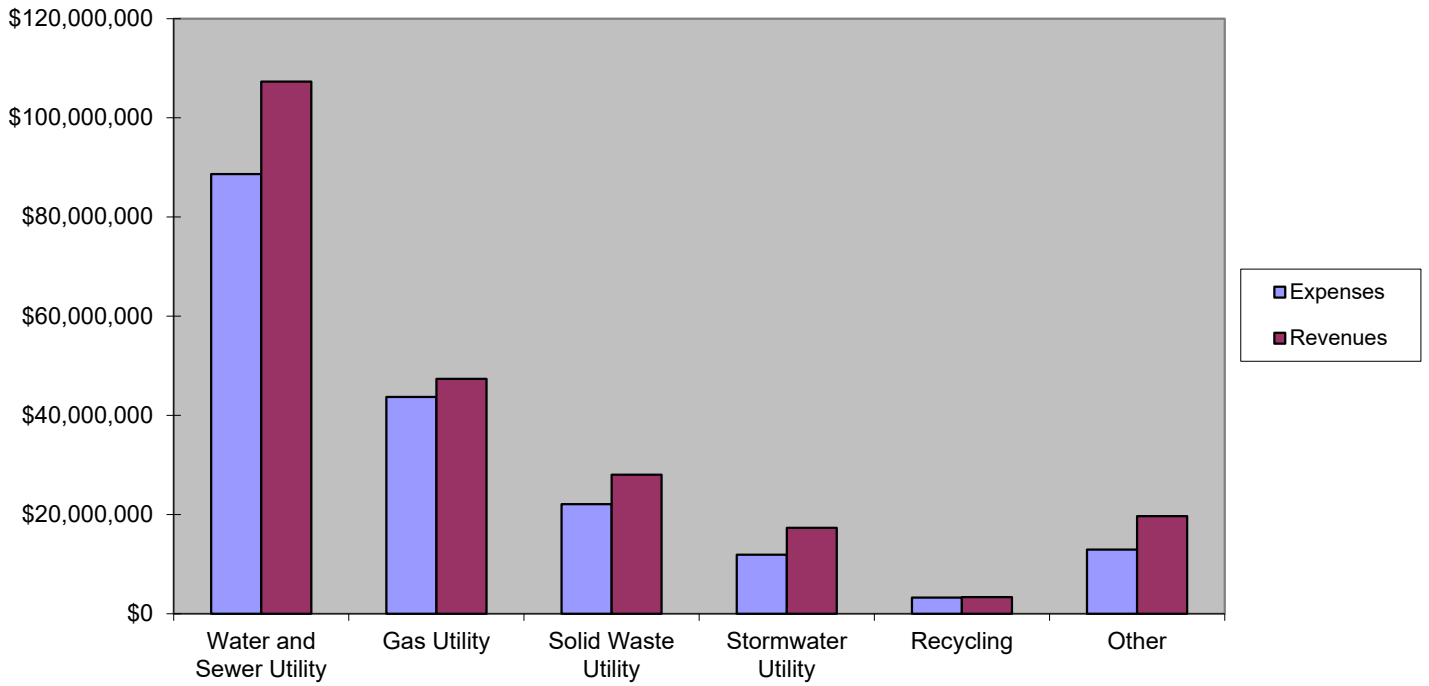
**Business-type Activities**

*Net position for business-type activities* increased by \$749 thousand, from \$625.44 million at September 30, 2021, to \$626.19 million as of September 30, 2022. This represents an increase of 0.12% in net position for business-type activities. Net revenue from business-type activities, before investment earnings and transfers, decreased from \$46.7 million for the prior year to \$40.8 million for fiscal 2022. This \$5.9 million, or 12.7%, decrease was primarily the result of an increase in program expenses of \$21.6 million, partially offset by an increase in charges for services of \$13.1 million and an increase in grants and contributions of \$2.6 million.

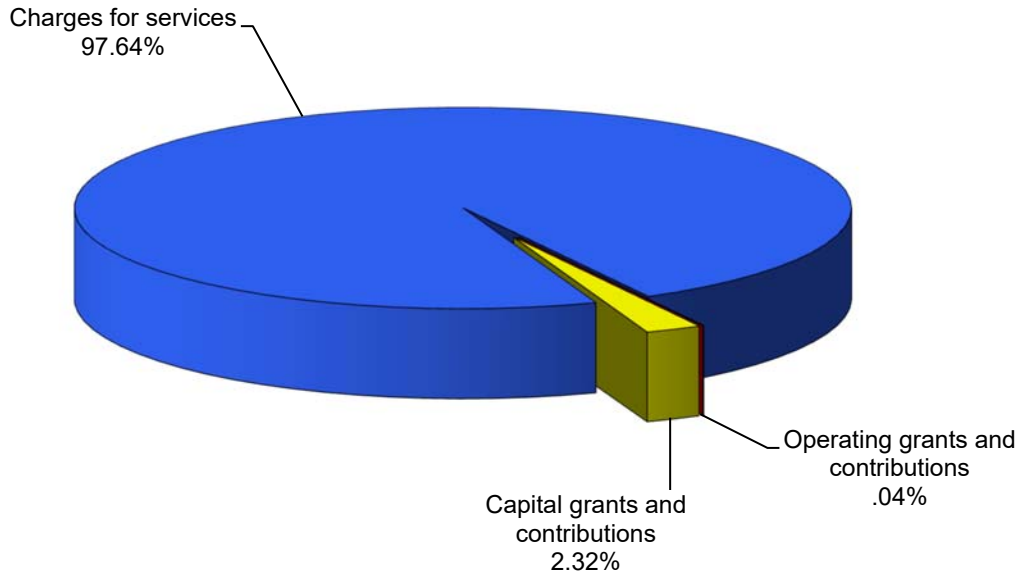
Total program revenues for business-type activities increased by \$15.7 million, or 7.6%, to \$223.0 million versus the prior year total of \$207.3 million, due primarily to an increase of \$13.1 million (6.4%) in charges for services primarily due to scheduled rate increases in the Water and Sewer, Gas, and Solid Waste Utility funds, and an increase of \$2.6 million (100.3%) in capital grants and contributions, primarily due to an increase in contributions from the City of Safety Harbor for improvements at the Northeast Wastewater Treatment Plant in the Water and Sewer Utility (\$3.2 million), offset by a decrease in funding from the Florida Department of Transportation for the Hangar C Replacement project at the Clearwater Airpark in the Aviation Fund (\$441 thousand) as a result of project completion in fiscal 2022.

Total expenses for business-type activities increased by \$18.4 million, or 11.5%, from \$160.6 million in fiscal 2021 to \$179.0 million for fiscal 2022. The most significant increases are in the Water & Sewer Utility (\$15.2 million), the Gas Utility (\$6.1 million) and the Marine Fund (\$1.6 million), offset by a decrease of \$1.8 million in the Stormwater Utility. A significant contributor to the increases was a prior year large increase in the net pension asset, and related decrease in pension expense, versus an elimination of the net pension asset in fiscal 2022 due to the investment market downturn. Transfers to governmental activities decreased \$1.3 million, or 12.6%.

**Expenses and Program Revenue - Business-type Activities  
For the Year Ended September 30, 2022**



**Revenues by Source - Business-type Activities  
For the Year Ended September 30, 2022**



## Financial Analysis of the City's Funds

As noted earlier, the City uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The City reports the General Fund, Special Development Fund, Special Programs Fund, and Capital Improvement Fund as *major* governmental funds.

The City's governmental funds for the year ended September 30, 2022, reflect a combined *fund balance* of \$194.2 million versus \$178.6 million for the prior year, an increase of \$15.5 million. A total of \$58.5 million, or 30.11%, represents *unassigned fund balance* available for spending at the government's discretion. The remainder of the fund balance is classified as *assigned* (\$1.3 million or 0.69%) to indicate that it is intended to be used for specific purposes supported by management's intent; *committed* (\$45.8 million or 23.59%) to indicate that it can be used only for the specific purposes determined by a formal vote of the City Council; *restricted* (\$88.5 million or 45.56%) to indicate that it can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation; or *nonspendable* (\$84 thousand or 0.04%) to indicate that it cannot be spent or is legally or contractually required to remain intact.

The General Fund is the chief operating fund of the City. Fund balance decreased from \$68.4 million to \$59.3 million, a decrease of \$9.1 million or 13.4% during the current fiscal year versus an increase of \$19.1 million for fiscal 2021. Expenditures increased \$9.3 million (6.9%) due to budgeted increases in every department due to rising personnel and operating costs, while total revenues increased by \$104 thousand (0.07%). A decrease in investment earnings of \$9.5 million resulting from a decrease in market valuation of the City's investment portfolio due to rising interest rates was largely offset by an increase in taxes primarily due to an increase in taxable property values of approximately 5.2%, including new construction; an increase in intergovernmental revenues of \$2.6 million primarily due to increases in half-cent sales tax of \$1.0 million, state revenue sharing of \$1.1 million, and funding for public safety pensions of \$375 thousand; an increase of \$754 thousand in licenses and permits due to increased building activity; and an increase of \$878 thousand in charges for services representing the first increase since 2019 pre-COVID activity. Transfers in increased \$21.2 million primarily due to a transfer of \$22.5 million from the Special Programs Fund to recognize ARPA funding, while transfers out increased \$41.5 million. In addition to \$20.1 million transferred back to the Special Programs Fund and to the Capital Improvement Fund for ARPA-designated initiatives, additional significant transfers out include \$7.4 million to the Capital Improvement Fund for the New City Hall project, \$2.8 million to the Capital Improvement Fund for the Fire Station 46 project, \$2.3 million to the Clearwater Harbor Marina Fund for the Clearwater Harbor Marina Replacement & Upgrade project, \$1.0 million to the Capital Improvement Fund for the Traffic Signals project, \$700 thousand to the Capital Improvement Fund for the Athletic Field Structures project, \$700 thousand to the Administrative Services Fund for the Citywide Connectivity project, \$610,000 to the Capital Improvement Fund for the City Hall Demo project, and \$600 thousand to the Capital Improvement Fund for the Clearwater Municipal Cemetery Renovations project.

The fund balance of the Special Development Fund increased from \$14.3 million to \$16.3 million, an increase of \$2.0 million or 14.3%, during the current fiscal year versus an increase of \$2.7 million for fiscal 2021. Total revenues decreased by \$1.5 million, primarily due to decrease in investment earnings of \$4.4 million resulting from a decrease in market valuation of the City's investment portfolio due to rising interest rates, offset by an increase in infrastructure sales taxes of \$2.3 million due to a rebounding economy, and an increase in licenses, permits and fees of \$400 thousand due to increased building activity. Transfers out decreased by \$856 thousand primarily due to a decrease in transfers to the Capital Improvement Fund to fund projects.

Fund balance in the Special Programs Fund increased from \$17.2 million to \$25.3 million, an increase of \$8.1 million or 47.3% during the current fiscal year versus an increase of \$2.8 million for fiscal 2021. Revenues increased \$17.1 million, or 256.6%, primarily in the intergovernmental revenue category, due to the recognition of \$22.5 million in Coronavirus State and Local Fiscal Recovery Funds (SLFRF) authorized by the American Rescue Plan Act (ARPA), offset by a decrease of \$2.7 million in investment earnings due to decrease in market value of the City's investment portfolio resulting from rising interest rates. Expenditures increased \$855 thousand, primarily in the public safety program due to increased expenditures in law enforcement programs. Transfers in increased \$11.2 million, primarily due to ARPA funding received

from the General Fund for various programs. Transfers out increased \$22.1 million, primarily due to ARPA funds initially allocated to General Fund government operations as revenue recovery.

The fund balance for the Capital Improvement Fund increased from \$67.5 million to \$79.3 million during the current fiscal year. This increase of \$11.8 million is primarily the result of current year funding received from other funds in excess of capital project expenditures. This is typical volatility for the Capital Improvement Fund due to timing differences between project funding and project spending.

The fund balances for Other (non-major) Governmental Funds posted an increase of \$2.7 million (from \$11.3 million to \$14.0 million) during the current fiscal year.

## **Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City reports the Water and Sewer Utility Fund, the Gas Utility Fund, the Solid Waste & Recycling Utility Fund, and the Stormwater Utility Fund as major funds.

The Water and Sewer Utility Fund realized a \$2.9 million decrease in net position versus a \$23.6 million increase for the prior year. Operating revenues increased by \$5.6 million, or 5.8%, while operating expenses increased \$16.1 million, or 24.0%. This resulted in a net decrease in operating income of \$10.5 million from \$29.7 million in fiscal 2021 to \$19.2 million in 2022. Additionally, capital grants and contributions increased by \$3.2 million, or 185.6%, primarily due to an increase in contributions from the City of Safety Harbor for improvements at the Northeast Wastewater Treatment Plant, while investment earnings decreased by \$16.5 million (3421.2%) due to a decrease in market valuation of the City's investment portfolio resulting from rising interest rates. The increase in operating revenues was primarily the result of a 4.0% rate increase effective October 1, 2021. The most significant increases in operating expenses were in professional services (\$5.6 million) primarily due to the reclassification of abandoned projects from construction in progress to expense, repairs and maintenance (\$9.0 million) due to increased repair and replacement projects, and insurance premiums (\$570 thousand) due to increased chargebacks by the Central Insurance Fund due to increased excess insurance premiums and claims history.

The Gas Utility Fund realized a decrease of \$295 thousand in net position versus a \$2.9 million increase for the prior year. Operating revenues increased by \$4.3 million, or 10.0%, from the prior year, while operating expenses increased by \$6.4 million (17.6%). This resulted in a net decrease in operating income of \$2.1 million from \$6.5 million in 2021 to \$4.4 million in 2022. Operating revenues increased primarily due to an increase of \$4.9 million in charges for services resulting from a new rate structure with rate increases effective March 1, 2021 and March 1, 2022. The increase in operating expenses was primarily due to an increase in purchases for resale of \$6.4 million resulting from increased natural gas commodity prices.

The Solid Waste & Recycling Utility Fund realized a \$2.2 million increase in net position versus a \$3.9 increase in the prior year. Operating revenues increased by \$1.7 million, or 5.9%, while operating expenses decreased by \$15 thousand (0.06%), resulting in an increase of \$1.7 million in operating income. The increase in operating revenues was primarily due to a rate increase of 3.75% effective October 1, 2021, as well as an increase in commercial collections. Operating expenses remained fairly flat with a decrease of \$15 thousand.

The Stormwater Utility Fund realized a decrease in net position of \$75 thousand versus a prior year increase of \$2.7 million. Operating revenues increased by \$52 thousand, or 0.30%, and operating expenses decreased \$1.4 million, or 11.8%, resulting in an increase of \$1.5 million in operating income. Operating revenues were fairly flat with an increase of \$52 thousand. There were no rate changes in fiscal 2022. Operating expenses decreased primarily due to a decrease of \$204 thousand in interfund service charges, a decrease of \$378 thousand in personal services, and a decrease of \$804 thousand in repairs and maintenance due to a reduction in repair and replacement projects.



Unrestricted net position and changes in net position of the proprietary funds for fiscal years 2022 and 2021:

Fund	Unrestricted Net Position		Change in Net Position	
	2022	2021	2022	2021
Water and Sewer Utility	\$ 171,595,982	\$ 157,804,554	\$ (2,903,563)	\$ 23,555,488
Gas Utility	28,738,358	24,561,180	(294,961)	2,921,159
Solid Waste & Recycling Utility	41,697,518	31,235,987	2,188,313	3,890,438
Stormwater Utility	40,889,102	45,035,614	(75,369)	2,667,067
Other funds	48,464,070	30,843,736	5,029,857	5,615,523
Totals	\$ 331,385,030	\$ 289,481,071	\$ 3,944,277	\$ 38,649,675

## General Fund Budgetary Highlights

The final amended budget for General Fund expenditures reflected a net increase of \$664,328, or 0.45%, from the original budget. Key elements of this increase were as follows:

- First Quarter Budget Amendments included an increase of \$3,786 for employee recognition in various departments for the quarterly safety award; an increase of \$139,700 in the City Attorney's Office to cover unbudgeted personnel expenses due to the retirement and replacement of the City Attorney; an increase of \$115,000 in CRA Administration to fund a new Assistant Director position; an increase of \$241,980 in Human Resources for cultural assessment consulting services; a decrease of \$167,750 in Police Department salaries to fund overtime for special events in the Special Programs Fund; and a decrease of \$53,314 in Police Department contractual services to fund the Police Body Worn Camera program in the Special Programs Fund.
- Mid-Year Budget Amendments included an increase of \$50,000 in Economic Development and Housing for consulting services; a decrease of \$18,691 in Parks & Recreation to fund the Crest Lake Park Improvement project in the Capital Improvement Fund; an increase of \$400,000 in Planning & Development for building inspections and plans review; and an increase of \$30,063 in the Police Department for refurbishment of command vehicles.
- Third Quarter Budget Amendments included an increase to the Fire Department of \$398,032 for the Fire Supplemental Pension Plan; a decrease of \$600,000 in Parks & Recreation to fund the Clearwater Municipal Cemetery Renovations project in the Capital Improvement Fund; and an increase to the Police Department of \$125,522 for the Police Supplemental Pension Plan.

Final budgeted revenues reflect a net increase of \$9,598,000, or 6.3%, from the original budget primarily due to:

- First Quarter Budget Amendments included an increase of \$139,700 in Intergovernmental revenue to bring the budget in line with actual state revenue sharing received from the state.
- Mid-Year Budget Amendments included an increase of \$400,000 in other permits and fees to reflect an increase in building and sign permit revenues collected.
- Third Quarter Budget Amendments included an increase of \$535,496 in Ad Valorem Taxes to reflect actual property tax collections to date; an increase of \$480,000 in Utility Taxes to bring the budget in line with anticipated receipts for the year; an increase of \$75,000 in Local Option, Fuel and Other Taxes to bring the budget in line with actual business tax receipts for the year; an increase of \$742,450 in Franchise Fees to bring the budget in line with anticipated receipts for the year; an increase of \$1,070,000 in Other Permits and Fees to bring the budget in line with anticipated building and sign permit receipts for the year; an increase of \$3,999,854 in Intergovernmental revenue to include an increase of \$1,226,300 to state revenue sharing, and increase of \$1,710,000 to local half cent sales tax, an increase of \$523,554 to public safety supplemental pension revenue, an increase of \$240,000 to fire tax and an increase of \$300,000 to EMS tax; an increase of \$400,000 in Charges for Services to reflect increases in Pier 60 revenues; and an increase of \$1,755,500 in Miscellaneous revenue to include \$200,000 to interest earnings, \$950,000 to beach rental contracts, and \$605,500 to surplus land sales to recognize the proceeds from the sale of the Range Road property.

Final budgeted “transfers in” from other funds reflect an increase of \$22,332,742 or 198.1%, from the original budget primarily due to:

- A transfer of \$3,786 from the Central Insurance Fund to recognize safety award funding; and
- A transfer of \$115,000 from the Community Redevelopment Agency to fund a new Assistant Director position;
- A transfer of \$30,063 from the Capital Improvement Fund to return unspent funds from the Command Bus Refurbishment project;
- A transfer of \$22,483,893 from the Special Programs Fund to recognize ARPA funding; and
- A decrease of \$300,000 from the Gas Utility Fund to bring revenues in line with actual gas dividends received.

Final budgeted “transfers out” reflect an increase of \$38,134,449 or 236.8%, from the original budget primarily due to:

- A transfer of \$167,750 to the Special Programs Fund for overtime expenses in the Special Events program;
- A transfer of \$53,314 to the Special Programs Fund for the Police Body Worn Camera program;
- A transfer of \$400,000 to the Capital Improvement Fund for the Sailing Center Dock Replacement project;
- A transfer of \$300,000 to the Capital Improvement Fund for the Greenprint Implementation project;
- A transfer of \$2,800,000 to the Capital Improvement Fund for the Fire Station 46 project;
- A transfer of \$18,690 to the Capital Improvement Fund for the Crest Lake Park Improvement project;
- A transfer of \$2,289,695 to the Clearwater Harbor Marina Fund for the Clearwater Harbor Marina Replacement & Upgrade project;
- A transfer of \$7,350,000 to the Capital Improvement Fund for the New City Hall project;
- A transfer of \$600,000 to the Capital Improvement Fund for the Clearwater Municipal Cemetery Renovations project;
- A transfer of \$370,000 to the Debt Service Fund for initial Imagine Clearwater bond payments;
- A transfer of \$5,000,000 to the Special Programs Fund for the ARPA North Greenwood CRA program;
- A transfer of \$3,500,000 to the Administrative Services Fund for the ARPA Fiber Upgrades project;
- A transfer of \$3,300,000 to the Special Programs Fund for the ARPA Affordable Housing program;
- A transfer of \$2,000,000 to the Capital Improvement Fund for the ARPA Streets and Sidewalks project;
- A transfer of \$2,000,000 to the Capital Improvement Fund for the ARPA Solar Panels project;
- A transfer of \$1,000,000 to the Special Programs Fund for the ARPA Pinellas Community Foundation program;
- A transfer of \$1,000,000 to the Special Programs Fund for the ARPA Non-Profit Grants program;
- A transfer of \$1,000,000 to the Special Programs Fund for the ARPA Education Grants and Partnerships program;
- A transfer of \$700,000 to the Capital Improvement Fund for the ARPA State Street Park Improvements project;
- A transfer of \$625,000 to the Capital Improvement Fund for the Main Library Renovation project;
- A transfer of \$610,000 to the Capital Improvement Fund for the City Hall Demo project;
- A transfer of \$700,000 to the Capital Improvement Fund for the Athletic Field Structures project at Sid Lickton and Countryside little league fields;
- A transfer of \$200,000 to the Capital Improvement Fund for the Public Works Complex project to fund temporary office buildings;
- A transfer of \$200,000 to the Capital Improvement Fund for the Neighborhood Reinvestment Fund project for placemaking and neighborhood engagement;
- A transfer of \$1,000,000 to the Capital Improvement Fund for the Traffic Signals project to fund signal integrations with the County’s Intelligent Transportation Systems (ITS);
- A transfer of \$700,000 to the Administrative Services Fund for the Citywide Connectivity project to fund scheduled buildout of the City’s fiber network; and
- A transfer of \$250,000 to the Administrative Services Fund for the Business Process Review & Improvement project to fund the evaluation of business processes and innovative solutions.

Total actual revenues for the General Fund for fiscal 2022 were \$8.1 million, or 5.0%, less than final budgeted revenues. The most significant shortfall was a \$10.4 million investment loss due to depreciation in the fair value of investments resulting from rising interest rates, offset by excesses of \$717 thousand in utility taxes, \$381 thousand in licenses, permits and fees, \$622 thousand in intergovernmental revenues, and \$589 thousand in miscellaneous revenues.

Fiscal 2022 actual expenditures for the General Fund were \$4.9 million (3.3%) less than final budgeted expenditures, primarily due to budget savings across most City departments for fiscal 2022.

## Capital and Right to Use Asset and Debt Administration

### Capital and Right to Use Assets

*Capital assets* include land, buildings and building improvements, improvements other than buildings, machinery and equipment, and infrastructure. The infrastructure asset category includes long-lived capital assets, typically stationary in nature, such as roads, sidewalks, and bridges. *Right to use assets* include buildings and machinery and equipment accounted for in accordance with GASB Statement No. 87, *Leases*, implemented in fiscal 2022. As of September 30, 2022, the City reported capital assets and right to use assets totaling \$759,662,156 (net of accumulated depreciation and amortization).

**City of Clearwater, Florida - Capital and Right to Use Assets\***  
(amounts in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital assets:						
Land	\$ 92,467	\$ 92,281	\$ 30,599	\$ 30,829	\$ 123,066	\$ 123,110
Buildings	81,694	84,953	58,714	69,535	140,408	154,488
Improvements other than buildings	30,651	24,152	301,998	315,053	332,649	339,205
Machinery and equipment	24,715	31,308	7,547	8,571	32,262	39,879
Infrastructure	36,999	41,347	-	-	36,999	41,347
Construction in progress	68,923	27,181	23,964	11,193	92,887	38,374
Total capital assets, net	335,449	301,222	422,822	435,181	758,271	736,403
Right to use assets:						
Leased buildings	579	973	-	-	579	-
Lease machinery and equipment	812	904	-	-	812	-
Total right to use assets, net	1,391	1,877	-	-	1,391	-
Total capital and right to use assets, net	\$ 336,840	\$ 303,099	\$ 422,822	\$ 435,181	\$ 759,662	\$ 736,403

\* Net of accumulated depreciation and amortization

Net capital and right to use assets for the City's *governmental activities* increased from \$303.1 million (as restated) to \$336.8 million, reflecting an increase of \$33.7 million for the current fiscal year. Capital asset additions of \$57.9 million were offset by depreciation expense of \$22.8 million, and net capital asset retirements totaling approximately \$850 thousand. Right to use assets decreased \$486 thousand, net of accumulated amortization, with the implementation of GASB Statement No. 87 in fiscal 2022. Major fiscal 2022 completed governmental capital projects include \$6.7 million for Crest Lake Park Improvements, \$786 thousand for sound mitigation panels at the police firearms training range, and \$552 thousand for the Belmont Park Revitalization project.

Net capital assets for the City's *business-type activities* decreased from \$435.2 million to \$422.8 million, reflecting a decrease of \$12.3 million for the current fiscal year. Capital asset additions of \$21.2 million were offset by depreciation expense of \$23.1million, and net capital asset retirements totaling \$10.4 million. Major fiscal 2022 completed business-type capital projects include \$1.3 million for the replacement of Hangar C at the airpark and \$572 thousand for the completion of a shed and dumpster pads at the Clearwater Gas Complex.

Additional information on the City's capital assets can be found in Note III (C), and information on right to use assets can be found in Note III (D) of the notes to the financial statements.

## Long-term debt and other long-term liabilities

The City's total long-term liabilities increased from \$224.1 million to \$236.8 million, an increase of \$12.7 million or 5.7%. Long-term liabilities for governmental activities increased by \$28.2 million, or 49.3%, while long-term liabilities for business-type activities decreased by \$15.5 million or 9.3%. Key factors contributing to these changes included:

- The increase in long-term liabilities of \$28.2 million for governmental activities is primarily due to an increase in revenue bonds payable of \$30.9 million, an increase in compensated absences of \$435 thousand, an increase in net pension liability of \$6.2 million, offset by a decrease in lease obligations of \$521 thousand, a decrease in claims payable of \$325 thousand, a decrease in financed purchase agreements of \$5.4 million and a decrease in the liability for other postemployment benefits of \$3.1 million.
- The decrease in long-term liabilities of \$15.5 million for business-type activities is primarily due to a reduction in revenue bonds payable of \$14.5 million, a decrease in financed purchase agreements of \$360 thousand, a decrease in compensated absences of \$115 thousand, and a decrease in the liability for other postemployment benefits of \$1.4 million, offset by an increase in net pension liability of \$817 thousand.
- The City's bonds payable as of September 30, 2022, consists entirely of revenue bonds and direct placement bank loans (secured solely by specified revenue sources) with no general obligation debt or special assessment debt outstanding. Governmental activities revenue bonds totaled \$34.7 million while revenue bonds and direct placement bank loans for business-type activities totaled \$140.8 million.

The City's Charter limits indebtedness to 20% of the assessed valuation of non-exempt real estate. The current debt limitation is approximately \$3.2 billion, which is significantly in excess of the City's applicable indebtedness of approximately \$169.4 million at September 30, 2022.

Additional information on the City's long-term debt can be found in Note III (I) of the notes to the financial statements.

## Economic Factors and Year 2023 Budgets and Rates

Factors considered in preparing the City of Clearwater's budget for fiscal year 2023 included:

- Taxable property values for 2022 have increased by approximately 13.2%, from \$13.4 billion to \$15.2 billion, including new construction. The bulk of this increase (\$1.5 billion) is related to increases in current values, while the value of new construction and annexations totals \$249.1 million. Taxable values have experienced a dramatic rise this year due to the real estate market in the Tampa Bay area. Clearwater residents that qualify for homestead will recognize the Save Our Homes cap which limits the increase in assessed value to a cap of 3%, well below the actual growth in the real estate market. Due to the growth in property values, a reduced millage rate of 5.8850 mills was approved for fiscal year 2022/23, a decrease of .07 mills from the prior year's rate of 5.955, which the city levied for four consecutive years.
- Total full-time equivalent (FTE) positions for 2022/23 are budgeted at 1,876.0 FTEs for all City operations, an increase of 27.3 FTEs from the 2021/22 amended budget. In the General Fund, this represents a net increase of 38 for a total of 1,151.9 FTEs. All other funds total 724.1 FTEs, a net decrease of 10.7 FTEs from the current amended budget.
- The actuary report for the Employees' Pension Plan as of January 1, 2022, indicates that a minimum required City contribution of \$11.7 million, 12.44% of total covered payroll, is required for fiscal year 2022/23. This is an increase of approximately \$298,000 from the City's fiscal year 2021/22 required contribution of \$11.4 million. The plan's credit balance, which reflects actual contributions in excess of actuarial required contributions in prior years, increased from \$31.55 million to \$33.82 million during calendar year 2021, primarily due to interest earned on the credit balance. This credit balance is available to subsidize volatile employer contribution requirements during future investment market downturns. Due to negotiated enhancements in Police pension benefits during fiscal 2020, the actuary provides separate contribution rates for non-hazardous and hazardous employees. The proposed budget plans for a contribution rate of 6.46% for non-hazardous and 20.90% of hazardous covered payroll in fiscal year 2022/23, as provided in the actuarial valuation. This represents a slight decrease in the contribution rate for hazardous employees in comparison to the current fiscal year.
- For fiscal year 2022/23, the cost of medical care for employees is budgeted at \$22.4 million across all City operations, representing an estimated 15% increase. Included in this total is \$1.7 million to fund the operating costs of the employee health clinic. The budgeted cost for medical care to the General Fund is estimated at \$13.9

million, an increase of \$1.7 million, or 14%, over the current budget. Total cost for health insurance, to include coverage of dependents and retirees, is estimated at \$24.1 million, which is budgeted in the Central Insurance Fund. Revenues from payroll deductions are budgeted to offset this expense.

- A water and sewer fund rate study update was completed in July 2022. Based upon this rate study, 3% annual increases are planned. This new rate structure was approved by the City Council in September 2022, with annual 3% increases effective each October 1, through fiscal year 2027. A Gas rate study was completed in December 2020, which projected the financial position of the Gas Fund through 2025 and a cost-of-service analysis for each of the various classes of customers served. A new rate structure was established which was approved by the City Council in February 2021 including rate increases on March 1, 2021 and March 1, 2022. A solid waste and recycling rate study update was completed in May 2021. This confirmed the current rate structure which was approved by the City Council in August 2019. Effective each October 1, rates will increase by 3.75% annually, through fiscal year 2024. A stormwater rate study was completed in July 2022. Based upon this rate study, 1.75% annual increases are planned, effective October 1, 2022 through fiscal year 2027. This new rate structure was approved by the City Council in September 2022, with annual 1.75% increases effective each October 1 through fiscal year 2027.

## Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in our government and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: City of Clearwater, Finance Department, 100 South Myrtle Avenue, Clearwater, Florida 33756-5520.



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# **Basic Financial Statements**

**City of Clearwater, Florida**  
**Statement of Net Position**  
**September 30, 2022**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 277,993,202	\$ 318,532,499	\$ 596,525,701
Receivables (net)	11,012,112	22,989,945	34,002,057
Internal balances	4,563,330	(4,563,330)	-
Due from other governments	7,577,657	1,329,181	8,906,838
Prepaid items	2,911,237	558,908	3,470,145
Inventories	570,246	3,320,613	3,890,859
Restricted assets:			
Cash and investments	-	25,738,612	25,738,612
Net pension asset	1,289,199	-	1,289,199
Capital assets:			
Land	92,466,957	30,599,019	123,065,976
Buildings	81,694,027	58,713,851	140,407,878
Improvements other than buildings	30,650,487	301,998,267	332,648,754
Machinery and equipment	24,715,466	7,546,626	32,262,092
Infrastructure	36,999,426	-	36,999,426
Construction in progress	68,922,814	23,963,824	92,886,638
Right to use assets, net of accumulated amortization	1,391,392	-	1,391,392
Total assets	<u>642,757,552</u>	<u>790,728,015</u>	<u>1,433,485,567</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - bond refunding	-	8,028,453	8,028,453
Deferred outflows - pension	125,033,399	16,564,604	141,598,003
Deferred outflows - other postemployment benefits	987,978	433,634	1,421,612
Total deferred outflows of resources	<u>126,021,377</u>	<u>25,026,691</u>	<u>151,048,068</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	16,870,863	13,022,687	29,893,550
Accrued liabilities	2,494,286	690,777	3,185,063
Accrued interest payable	365,260	24,231	389,491
Due to other governments	882,926	-	882,926
Deposits	15,300	88,558	103,858
Unearned revenue and liens	5,205	-	5,205
Payable from restricted assets:			
Construction contracts payable	-	2,625,199	2,625,199
Accrued interest payable	-	1,711,970	1,711,970
Customer deposits	-	9,808,083	9,808,083
Bonds payable	-	4,468,750	4,468,750
Non-current liabilities due within one year:			
Compensated absences	5,540,843	1,245,239	6,786,082
Financed purchases	5,406,861	213,543	5,620,404
Lease obligations	924,633	-	924,633
Bonds payable	295,000	1,466,250	1,761,250
Claims payable	4,079,616	-	4,079,616
Long-term debt and liabilities:			
Compensated absences	4,411,994	991,546	5,403,540
Other postemployment benefits	16,023,252	7,032,781	23,056,033
Financed purchases	1,973,412	319,210	2,292,622
Lease obligations	431,654	-	431,654
Bonds payable	34,436,447	134,861,186	169,297,633
Claims payable	5,662,888	-	5,662,888
Net pension liability	6,162,205	817,301	6,979,506
Total liabilities	<u>105,982,645</u>	<u>179,387,311</u>	<u>285,369,956</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - business tax receipts	1,532,076	-	1,532,076
Deferred inflows - pension	9,653,616	1,280,370	10,933,986
Deferred inflows - other postemployment benefits	7,592,046	3,332,233	10,924,279
Deferred inflows - leases	2,437,472	5,560,673	7,998,145
Total deferred inflows of resources	<u>21,215,210</u>	<u>10,173,276</u>	<u>31,388,486</u>
<b>NET POSITION</b>			
Net investment in capital assets	296,598,838	284,557,636	581,156,474
Restricted for:			
Capital projects	51,379,282	-	51,379,282
Debt service	422,250	5,844,062	6,266,312
Renewal and replacement	-	2,047,320	2,047,320
Grant programs	1,753,762	-	1,753,762
Impact fees	-	3,701,979	3,701,979
Stormwater system fees	-	14,318	14,318
Unrestricted	291,426,942	330,028,804	621,455,746
Total net position	<u>\$ 641,581,074</u>	<u>\$ 626,194,119</u>	<u>\$ 1,267,775,193</u>

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

**City of Clearwater, Florida**  
**Statement of Activities**  
**For the Year Ended September 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 14,809,908	\$ 26,543,449	\$ 22,483,893	\$ -	\$ 34,217,434	\$ -	\$ 34,217,434
Public safety	96,123,391	13,694,756	2,788,930	-	(79,639,705)	-	(79,639,705)
Physical environment	4,245,215	32,580	-	361,223	(3,851,412)	-	(3,851,412)
Transportation	18,496,930	159,971	683,228	822,217	(16,831,514)	-	(16,831,514)
Economic environment	4,860,554	1,323,067	3,457,974	-	(79,513)	-	(79,513)
Human services	745,854	-	391,299	-	(354,555)	-	(354,555)
Culture and recreation	47,191,882	9,073,504	1,629,475	637,875	(35,851,028)	-	(35,851,028)
Interest on long-term debt	1,214,810	-	-	-	(1,214,810)	-	(1,214,810)
Total governmental activities	<u>187,688,544</u>	<u>50,827,327</u>	<u>31,434,799</u>	<u>1,821,315</u>	<u>(103,605,103)</u>	<u>-</u>	<u>(103,605,103)</u>
Business-type activities:							
Water & Sewer Utility	88,560,740	102,430,115	-	4,865,929	-	18,735,304	18,735,304
Gas Utility	43,643,399	47,355,116	-	-	-	3,711,717	3,711,717
Solid Waste Utility	22,090,198	28,027,631	-	-	-	5,937,433	5,937,433
Stormwater Utility	11,874,808	17,300,453	-	-	-	5,425,645	5,425,645
Recycling Utility	3,163,881	3,250,947	83,528	-	-	170,594	170,594
Marine	6,187,119	7,090,496	-	-	-	903,377	903,377
Aviation	538,048	335,286	-	316,811	-	114,049	114,049
Parking System	5,031,397	10,962,928	-	-	-	5,931,531	5,931,531
Clearwater Harbor Marina	1,141,287	970,870	-	-	-	(170,417)	(170,417)
Total business-type activities	<u>182,230,877</u>	<u>217,723,842</u>	<u>83,528</u>	<u>5,182,740</u>	<u>-</u>	<u>40,759,233</u>	<u>40,759,233</u>
Total primary government	<u>\$ 369,919,421</u>	<u>\$ 268,551,169</u>	<u>\$ 31,518,327</u>	<u>\$ 7,004,055</u>	<u>(103,605,103)</u>	<u>40,759,233</u>	<u>(62,845,870)</u>
General revenues:							
Taxes:							
Property taxes					76,820,577	-	76,820,577
Sales taxes					26,167,426	-	26,167,426
Utility taxes					18,467,096	-	18,467,096
Communications services taxes					4,190,145	-	4,190,145
Local business tax					2,066,475	-	2,066,475
Local option gas tax					1,460,864	-	1,460,864
Intergovernmental:							
State revenue sharing - unrestricted					5,339,006	-	5,339,006
Investment earnings (loss)					(25,821,857)	(30,792,608)	(56,614,465)
Miscellaneous					114,310	-	114,310
Transfers					9,217,207	(9,217,207)	-
Total general revenues and transfers					<u>118,021,249</u>	<u>(40,009,815)</u>	<u>78,011,434</u>
Change in net position					14,416,146	749,418	15,165,564
Net position - beginning					627,164,928	625,444,701	1,252,609,629
Net position - ending					<u>\$ 641,581,074</u>	<u>\$ 626,194,119</u>	<u>\$ 1,267,775,193</u>

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

**City of Clearwater, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2022**

	General Fund	Special Development Fund	Special Programs Fund	Capital Improvement Fund	Other Governmental Funds	Totals Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 60,763,823	\$ 12,700,010	\$ 24,962,729	\$ 77,500,242	\$ 14,392,563	\$ 190,319,367
Receivables (net where applicable, of allowances for estimated uncollectible amounts):						
Accrued interest	158,430	103,133	50,897	53,570	22,569	388,599
Accounts and contracts	462,711	-	-	-	-	462,711
Mortgages, notes and other loans	-	-	2,566,614	-	2,279,834	4,846,448
Property taxes	48,789	5,038	-	-	-	53,827
Utility taxes	1,497,507	-	-	-	-	1,497,507
Franchise fees	1,074,813	-	-	-	-	1,074,813
Leases	2,379,980	-	-	-	-	2,379,980
Other	46,396	-	1,325	17,622	-	65,343
Due from other funds	-	-	-	3,701,646	-	3,701,646
Due from other governmental entities - grants	-	-	375,281	-	-	375,281
Due from other governmental entities - other	2,759,147	4,281,259	161,962	-	-	7,202,368
Inventories, at cost	83,765	-	-	-	-	83,765
Prepaid items	660	-	-	-	-	660
Advances to other funds	-	-	325,440	9,804,866	-	10,130,306
Total assets	<u>\$ 69,276,021</u>	<u>\$ 17,089,440</u>	<u>\$ 28,444,248</u>	<u>\$ 91,077,946</u>	<u>\$ 16,694,966</u>	<u>\$ 222,582,621</u>
<b>LIABILITIES</b>						
Accounts and contracts payable	\$ 2,579,800	\$ -	384,606	11,826,534	29,013	14,819,953
Accrued payroll	2,248,331	-	37,626	858	-	2,286,815
Due to other funds	133,011	-	-	-	-	133,011
Due to other governments	70,878	764,048	-	-	48,000	882,926
Deposits	15,300	-	-	-	-	15,300
Unearned revenue	195,361	-	5,206	-	-	200,567
Advances from other funds	444,103	-	-	-	325,440	769,543
Total liabilities	<u>5,686,784</u>	<u>764,048</u>	<u>427,438</u>	<u>11,827,392</u>	<u>402,453</u>	<u>19,108,115</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows - business tax receipts	1,532,076	-	-	-	-	1,532,076
Deferred inflows - unavailable property tax revenues	48,789	5,038	-	-	-	53,827
Deferred inflows - unavailable code enforcement lien revenues	284,449	-	-	-	-	284,449
Deferred inflows - unavailable mortgage note revenues	-	-	2,566,613	-	2,279,834	4,846,447
Deferred inflows - unavailable intergovernmental revenues	-	-	164,197	-	-	164,197
Deferred inflows - leases	2,437,472	-	-	-	-	2,437,472
Total deferred inflows of resources	<u>4,302,786</u>	<u>5,038</u>	<u>2,730,810</u>	<u>-</u>	<u>2,279,834</u>	<u>9,318,468</u>
<b>FUND BALANCES</b>						
Nonspendable inventories and prepaid items	84,425	-	-	-	-	84,425
Restricted	-	15,711,740	18,830,273	39,900,623	14,012,679	88,455,315
Committed	-	-	6,455,727	39,349,931	-	45,805,658
Assigned	737,201	608,614	-	-	-	1,345,815
Unassigned	58,464,825	-	-	-	-	58,464,825
Total fund balances	<u>59,286,451</u>	<u>16,320,354</u>	<u>25,286,000</u>	<u>79,250,554</u>	<u>14,012,679</u>	<u>194,156,038</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 69,276,021</u>	<u>\$ 17,089,440</u>	<u>\$ 28,444,248</u>	<u>\$ 91,077,946</u>	<u>\$ 16,694,966</u>	<u>\$ 222,582,621</u>

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

**City of Clearwater, Florida**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2022**

Total fund balances of governmental funds		\$ 194,156,038
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets totals \$679,387,728 and the accumulated depreciation totals \$343,938,551.		335,449,177
Right to use leased assets used in governmental activities are not financial resources and therefore are not recognized in the funds:		
Right to use assets		2,272,992
Accumulated amortization		(881,600)
Unavailable revenues that are not available as financial resources in the current period and therefore are not recognized in the funds:		
Deferred inflows - mortgage notes	\$ 4,846,447	
Deferred inflows - intergovernmental revenues	164,197	
Accrued property taxes	53,827	
Accrued liens	459,034	
Accrued permit fees	<u>20,777</u>	
		5,544,282
The net pension asset related to governmental activities does not represent financial resources and is not reported in the funds.		1,289,199
Deferred outflows relating to deferred amounts on refundings, pensions, and OPEB are not financial resources and, therefore, are not reported in the funds		126,021,377
Deferred inflows relating to pensions and other postemployment benefits are not current liabilities or financial uses and, therefore, are not reported in the funds		(17,245,662)
Accrued pollution remediation obligation expenses are not financial uses and, therefore, are not reported in the funds.		(177,177)
Accrued general long-term debt and lease interest expenses are not financial uses and, therefore, are not reported in the funds.		(303,628)
The assets and liabilities of the internal service funds (funds used to charge the costs of certain activities to individual funds) are included in the governmental activities in the statement of net position.		
Net position of internal service funds	90,583,804	
Less: Capital assets included in total governmental capital assets above	(26,367,881)	
Less: Right to use assets included in total governmental capital assets above	(955,226)	
Less: Deferred outflows included in total governmental above	(5,452,567)	
Add: Deferred inflows included in total governmental above	1,331,598	
Add: Financed purchases included in total governmental below	6,501,850	
Add: Lease liabilities included in total governmental below	942,769	
Add: Compensated absences included in total governmental below	906,391	
Add: Other post-employment benefits included in total governmental below	1,940,395	
Add: Net pension liability included in total governmental below	263,126	
Less: Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>1,356,226</u>	
		71,050,485
Lease interest revenues are not recognized in the current period because the resources are not available and, therefore, are not reported in the funds.		11,892
Long-term liabilities, including bonds payable, are not due and payable in the current period and, accordingly, are not reported in the funds.		
Long-term liabilities at year-end consist of:		
Bonds payable	(33,480,000)	
Add: Issuance premium (to be amortized as a reduction of interest expense)	(1,251,447)	
Financed purchases	(7,380,273)	
Lease liabilities	(1,356,287)	
Other post-employment benefits	(16,023,252)	
Compensated absences	(9,952,837)	
Net pension liability	<u>(6,162,205)</u>	
		(75,606,301)
Total net position of governmental activities		<u>\$ 641,581,074</u>

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



**City of Clearwater, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2022**

	General Fund	Special Development Fund	Special Programs Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Property	\$ 73,194,842	\$ 3,661,590	\$ -	\$ -	\$ -	\$ 76,856,432
Sales	-	16,585,888	-	-	-	16,585,888
Utility	18,467,096	-	-	-	-	18,467,096
Communications services	4,190,145	-	-	-	-	4,190,145
Other taxes	2,066,475	1,460,864	-	-	-	3,527,339
Total taxes	<u>97,918,558</u>	<u>21,708,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,626,900</u>
Franchise fees	10,787,009	-	-	-	-	10,787,009
Licenses, permits, and fees	4,659,192	1,759,741	-	-	-	6,418,933
Intergovernmental:						
Federal	-	-	23,301,386	-	-	23,301,386
State	18,517,243	-	38,777	-	1,251,587	19,807,607
Local	10,503,779	-	391,300	149,566	2,483,339	13,527,984
Total intergovernmental	<u>29,021,022</u>	<u>-</u>	<u>23,731,463</u>	<u>149,566</u>	<u>3,734,926</u>	<u>56,636,977</u>
Charges for services	16,538,123	-	1,726,648	189	-	18,264,960
Fines and forfeitures	1,607,344	-	779,604	-	-	2,386,948
Investment earnings (loss):						
Interest	905,447	565,361	377,764	133,723	286,503	2,268,798
Net appreciation (depreciation) in fair value	(10,612,351)	(5,188,882)	(3,107,163)	-	(1,385,596)	(20,293,992)
Total investment earnings (loss)	<u>(9,706,904)</u>	<u>(4,623,521)</u>	<u>(2,729,399)</u>	<u>133,723</u>	<u>(1,099,093)</u>	<u>(18,025,194)</u>
Rents and leases	2,538,288	-	-	-	-	2,538,288
Miscellaneous	1,088,854	-	237,554	90,178	78,748	1,495,334
Total revenues	<u>154,451,486</u>	<u>18,844,562</u>	<u>23,745,870</u>	<u>373,656</u>	<u>2,714,581</u>	<u>200,130,155</u>
<b>EXPENDITURES</b>						
Current:						
General government	13,617,551	-	374,673	521,760	-	14,513,984
Public safety	83,809,519	-	2,600,431	858,991	-	87,268,941
Physical environment	3,718,994	-	68,653	215,769	-	4,003,416
Transportation	5,778,235	-	-	8,241,229	-	14,019,464
Economic environment	2,340,339	-	861,831	-	1,555,717	4,757,887
Human services	322,611	-	405,195	-	-	727,806
Culture and recreation	34,562,605	-	319,332	4,016,922	-	38,898,859
Debt service:						
Principal	308,667	-	-	32,489	1,005,803	1,346,959
Interest & fiscal charges	2,626	-	-	211	219,331	222,168
Bond issuance costs	-	-	-	-	482,118	482,118
Capital outlay	-	-	80,032	51,289,177	452,757	51,821,966
Total expenditures	<u>144,461,147</u>	<u>-</u>	<u>4,710,147</u>	<u>65,176,548</u>	<u>3,715,726</u>	<u>218,063,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,990,339</u>	<u>18,844,562</u>	<u>19,035,723</u>	<u>(64,802,892)</u>	<u>(1,001,145)</u>	<u>(17,933,413)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	33,748,446	-	12,098,174	47,866,929	9,425,969	103,139,518
Transfers out	(54,188,426)	(16,801,790)	(23,020,015)	(2,099,908)	(6,192,285)	(102,302,424)
Proceeds from the sale of capital assets	616,165	-	500	17,994	-	634,659
Proceeds from lease obligations	695,001	-	-	59,673	-	754,674
Other long-term debt issued	-	-	-	30,743,821	482,118	31,225,939
Total other financing sources (uses)	<u>(19,128,814)</u>	<u>(16,801,790)</u>	<u>(10,921,341)</u>	<u>76,588,509</u>	<u>3,715,802</u>	<u>33,452,366</u>
Net change in fund balances	(9,138,475)	2,042,772	8,114,382	11,785,617	2,714,657	15,518,953
Fund balances - beginning	<u>68,424,926</u>	<u>14,277,582</u>	<u>17,171,618</u>	<u>67,464,937</u>	<u>11,298,022</u>	<u>178,637,085</u>
Fund balances - ending	<u>\$ 59,286,451</u>	<u>\$ 16,320,354</u>	<u>\$ 25,286,000</u>	<u>\$ 79,250,554</u>	<u>\$ 14,012,679</u>	<u>\$ 194,156,038</u>

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

**City of Clearwater, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended September 30, 2022**

Net change in fund balances - total governmental funds \$ 15,518,953

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those costs over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$ 51,939,159	
Less current year depreciation	(12,661,626)	
Right to use leased assets	754,674	
Amortization	<u>(318,508)</u>	
		39,713,699

The net book value of capital asset dispositions is reported in the Statement of Activities but does not require the use of current financial resources and therefore is not reported in the funds. (837,539)

Financed purchases provide current financial resources to governmental funds; however, financed purchases increase long-term liabilities in the Statement of Net Position. In the current year these amounts are:

Revenue bond proceeds		(31,225,939)
Proceeds from financed purchases		(754,674)

Deferred outflows and deferred inflows are not current resources or uses of current financial resources and consequently are not reported in the funds:

Current year change in deferred outflows		102,258,607
Current year change in deferred inflows		123,789,842

Repayment of long term debt principal is an expenditure in the governmental funds; however, the repayment reduces long-term liabilities in the Statement of Net Position. Current year amounts are:

Revenue bond principal payments	295,000	
Lease obligations principal payments	341,156	
Financed purchase principal payments	<u>710,801</u>	
		1,346,957

Net pension asset is not a current financial resource and consequently is not reported in the funds; however, it is an asset in the Statement of Net Position.

Current year change in the net pension asset		(215,207)
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Net pension liability does not require the use of current financial resources and consequently is not reported in the funds. However it is a liability in the Statement of Net Position.

Current year change in the net pension liability		(232,897,045)
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Liability for other post-employment benefits (OPEB) does not require the use of current financial resources and consequently is not reported in the funds; however, it is a liability in the Statement of Net Position.

Current year change in the liability for other post-employment benefits		2,669,093
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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 the governmental funds:

Current year change in compensated absences	(528,051)	
Amortization of bond discounts and premiums	25,039	
Current year change in pollution remediation obligation	18,243	
Current year change in accrued interest expense	<u>(286,885)</u>	
		(771,654)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Current year change in accrued property taxes receivable		(35,855)
Current year change in accrued liens receivable		(93,239)
Current year change in accrued lease interest receivable		11,892
Current year change in deferred permit fees		2,400

The net revenues of internal service funds (funds used to charge the costs of certain activities to individual funds) for governmental activities are reported in the Statement of Activities but not in the governmental funds. (4,064,145)

Total change in net position of governmental activities \$ 14,416,146

**City of Clearwater, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 72,648,340	\$ 73,183,836	\$ 73,194,842	\$ 11,006
Utility taxes	17,270,000	17,750,000	18,467,096	717,096
Communications services	4,130,000	4,130,000	4,190,145	60,145
Other taxes	1,950,000	2,025,000	2,066,475	41,475
Total taxes	<u>95,998,340</u>	<u>97,088,836</u>	<u>97,918,558</u>	<u>829,722</u>
Franchise fees	10,527,550	11,270,000	10,787,009	(482,991)
Licenses, permits, and fees	2,808,500	4,278,500	4,659,192	380,692
Intergovernmental:				
State	14,766,740	18,366,294	18,517,243	150,949
Local	9,492,940	10,032,940	10,503,779	470,839
Total intergovernmental	<u>24,259,680</u>	<u>28,399,234</u>	<u>29,021,022</u>	<u>621,788</u>
Charges for services	15,799,810	16,199,810	16,538,123	338,313
Fines and forfeitures	1,429,000	1,429,000	1,607,344	178,344
Investment earnings (loss):				
Interest	500,000	700,000	905,447	205,447
Net appreciation (depreciation) in fair value	-	-	(10,612,351)	(10,612,351)
Total investment earnings (loss)	<u>500,000</u>	<u>700,000</u>	<u>(9,706,904)</u>	<u>(10,406,904)</u>
Rents and leases	1,720,000	2,670,000	2,538,288	(131,712)
Miscellaneous	499,226	499,226	1,088,854	589,628
Total revenues	<u>153,542,106</u>	<u>162,534,606</u>	<u>154,451,486</u>	<u>(8,083,120)</u>
<b>EXPENDITURES</b>				
<b>General government</b>				
City Council	382,070	382,070	362,524	19,546
City Manager's Office	1,368,830	1,368,884	1,277,980	90,904
City Attorney's Office	1,826,656	1,966,428	1,781,237	185,191
Official Records & Legislative Services	1,307,108	1,307,156	1,215,536	91,620
Public Communications	1,249,489	1,249,555	1,142,278	107,277
Finance	2,800,130	2,800,310	2,385,436	414,874
Human Resources	1,419,680	1,419,782	1,212,769	207,013
Non-Departmental	2,898,989	2,398,989	2,722,743	(323,754)
Engineering	101,884	101,883	89,653	12,230
Planning	1,750,513	1,750,513	1,465,388	285,125
City Auditor's Office	233,752	233,764	223,301	10,463
Total general government	<u>15,339,101</u>	<u>14,979,334</u>	<u>13,878,845</u>	<u>1,100,489</u>
<b>Public safety</b>				
Police	48,773,654	48,708,175	47,509,876	1,198,299
Fire	30,007,080	30,906,336	31,427,958	(521,622)
Development & Neighborhood Services	4,983,603	5,383,603	4,921,684	461,919
Total public safety	<u>83,764,337</u>	<u>84,998,114</u>	<u>83,859,518</u>	<u>1,138,596</u>
<b>Physical environment</b>				
Engineering	3,022,543	3,022,543	2,659,693	362,850
Parks and Recreation	1,227,393	1,224,393	1,059,301	165,092
Total physical environment	<u>4,249,936</u>	<u>4,246,936</u>	<u>3,718,994</u>	<u>527,942</u>
<b>Transportation</b>				
Engineering	4,941,172	4,941,172	4,485,637	455,535
Parks and Recreation	1,426,701	1,249,377	1,292,598	(43,221)
Total transportation	<u>6,367,873</u>	<u>6,190,549</u>	<u>5,778,235</u>	<u>412,314</u>
<b>Economic environment</b>				
CRA Administration	504,274	619,304	520,356	98,948
Economic Development	1,904,252	1,954,324	1,819,983	134,341
Total economic environment	<u>2,408,526</u>	<u>2,573,628</u>	<u>2,340,339</u>	<u>233,289</u>
<b>Human Services</b>				
Human Resources / Equity Services	243,093	485,073	322,611	162,462
Total human services	<u>243,093</u>	<u>485,073</u>	<u>322,611</u>	<u>162,462</u>
<b>Culture and recreation</b>				
Parks and Recreation	26,770,537	26,373,465	25,435,425	938,040
Library	8,306,337	8,306,841	7,682,513	624,328
Marine	1,265,412	1,225,540	1,444,667	(219,127)
Total culture and recreation	<u>36,342,286</u>	<u>35,905,846</u>	<u>34,562,605</u>	<u>1,343,241</u>
Total expenditures	<u>148,715,152</u>	<u>149,379,480</u>	<u>144,461,147</u>	<u>4,918,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,826,954</u>	<u>13,155,126</u>	<u>9,990,339</u>	<u>(3,164,787)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	11,276,294	33,609,036	33,748,446	139,410
Transfers out	(16,103,248)	(54,237,697)	(54,188,426)	49,271
Proceeds from sale of capital assets	-	605,500	616,165	10,665
Proceeds from lease obligations	-	-	695,001	695,001
Total other financing sources (uses)	<u>(4,826,954)</u>	<u>(20,023,161)</u>	<u>(19,128,814)</u>	<u>894,347</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>(6,868,035)</u>	<u>(9,138,475)</u>	<u>(2,270,440)</u>
Fund balances - beginning	<u>68,424,926</u>	<u>68,424,926</u>	<u>68,424,926</u>	<u>-</u>
Fund balances - ending	<u>\$ 68,424,926</u>	<u>\$ 61,556,891</u>	<u>\$ 59,286,451</u>	<u>\$ (2,270,440)</u>

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

**City of Clearwater, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual (GAAP Basis)**  
**Special Development Fund**  
**For the Year Ended September 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Property	\$ 3,634,340	\$ 3,660,934	\$ 3,661,590	\$ 656
Sales	12,699,480	16,099,480	16,585,888	486,408
Other taxes	1,350,000	1,462,000	1,460,864	(1,136)
Total taxes	<u>17,683,820</u>	<u>21,222,414</u>	<u>21,708,342</u>	<u>485,928</u>
Licenses, permits, and fees	150,000	1,767,078	1,759,741	(7,337)
Investment earnings (loss):				
Interest	300,000	481,875	565,361	83,486
Net appreciation (depreciation) in fair value	-	-	(5,188,882)	(5,188,882)
Total investment earnings (loss)	<u>300,000</u>	<u>481,875</u>	<u>(4,623,521)</u>	<u>(5,105,396)</u>
Total revenues	<u>18,133,820</u>	<u>23,471,367</u>	<u>18,844,562</u>	<u>(4,626,805)</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>18,133,820</u>	<u>23,471,367</u>	<u>18,844,562</u>	<u>(4,626,805)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(16,451,790)	(16,801,790)	(16,801,790)	-
Total other financing sources (uses)	<u>(16,451,790)</u>	<u>(16,801,790)</u>	<u>(16,801,790)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,682,030	6,669,577	2,042,772	(4,626,805)
Fund balances - beginning	<u>14,277,582</u>	<u>14,277,582</u>	<u>14,277,582</u>	<u>-</u>
Fund balances - ending	<u>\$ 15,959,612</u>	<u>\$ 20,947,159</u>	<u>\$ 16,320,354</u>	<u>\$ (4,626,805)</u>

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

**City of Clearwater, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2022**

	<b>Business-type Enterprise</b>		
	<b>Water and Sewer Utility</b>	<b>Gas Utility</b>	<b>Solid Waste &amp; Recycling Utility</b>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 164,048,004	\$ 25,043,947	\$ 41,609,330
Accrued interest receivable	308,595	47,215	69,521
Accounts and contracts receivable:			
Billed	4,615,855	1,435,545	1,295,405
Unbilled charges estimated	3,925,300	2,052,400	1,352,902
	<u>8,541,155</u>	<u>3,487,945</u>	<u>2,648,307</u>
Less: Allowance for uncollectable accounts	(18,242)	(19,371)	(2,074)
Total receivables, net	<u>8,522,913</u>	<u>3,468,574</u>	<u>2,646,233</u>
Lease receivables	191,722	-	-
Other receivables	36,591	8,267	-
Due from other funds	-	-	-
Due from other governments	1,274,044	9,813	-
Inventories, at cost	1,086,672	2,158,275	-
Prepaid expenses and other assets	214,627	344,281	-
Total current assets - unrestricted	<u>175,683,168</u>	<u>31,080,372</u>	<u>44,325,084</u>
Current assets - restricted:			
Restricted cash and investments	<u>12,416,155</u>	<u>3,853,313</u>	<u>1,341,420</u>
Total current assets - restricted	<u>12,416,155</u>	<u>3,853,313</u>	<u>1,341,420</u>
Total current assets	<u>188,099,323</u>	<u>34,933,685</u>	<u>45,666,504</u>
Noncurrent assets:			
Restricted:			
Restricted cash and investments	5,449,298	300,000	-
Advances to other funds	-	-	-
Capital assets:			
Land and other nondepreciable assets	19,925,604	543,788	1,847,813
Capital assets, net of accumulated depreciation	189,130,985	100,165,754	19,450,498
Right to use assets, net of accumulated amortization	-	-	-
Total noncurrent assets	<u>214,505,887</u>	<u>101,009,542</u>	<u>21,298,311</u>
Total assets	<u>402,605,210</u>	<u>135,943,227</u>	<u>66,964,815</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - bond refunding	7,713,744	137,072	-
Deferred outflows - pension	5,983,627	3,225,217	4,229,562
Deferred outflows - other postemployment benefits	150,719	84,586	102,655
Total deferred outflows of resources	<u>13,848,090</u>	<u>3,446,875</u>	<u>4,332,217</u>

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

<b>Activities Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
<b>Stormwater Utility</b>	<b>Other Funds</b>	<b>Total</b>	
\$ 38,633,254	\$ 49,197,964	\$ 318,532,499	\$ 87,673,835
68,770	67,209	561,310	142,173
755,614	-	8,102,419	-
1,460,400	-	8,791,002	-
2,216,014	-	16,893,421	-
(2,329)	-	(42,016)	-
2,213,685	-	16,851,405	-
-	5,340,650	5,532,372	-
-	-	44,858	88,819
-	-	-	345,190
-	45,324	1,329,181	8
-	75,666	3,320,613	486,481
-	-	558,908	2,910,577
40,915,709	54,726,813	346,731,146	91,647,083
1,003,114	-	18,614,002	-
1,003,114	-	18,614,002	-
41,918,823	54,726,813	365,345,148	91,647,083
1,375,312	-	7,124,610	-
-	-	-	1,851,509
28,560,195	3,685,443	54,562,843	729,591
44,187,215	15,324,292	368,258,744	25,638,290
-	-	-	955,226
74,122,722	19,009,735	429,946,197	29,174,616
116,041,545	73,736,548	795,291,345	120,821,699
177,637	-	8,028,453	-
1,640,900	1,485,298	16,564,604	5,332,925
39,990	55,684	433,634	119,642
1,858,527	1,540,982	25,026,691	5,452,567

(Continued)



**City of Clearwater, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2022**

	<b>Business-type Enterprise</b>		
	<b>Water and Sewer Utility</b>	<b>Gas Utility</b>	<b>Solid Waste &amp; Recycling Utility</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and contracts payable	7,977,838	2,741,291	562,544
Accrued payroll	256,478	131,823	177,769
Accrued interest payable	11,690	7,719	4,822
Deposits	-	-	-
Unearned revenue and liens	-	-	-
Current portion of long-term liabilities:			
Compensated absences	392,979	298,032	298,590
Bonds payable	718,333	673,750	-
Financed purchases	187,802	25,741	-
Lease liability	-	-	-
Due to other funds	105,476	-	528,706
Claims payable	-	-	-
Total current liabilities (payable from current assets)	<u>9,650,596</u>	<u>3,878,356</u>	<u>1,572,431</u>
Current liabilities (payable from restricted assets):			
Construction contracts payable	2,625,199	-	-
Accrued interest payable	1,508,100	16,589	-
Current portion of long-term liabilities, bonds payable	3,591,667	61,250	-
Customer deposits	4,691,189	3,775,474	1,341,420
Total current liabilities (payable from restricted assets)	<u>12,416,155</u>	<u>3,853,313</u>	<u>1,341,420</u>
Total current liabilities	<u>22,066,751</u>	<u>7,731,669</u>	<u>2,913,851</u>
Noncurrent liabilities:			
Compensated absences	312,916	237,314	237,757
Other postemployment benefits	2,444,400	1,371,834	1,664,876
Net pension liability	295,233	159,133	208,688
Bonds payable (net of unamortized premiums/discounts)	116,759,665	6,430,000	-
Financed purchases	319,210	-	-
Lease liability	-	-	-
Advances from other funds	324,569	-	2,248,353
Claims payable	-	-	-
Total noncurrent liabilities	<u>120,455,993</u>	<u>8,198,281</u>	<u>4,359,674</u>
Total liabilities	<u>142,522,744</u>	<u>15,929,950</u>	<u>7,273,525</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - pension	462,508	249,295	326,926
Deferred inflows - other postemployment benefits	1,158,192	649,995	788,842
Deferred inflows - leases	230,934	-	-
Total deferred inflows of resources	<u>1,851,634</u>	<u>899,290</u>	<u>1,115,768</u>
<b>NET POSITION</b>			
Net investment in capital assets	91,441,974	93,461,254	21,210,221
Restricted for:			
Revenue bond debt service and sinking fund requirements	3,591,667	61,250	-
Revenue bond renewal and replacement requirements	1,747,320	300,000	-
Water and sewer impact fees	3,701,979	-	-
Stormwater system fees	-	-	-
Unrestricted	171,595,982	28,738,358	41,697,518
Total net position	<u>\$ 272,078,922</u>	<u>\$ 122,560,862</u>	<u>\$ 62,907,739</u>

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

<b>Activities Funds</b>			<b>Governmental</b>
<b>Stormwater Utility</b>	<b>Other Funds</b>	<b>Total</b>	<b>Activities - Internal Service Funds</b>
758,398	982,616	13,022,687	1,873,733
50,578	74,129	690,777	207,471
-	-	24,231	61,632
-	88,558	88,558	-
-	-	-	-
153,799	101,839	1,245,239	504,597
74,167	-	1,466,250	-
-	-	213,543	3,346,054
-	-	-	600,406
-	-	634,182	3,279,643
-	-	-	4,079,616
<u>1,036,942</u>	<u>1,247,142</u>	<u>17,385,467</u>	<u>13,953,152</u>
-	-	2,625,199	-
187,281	-	1,711,970	-
815,833	-	4,468,750	-
-	-	9,808,083	-
<u>1,003,114</u>	<u>-</u>	<u>18,614,002</u>	<u>-</u>
<u>2,040,056</u>	<u>1,247,142</u>	<u>35,999,469</u>	<u>13,953,152</u>
122,466	81,093	991,546	401,794
648,566	903,105	7,032,781	1,940,395
80,962	73,285	817,301	263,126
11,671,521	-	134,861,186	-
-	-	319,210	3,155,796
-	-	-	342,363
-	-	2,572,922	8,639,350
-	-	-	5,662,888
<u>12,523,515</u>	<u>1,057,483</u>	<u>146,594,946</u>	<u>20,405,712</u>
<u>14,563,571</u>	<u>2,304,625</u>	<u>182,594,415</u>	<u>34,358,864</u>
126,834	114,807	1,280,370	412,211
307,300	427,904	3,332,233	919,387
-	5,329,739	5,560,673	-
<u>434,134</u>	<u>5,872,450</u>	<u>10,173,276</u>	<u>1,331,598</u>
59,807,802	18,636,385	284,557,636	19,878,488
2,191,145	-	5,844,062	-
-	-	2,047,320	-
-	-	3,701,979	-
14,318	-	14,318	-
<u>40,889,102</u>	<u>48,464,070</u>	<u>331,385,030</u>	<u>70,705,316</u>
<u>\$ 102,902,367</u>	<u>\$ 67,100,455</u>	<u>627,550,345</u>	<u>\$ 90,583,804</u>

Adjustment to reflect consolidation of internal service fund activities related to enterprise funds (1,356,226)

Net position of business-type activities \$ 626,194,119

**City of Clearwater, Florida**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2022**

	<b>Water and Sewer Utility</b>	<b>Gas Utility</b>	<b>Business-type Enterprise Solid Waste &amp; Recycling Utility</b>
<b>Operating revenues:</b>			
Sales to customers	\$ 101,497,694	\$ 44,536,308	\$ 30,304,984
Service charges to customers	265,003	2,120,701	-
User charges to customers	-	-	-
Billings to departments	-	-	-
Rentals	23,212	-	366,189
Other	644,206	698,107	607,405
Total operating revenues	<u>102,430,115</u>	<u>47,355,116</u>	<u>31,278,578</u>
<b>Operating expenses:</b>			
Personal services	12,417,420	6,849,191	8,293,793
Purchases for resale	7,976,675	20,528,388	-
Operating materials and supplies	5,638,578	876,621	620,566
Transportation	1,643,820	849,326	5,231,604
Utility service	3,585,439	164,116	152,272
Dumping charges	27,665	-	5,422,852
Depreciation	13,497,433	3,993,309	1,086,565
Amortization of right to use assets	-	-	-
Interfund administrative charges	6,589,450	2,959,520	1,602,030
Other current charges:			
Professional fees	9,942,708	884,433	288,590
Advertising and marketing	49,912	1,694,444	55,354
Communications	174,869	183,498	85,348
Printing and binding	7,059	22,835	18,084
Insurance	1,088,000	403,410	137,040
Repairs and maintenance	18,846,953	269,789	159,233
Rentals	293,123	12,131	4,086
Miscellaneous	347,918	292,865	165,082
Data processing charges	1,098,710	639,360	237,120
Taxes	-	2,301,826	10,669
Total other current charges	<u>31,849,252</u>	<u>6,704,591</u>	<u>1,160,606</u>
Total operating expenses	<u>83,225,732</u>	<u>42,925,062</u>	<u>23,570,288</u>
Operating income (loss)	<u>19,204,383</u>	<u>4,430,054</u>	<u>7,708,290</u>

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

<b>Activities Funds</b>			<b>Governmental</b>
<b>Stormwater Utility</b>	<b>Other Funds</b>	<b>Total</b>	<b>Activities - Internal Service Funds</b>
\$ 17,097,369	\$ 14,292,799	\$ 207,729,154	\$ -
-	-	2,385,704	-
-	159,758	159,758	-
-	-	-	64,737,543
20,778	3,616,550	4,026,729	26,196
182,306	1,290,473	3,422,497	497,562
<u>17,300,453</u>	<u>19,359,580</u>	<u>217,723,842</u>	<u>65,261,301</u>
3,134,889	3,663,704	34,358,997	10,445,224
-	3,424,103	31,929,166	5,205,565
100,111	219,355	7,455,231	3,867,773
1,087,441	163,125	8,975,316	417,006
69,426	681,477	4,652,730	447,253
98,237	-	5,548,754	-
3,580,089	984,102	23,141,498	10,157,502
-	-	-	563,091
1,326,490	1,433,140	13,910,630	240,280
335,588	1,445,280	12,896,599	11,576,431
-	2,671	1,802,381	-
31,113	54,727	529,555	1,050,485
255	1,539	49,772	32,444
54,290	167,200	1,849,940	27,056,155
660,432	1,563,058	21,499,465	1,158,285
2,734	9,611	321,685	391,755
57,949	988,949	1,852,763	329,090
285,030	196,250	2,456,470	668,260
-	28,710	2,341,205	16,217
<u>1,427,391</u>	<u>4,457,995</u>	<u>45,599,835</u>	<u>42,279,122</u>
<u>10,824,074</u>	<u>15,027,001</u>	<u>175,572,157</u>	<u>73,622,816</u>
<u>6,476,379</u>	<u>4,332,579</u>	<u>42,151,685</u>	<u>(8,361,515)</u>

(Continued)

**City of Clearwater, Florida**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2022**

	<b>Business-type Enterprise</b>		
	<b>Water and Sewer Utility</b>	<b>Gas Utility</b>	<b>Solid Waste &amp; Recycling Utility</b>
<b>Nonoperating revenues (expenses):</b>			
Investment earnings (loss):			
Interest	1,806,961	265,447	405,554
Net appreciation (depreciation) in fair value	(18,794,384)	(2,861,652)	(4,239,764)
Total investment earnings (loss)	<u>(16,987,423)</u>	<u>(2,596,205)</u>	<u>(3,834,210)</u>
Interest expense	(4,580,931)	(256,605)	(71,877)
Grants	-	-	83,528
Gain (loss) on disposal of capital assets	-	(131,782)	(1,517)
Total nonoperating revenue (expenses)	<u>(21,568,354)</u>	<u>(2,984,592)</u>	<u>(3,824,076)</u>
Income (loss) before contributions and transfers	(2,363,971)	1,445,462	3,884,214
Capital grants and contributions	4,865,929	-	-
Transfers in	-	660	-
Transfers out	(5,405,521)	(1,741,083)	(1,695,901)
Change in net position	<u>(2,903,563)</u>	<u>(294,961)</u>	<u>2,188,313</u>
Net position - beginning	274,982,485	122,855,823	60,719,426
Total net position - ending	<u>\$ 272,078,922</u>	<u>\$ 122,560,862</u>	<u>\$ 62,907,739</u>

Change in Net Position of Proprietary Funds

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities (page 23)

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

<b>Activities Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
<b>Stormwater Utility</b>	<b>Other Funds</b>	<b>Total</b>	
392,440	509,550	3,379,952	870,858
(4,145,674)	(4,131,086)	(34,172,560)	(8,620,836)
(3,753,234)	(3,621,536)	(30,792,608)	(7,749,978)
(738,351)	(16)	(5,647,780)	(251,486)
-	-	83,528	-
-	2,317,218	2,183,919	723,862
(4,491,585)	(1,304,334)	(34,172,941)	(7,277,602)
1,984,794	3,028,245	7,978,744	(15,639,117)
-	316,811	5,182,740	-
-	2,820,183	2,820,843	8,426,145
(2,060,163)	(1,135,382)	(12,038,050)	(46,032)
(75,369)	5,029,857	3,944,277	(7,259,004)
102,977,736	62,070,598	623,606,068	97,842,808
\$ 102,902,367	\$ 67,100,455	\$ 627,550,345	\$ 90,583,804
		\$ 3,944,277	
		(3,194,859)	
		\$ 749,418	

**City of Clearwater, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2022**

	<b>Business-type Enterprise</b>		
	<b>Water and Sewer Utility</b>	<b>Gas Utility</b>	<b>Solid Waste &amp; Recycling Utility</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 102,345,808	\$ 47,757,961	\$ 31,150,472
Cash received from other funds	-	-	-
Cash payments to suppliers	(41,345,536)	(26,937,152)	(7,020,261)
Cash payments to employees	(12,500,560)	(7,443,779)	(8,336,385)
Cash payments to other funds	(11,471,789)	(5,321,561)	(7,512,349)
Net cash provided (used) by operating activities	<u>37,027,923</u>	<u>8,055,469</u>	<u>8,281,477</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	660	-
Transfers to other funds	(5,405,521)	(1,741,083)	(1,695,901)
Receipt of cash on loans to/from other funds	351,082	-	-
Payment of cash on loans to/from other funds	(38,302)	-	(518,148)
Cash received from granting agencies	-	-	83,528
Net cash provided (used) by noncapital financing activities	<u>(5,092,741)</u>	<u>(1,740,423)</u>	<u>(2,130,521)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal payments on debt	(4,330,921)	(813,428)	-
Interest paid	(4,642,100)	(205,849)	(71,542)
Acquisition of capital assets	(9,308,663)	(5,029,639)	(892,472)
Proceeds from sale of capital assets	-	98,227	-
Capital contributed by:			
Other governmental entities	2,510,405	-	-
Property owners	20,206	-	-
Developers	1,323,453	-	-
Net cash provided (used) by capital and related financing activities	<u>(14,427,620)</u>	<u>(5,950,689)</u>	<u>(964,014)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment loss	(17,122,316)	(2,612,115)	(3,864,381)
Net cash provided (used) by investing activities	<u>(17,122,316)</u>	<u>(2,612,115)</u>	<u>(3,864,381)</u>
Net increase (decrease) in cash and cash equivalents	385,246	(2,247,758)	1,322,561
Cash and cash equivalents at beginning of year	181,528,211	31,445,018	41,628,189
Cash and cash equivalents at end of year	<u>\$ 181,913,457</u>	<u>\$ 29,197,260</u>	<u>\$ 42,950,750</u>
Cash and cash equivalents classified as:			
Cash and investments	\$ 164,048,004	\$ 25,043,947	\$ 41,609,330
Restricted cash and investments	17,865,453	4,153,313	1,341,420
Total cash and cash equivalents	<u>\$ 181,913,457</u>	<u>\$ 29,197,260</u>	<u>\$ 42,950,750</u>

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

<b>Activities Funds</b>			<b>Governmental</b>
<b>Stormwater</b>	<b>Other</b>	<b>Total</b>	<b>Activities -</b>
<b>Utility</b>	<b>Funds</b>		<b>Internal Service</b>
			<b>Funds</b>
\$ 17,160,284	\$ 19,351,723	\$ 217,766,248	\$ -
-	-	-	65,351,612
(1,264,513)	(7,815,917)	(84,383,379)	(51,360,284)
(2,991,651)	(3,844,150)	(35,116,525)	(10,428,772)
<u>(2,834,724)</u>	<u>(2,175,911)</u>	<u>(29,316,334)</u>	<u>(2,077,640)</u>
<u>10,069,396</u>	<u>5,515,745</u>	<u>68,950,010</u>	<u>1,484,916</u>
-	2,820,183	2,820,843	8,426,145
(2,060,163)	(1,135,382)	(12,038,050)	(46,032)
-	-	351,082	6,671,458
-	-	(556,450)	(1,775,406)
-	-	83,528	-
<u>(2,060,163)</u>	<u>1,684,801</u>	<u>(9,339,047)</u>	<u>13,276,165</u>
(8,777,517)	(3,204)	(13,925,070)	(4,696,059)
(583,082)	(32)	(5,502,605)	(245,645)
(3,290,215)	(1,086,351)	(19,607,340)	(6,532,681)
-	12,481,058	12,579,285	736,187
-	449,495	2,959,900	-
-	-	20,206	-
-	-	1,323,453	-
<u>(12,650,814)</u>	<u>11,840,966</u>	<u>(22,152,171)</u>	<u>(10,738,198)</u>
(3,774,738)	(3,657,585)	(31,031,135)	(7,798,933)
<u>(3,774,738)</u>	<u>(3,657,585)</u>	<u>(31,031,135)</u>	<u>(7,798,933)</u>
(8,416,319)	15,383,927	6,427,657	(3,776,050)
<u>49,427,999</u>	<u>33,814,037</u>	<u>337,843,454</u>	<u>91,449,885</u>
<u>\$ 41,011,680</u>	<u>\$ 49,197,964</u>	<u>\$ 344,271,111</u>	<u>\$ 87,673,835</u>
\$ 38,633,254	\$ 49,197,964	\$ 318,532,499	\$ 87,673,835
<u>2,378,426</u>	<u>-</u>	<u>25,738,612</u>	<u>-</u>
<u>\$ 41,011,680</u>	<u>\$ 49,197,964</u>	<u>\$ 344,271,111</u>	<u>\$ 87,673,835</u>

(Continued)



**City of Clearwater, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2022**

	<b>Business-type Enterprise</b>		
	<b>Water and Sewer Utility</b>	<b>Gas Utility</b>	<b>Solid Waste &amp; Recycling Utility</b>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 19,204,383	\$ 4,430,054	\$ 7,708,290
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	13,497,433	3,993,309	1,086,565
Amortization of right to use assets	-	-	-
Capitalized labor and materials	(124,559)	(841,752)	-
Change in assets, deferred outflows, liabilities and deferred inflows:			
(Increase) decrease in accounts receivable	(573,004)	97,709	(194,254)
(Increase) decrease in lease receivables	(191,722)	-	-
(Increase) decrease in due from other governments	60,054	62,434	-
(Increase) decrease in inventory	62,720	(29,662)	-
(Increase) decrease in prepaid expenses	5,757	18	-
(Increase) decrease in net pension asset	11,771,065	6,668,470	8,018,363
(Increase) decrease in deferred outflows	(5,029,871)	(2,685,271)	(3,579,857)
Increase (decrease) in accounts and contracts payable	4,464,700	18,121	(342,680)
Increase (decrease) in accrued payroll	(438,805)	(310,802)	(208,306)
Increase (decrease) in deposits	389,431	242,702	66,148
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in other postemployment benefits	(487,074)	(273,336)	(332,005)
Increase (decrease) in net pension liability	295,233	159,133	208,688
Increase (decrease) in deferred inflows	(5,877,818)	(3,475,658)	(4,149,475)
Total adjustments	<u>17,823,540</u>	<u>3,625,415</u>	<u>573,187</u>
Net cash provided by operating activities	<u>\$ 37,027,923</u>	<u>\$ 8,055,469</u>	<u>\$ 8,281,477</u>
<b>Non-cash investing, capital and financing activities:</b>			
Contributions from developers	\$ 784,461	\$ -	\$ -

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

<b>Activities Funds</b>			<b>Governmental</b>
<b>Stormwater Utility</b>	<b>Other Funds</b>	<b>Total</b>	<b>Activities - Internal Service Funds</b>
\$ 6,476,379	\$ 4,332,579	\$ 42,151,685	\$ (8,361,515)
3,580,089	984,102	23,141,498	10,157,502
-	-	-	563,091
-	-	(966,311)	-
(140,169)	-	(809,718)	100,728
-	(5,340,650)	(5,532,372)	-
-	-	122,488	-
-	(28,542)	4,516	(98,579)
-	-	5,775	(158,888)
3,428,728	2,483,802	32,370,428	10,610,157
(1,364,897)	(1,273,057)	(13,932,953)	(4,480,148)
9,859	415,909	4,565,909	(670,069)
(74,125)	(80,485)	(1,112,523)	(424,024)
-	3,054	701,335	-
-	-	-	(63,806)
(129,161)	(179,548)	(1,401,124)	(394,161)
80,962	73,285	817,301	263,126
(1,798,269)	4,125,296	(11,175,924)	(5,558,498)
<u>3,593,017</u>	<u>1,183,166</u>	<u>26,798,325</u>	<u>9,846,431</u>
\$ <u>10,069,396</u>	\$ <u>5,515,745</u>	\$ <u>68,950,010</u>	\$ <u>1,484,916</u>
\$ -	\$ -	\$ 784,461	\$ -

**City of Clearwater, Florida**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2022**

	<b>Pension Trust Funds</b>	<b>Custodial Fund</b>
<b>ASSETS</b>		
Cash and investments	\$ 7,935,296	\$ 821,545
Receivables:		
Interest and dividends	3,467,280	1,050
Unsettled investment sales	7,269,146	-
Securities lending earnings	20,634	-
Due from others	-	50,854
Total receivables	10,757,060	51,904
Managed investment accounts, at fair value:		
Cash and cash equivalents	17,713,458	-
Government bonds	58,216,564	-
Agency bonds	4,491,935	-
Municipal bonds	2,719,127	-
Domestic corporate bonds	117,140,732	-
International equity securities	104,842,690	-
Domestic stocks	249,135,343	-
Mortgage backed bonds	102,902,685	-
Government issued commercial mortgage backed bonds	66,000	-
Asset backed securities	9,424,864	-
Other/rights/warrants	1,606	-
Domestic equity mutual funds	208,292,495	-
International equity mutual funds	40,389,547	-
Infrastructure	54,511,675	-
Real estate	138,881,281	-
Total managed investment accounts	1,108,730,002	-
Securities lending collateral	11,755,307	-
Total assets	1,139,177,665	873,449
<b>LIABILITIES</b>		
Accounts payable	930,637	16,666
Unsettled investment purchases	6,736,968	-
Other payables	34,977	-
Obligations under securities lending	11,755,307	-
Total liabilities	19,457,889	16,666
<b>NET POSITION</b>		
Restricted for:		
Pensions	1,119,719,776	-
Individuals, organizations and other governments	-	856,783
Total net position	\$ 1,119,719,776	\$ 856,783

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

**City of Clearwater, Florida**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2022**

	<b>Pension Trust Funds</b>	<b>Custodial Fund</b>
<b>ADDITIONS</b>		
<b>Contributions:</b>		
Contributions from employer	\$ 11,912,374	\$ -
Contributions from employer - state tax	2,653,554	-
Contributions from employees	8,591,715	-
Individuals, organizations and other governments	-	725,285
Total contributions	23,157,643	725,285
<b>Investment earnings (loss):</b>		
Net increase (decrease) in fair value of investments	(224,796,540)	-
Interest, dividends and other	19,222,650	(56,418)
Securities lending income	504,040	-
Total investment earnings (loss)	(205,069,850)	(56,418)
Less investment costs:		
Investment management / custodian fees	(6,835,012)	-
Securities lending costs	(176,287)	-
Net investment earnings (loss)	(212,081,149)	(56,418)
Miscellaneous	-	-
<b>Total additions</b>	<b>(188,923,506)</b>	<b>668,867</b>
<b>DEDUCTIONS</b>		
Benefits	61,338,236	-
Refunds and transfers to other systems	1,772,430	-
Administrative expenses	398,560	-
Payments to individuals, organizaions and other governments	-	574,161
<b>Total deductions and administrative expenses</b>	<b>63,509,226</b>	<b>574,161</b>
<b>Net increase (decrease) in fiduciary net position</b>	<b>(252,432,732)</b>	<b>94,706</b>
Fiduciary net position - beginning	1,372,152,508	762,077
Fiduciary net position - ending	\$ 1,119,719,776	\$ 856,783

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

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

**Note I – Summary of Significant Accounting Policies**

The City of Clearwater was first incorporated in 1915 and reestablished in 1923 as a municipal corporation by Chapter 9710, Special Laws of Florida, 1923, as amended. The City is a Florida municipal corporation governed by a five-member City Council including a mayor-council member. The City has an estimated population of 119,208 and is located in the four-county Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA), which has an estimated population of 3,285,257.

The financial statements of the City of Clearwater, Florida, reporting entity (City) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City's more significant accounting policies are described below.

**I.A. Financial Reporting Entity**

In evaluating the City as a reporting entity, management has included in the accompanying financial statements the City of Clearwater (the primary government) and its component units, entities for which the government is financially accountable. The City has adhered to the standards set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61 and GASB Statement No. 90, in reporting the primary government (including blended component units), the reporting entity, and related organizations.

Blended Component Unit – Clearwater Community Redevelopment Agency: Component units that meet the criteria for blended presentation are reported in a manner similar to that of the primary government itself. Accordingly, throughout this report, data presented for the primary government includes data of the following blended component unit. The Clearwater Community Redevelopment Agency (CRA) is a dependent special district created by Local Ordinance by authority of Chapter 163, Part III, of the Florida Statutes. Although it is legally separate, is reported as if it were part of the City (blended component unit) because the City Council serves as the governing board of the CRA, and City management has operational responsibility for the CRA. Therefore, financial statements for the CRA are included in the City's annual comprehensive financial report as a governmental non-major special revenue fund and a governmental non-major capital projects fund. In accordance with Chapter 163.387(8), Florida Statutes, and Rule 10.556, Rules of the Auditor General, separate audited financial statements are available from the City of Clearwater Finance Department.

Related Organization – Clearwater Housing Authority (CHA): CHA is a dependent special district created by General Law by authority of Chapter 421, Part I, Florida Statutes. As a public housing authority, CHA receives primary funding from the Federal Department of Housing and Urban Development (HUD). The City Council appoints the governing board; however, the City Council is not able to impose its will on the CHA, nor does the City have any responsibility for the budget, debt, financing deficits, or fiscal management of CHA. Consequently, it is not a component unit of the City of Clearwater. Separate audited financial statements of CHA as of March 31, 2022 are available from CHA.

Related Organization – Downtown Development Board: The City of Clearwater serves as administrative agent for the Clearwater Downtown Development Board (DDB). The Downtown Development Board is an independent special district created by Special Act by authority of Chapter 189.031, Florida Statutes. The DDB is governed by a board elected by its members, levies ad valorem taxes (0.9700 mills for fiscal 2022) on downtown properties, and is not financially dependent upon the City. Consequently, it is not a component unit of the City of Clearwater. The DDB's cash balance held by the City as administrative agent is reflected in the City's fiduciary custodial fund. Separate audited financial statements of the DDB as of September 30, 2022 are available from the City of Clearwater Finance Department.

Jointly governed organization – Florida Gas Utility: The City of Clearwater is a member of the Florida Gas Utility (FGU), a non-profit municipal public entity created for the primary purpose of reducing the costs of purchased gas for its members. FGU is a public body corporate and politic pursuant to Section 163.01, Florida Statutes (the Florida Interlocal Cooperation Act), as amended, and the Interlocal Agreement, dated September 1, 1989, which was subsequently amended by the

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

Amended Interlocal Agreement on June 1, 1992, amended and restated by the Amended and Restated Interlocal Agreement, dated July 1, 1996, then amended and restated by the Second Amended and Restated Interlocal Agreement, dated July 27, 1999, and then amended and restated by the Third Amended and Restated Interlocal Agreement dated March 25, 2011 (the Interlocal Agreement), executed and delivered among FGU and its members, which include municipalities, municipal utilities, and an interlocal agreement consisting of such entities. Due to the diverse needs of municipal utility systems, FGU established itself as a project-oriented agency. Under this structure, each member has the option to participate in a project. FGU has the authority to, among other things, plan, finance, acquire, construct, manage, operate, deliver, service, utilize, own, broker, exchange, and distribute natural gas, or other energy and energy services, pursuant to the Interlocal Agreement. As of September 30, 2022, FGU has 25 members. Separate audited financial statements of FGU as of September 30, 2022, are available from FGU.

**I.B. Basis of Presentation**

The City's Basic Financial Statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

**I.B.1. Government-wide financial statements.** The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component unit using the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City. Net position is defined as the residual of all other elements presented in a statement of financial position. Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Changes in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Taxes and other items not properly included among program revenues are reported instead as general revenues. All revenues and expenses are reported as soon as the underlying transaction has occurred, regardless of when cash is received or paid.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**I.B.2. Fund financial statements.** Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. An emphasis is on the major funds in either the governmental or business-type categories. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds (by category) are summarized into a single column.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

The Special Development Fund is a special revenue fund used to account for impact fees, property taxes for road improvements, local option gas taxes, infrastructure taxes, and other revenues which are restricted legally or by City Council policy to be used for specific capital improvement projects.

The Special Programs Fund is a special revenue fund used to account for grants and contributions, the use of which is restricted for certain programs.

The Capital Improvement Fund is used to provide combined accounting presentation for all City capital improvement projects except those financed from proprietary funds or bond proceeds where bond ordinance provisions require the segregation of bond proceeds in separate funds.

The City reports the following major enterprise funds:

The Water and Sewer Utility enterprise fund is used to account for the financing, construction, operation, and maintenance of the water and sewer services of the City from charges made to users of the service.

The Gas Utility enterprise fund is used to account for the financing, construction, operation, and maintenance of the gas services of the City from charges made to the users of the service.

The Solid Waste & Recycling Utility enterprise fund is used to account for the financing, construction, operation, and maintenance of the solid waste and recycling services of the City from charges made to the users of the service.

The Stormwater Utility enterprise fund is used to account for the financing, construction, operation, and maintenance of the stormwater management system of the City from charges assessed against each developed property.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the City reports the following fund types:

Internal service funds account for fleet management, information technology, telephone, employee relations, facilities management, radio communications, insurance, and risk management services provided to other City departments on a cost reimbursement basis. The Garage, Administrative Services, General Services, and Central Insurance funds primarily benefit governmental funds and are consequently included as governmental activities.

Pension trust funds account for the financial operation and condition of the Employees' Pension Plan, the Firefighters' Relief and Pension Plan, the Police Supplemental Pension Plan, and the Firefighters' Supplemental Pension Plan.

The custodial fund accounts for the receipt, custody, and expenditure of monies held temporarily in an agency capacity for other parties.

The pension trust funds and the custodial fund are fiduciary funds used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.

**I.C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal year. Other revenues are considered to be available if they are collected within 90 days of fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB Statement No. 33, have been met, and funds are available from the grantor agency or government.

Taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period for the governmental funds. All other revenue items are considered to be measurable and available only when cash is received by the City.

**I.D. Statements of cash flows**

For purposes of the statements of cash flows, investments with original maturities of three months or less are considered to meet the definition of cash equivalents. The majority of the investments in which the City's proprietary funds have equity are held by the City's consolidated pool of cash and investments. Since fund equities in this cash management pool have the general characteristics of demand deposits in that additional funds may be deposited at any time, and funds may be withdrawn at any time without prior notice or penalty, each fund's equity account is considered a cash equivalent regardless of the maturities of investments held by the pool. Funds with deficit (overdraft) positions within the consolidated pool report the deficits as interfund payables to the City's Capital Improvement Fund.

**I.E. Assets, Liabilities, and Net position or Fund Balance**

**I.E.1. Deposits, pooled cash, and investments**

Cash and investments are presented on the balance sheet in the basic financial statements at fair value in accordance with Generally Accepted Accounting Principles.

Investments with original maturities of three months or less are considered to meet the definition of cash equivalents. The majority of the investments are held by the City's consolidated pool of cash and investments. The City utilizes the consolidated cash pool to account for cash and investments of all City funds other than those that 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 that are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds. The cash pool utilizes a single checking account for all City receipts and disbursements.

Since fund equities in this cash management pool have the general characteristics of demand deposits in that additional funds may be deposited at any time and funds may be withdrawn at any time without prior notice or penalty, each fund's equity in pooled cash account is considered a cash equivalent, regardless of the maturities of investments held by the pool.

All individual fund cash equity in a deficit (overdraft) position with respect to the consolidated cash pool is reclassified at year-end to short-term interfund payables to the Capital Improvement Fund. The Capital Improvement Fund is the fund selected by management to reflect the offsetting interfund receivables in such cases.

The City Charter and the current Investment Policy, adopted by the City Council on September 9, 2010, authorize consolidated cash pool investments in the following: direct federal government obligations; federal agencies and instrumentalities; SEC registered money market funds with the highest credit quality rating; interest bearing time deposits



**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

or savings accounts in qualified public depositories; debt issued by the State of Florida or any political subdivision thereof including pools; securities of open-end or closed-end management-type investment companies as defined in the policy; collateralized repurchase agreements and reverse repurchase agreements; local government investment pools per Section 163.01, Florida Statutes; and commercial paper of prime quality as defined in the policy. All investments are reported at fair value.

The City utilizes a conservative investment philosophy when it invests its pooled cash funds in that the return of the principal is more important than the return on the principal. The City does not actively trade its portfolio and generally holds investments until maturity. Using a ladder approach to maturities and timing maturities to cash needs, the City does not anticipate selling investments to meet cash flow requirements.

Under the City's Investment Policy, a performance measurement standard has been established. The performance measure chosen is a weighted average of the overnight interest rate; and three-month, six-month, one-year, three-year, five-year, and ten-year Treasury rates, respectively. For the fiscal year ended September 30, 2022, the performance measure weighted average was 1.72%. The actual pooled cash earnings performance before bank charges was 0.90%.

Investments being held outside of the consolidated cash pool include escrowed debt service investments and employee retirement investments. Permissible escrowed debt service investments are specifically defined in each individual debt instrument, but generally follow the same limitations applicable to consolidated cash pool investments. The City maintains four different employee retirement programs, and each one has its own list of permitted investments. Generally, each plan allows the same type of investments as the consolidated cash pool, but additionally allows some portion of its assets to be invested in corporate bonds, notes of corporations, and stocks that are listed on one or more of the recognized national or international stock exchanges.

**I.E.2. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable less than 60 days are included in the trade accounts receivable allowance for uncollectible accounts at the five-year average loss experience rate of 2.14%. Trade accounts receivable in excess of 60 days are reserved at 40%. The property tax receivable allowance for uncollectible accounts is 10% of the current year portion of the receivable, and 30%, 50%, 70%, 90%, and 95% for the receivable portions attributable to the prior five years respectively (fiscal 2017 thru 2021), and 100% of the receivable attributable to fiscal years 2016 and prior.

Property tax revenue is recognized in the fiscal year for which the taxes are levied, provided the availability test is met, in conformance with National Council on Governmental Accounting Interpretation No. 3. Property taxes for the following fiscal year are levied by City Council action in September of each year. This levy is apportioned to property owners based on the previous January 1 assessed values. Tax bills are mailed out on or about November 1, and the collection period runs from November 1 through March 31. On April 1, unpaid property taxes are considered delinquent and become a lien. Tax certificates are sold in June for real property with delinquent taxes.

Since taxes are not collected prior to November 1, the City does not record revenue for advance collections. Uncollected taxes receivable at year-end are recorded, with an appropriate allowance for estimated uncollectible amounts. The net amount deemed to be collectible but not current (not expected to be collected within sixty days after the close of the fiscal year) is shown as deferred inflows in the appropriate fund.

All delinquent property taxes, except those levied specifically for the restricted purposes of financing activities accounted for in the Special Development Fund, are recorded in the General Fund. Property tax revenues are recognized in the General

**City of Clearwater, Florida**  
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Fund and the required transfers to the appropriate debt service or pension fund are recorded as transfers from the General Fund.

The City is permitted by State law to levy ten mills without referendum. Additional millage not subject to the ten mill limitation is authorized if approved by referendum, for a period not to exceed two years. The tax rate of 5.9550 mills for the year ended September 30, 2022 is the same rate that was levied the in the prior year.

Water, gas, stormwater, solid waste and recycling charges to customers are based on actual consumption. Consumption is determined on a monthly cycle basis. The City recognizes the unbilled consumption as revenue as of September 30<sup>th</sup>.

**I.E.3. Inventories and prepaid items**

Inventories of proprietary funds are stated at cost and valued on the first-in first-out (FIFO) basis. In governmental funds, the majority of inventory items are accounted for under the purchase method, which provides that expenditures are recognized when the inventory item is purchased. The only governmental fund inventory that is accounted for under the consumption method is the General Fund inventory of items for resale at the City's public fishing pier. Under the consumption method, the expenditure/expense is recognized when the inventory item is sold (or consumed).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**I.E.4. Restricted assets**

Certain resources of the City's enterprise funds are classified as restricted assets. Restricted assets include: Water and Sewer improvement charges restricted by the authorizing ordinances to the construction of additions and improvements to the water and sewer systems; Water & Sewer Utility, Gas Utility and Solid Waste & Recycling Utility restricted customer deposits; assets of the Water & Sewer Utility, Gas Utility, and Stormwater Utility funds restricted under the provisions of authorizing ordinances for revenue bonds to the payment of future revenue bond debt service, system construction, and renewals and replacements; and the net pension assets of the enterprise and internal service funds that are in an irrevocable trust restricted for pensions.

**I.E.5. Capital and right to use assets**

Capital assets, which include property, plant, equipment, and certain infrastructure assets, (e.g. roads, bridges, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, as defined by the City, are assets with an initial individual cost of more than \$5,000 (amount not rounded) and useful life greater than one year. Individual assets that cost less than \$5,000, but that operate as part of a network system, may be capitalized in the aggregate, using the group method. Additionally, higher thresholds for capitalization apply to the following categories: land improvements, \$50,000; buildings, building improvements, and utility systems, \$100,000; intangible assets, \$100,000; and infrastructure, \$500,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. When City crews contribute to the completion of a capital asset, time and materials are capitalized to the project cost.

Right to use assets, which include buildings and equipment, are amortized on a straight-line basis over the life of the related lease.

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Property, plant, equipment, and intangible assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 – 40
Public domain infrastructure	20 – 40
Utility systems	18 – 40
Machinery & equipment	3 – 15
Vehicles	5 – 10
Intangible assets	5 – 20

**I.E.6. 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 “caps” vary depending upon an employee’s bargaining unit, hire date, etc., but generally employees may accumulate vacation time not exceeding 320 hours and sick leave not exceeding 1,560 hours. Upon retirement from City service a qualified employee is paid for all vacation time not exceeding the applicable vacation “cap” and one-half of accumulated unused sick leave not exceeding the sick leave cap (i.e. maximum pay-out of 780 hours for an employee with a 1,560 hour cap). The City accrues for all earned but unused vacation pay up to the applicable cap 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 same governmental funds where the employee vacation and/or sick leave was earned.

**I.E.7. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable unamortized bond premium or discount. Bond issuance costs are expended when incurred.

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

**I.E.8. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption on net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time.

Similarly, in addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies for a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City

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reports deferred inflows related to pensions and other post-employment benefits (OPEB) in the government-wide and all enterprise and internal service fund statements. Deferred inflows related to business tax receipts are reported in both the government-wide and governmental fund statements, while deferred inflows related to property taxes, code enforcement liens, mortgage notes, and intergovernmental revenues are reported in the governmental fund financial statements, but not the government-wide statements, when the receivable is recorded but the revenue is not available.

Deferred outflows related to deferred amounts on bond refundings are reported in the Water and Sewer Utility, Gas Utility and Stormwater Utility funds, as well as in the government-wide statements. These amounts represent the difference between the reacquisition price and the net carrying amount of the old debt, which is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Changes in total pension liability arising from the differences between expected and actual experience, changes of assumption of future economic and demographic factors and the net difference between projected and actual earnings on pension plan investments are recognized as deferred outflows of resources or deferred inflows of resources and are reported in all enterprise and internal service funds, as well as in the government-wide statements. Changes between expected and actual experience and changes of assumptions are recognized in pension expense over a closed period equal to the average of the expected remaining service lives of all active and inactive employees, while the difference between projected and actual earnings is recognized in pension expense over a closed five-year period.

Differences between expected and actual experience and changes in assumptions related to OPEB are recognized as deferred outflows of resources or deferred inflows of resources and are reported in all enterprise and internal service funds, as well as in the government-wide statements, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees), determined as of the beginning of the measurement period. At October 1, 2021, the beginning of the current measurement period, the average of the expected remaining services lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period was 7.1 years.

Deferred inflows related to leases in which the City is the lessor are recorded in the General Fund, Water and Sewer Utility Fund, Marine Operations Fund, and the government-wide statements. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable at inception of the lease, and is recognized as revenue in a systematic and rational manner over the term of the lease.

**I.E.9. Net position flow assumption**

Sometimes the City will fund outlays for a particular purpose from both unrestricted resources and restricted resources, such as restricted bond or grant proceeds. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made regarding the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**I.E.10. Fund balance flow assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made regarding the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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**I.E.11. Fund balance policies**

The fund balance of governmental funds is reported in various classifications that comprise a hierarchy based primarily on the extent to which the government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. Each classification of fund balance is based on the relative strength of the constraints that control how specific amounts can be spent. The order of spending follows the same hierarchy. Restricted resources are applied first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Nonspendable** fund balance represents amounts that cannot be spent, such as inventories, prepaid amounts, and amounts that are legally or contractually required to remain intact.

**Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Committed** fund balance includes amounts that can be used only for the specific purposes determined by the adoption of an ordinance prior to the end of the fiscal year by the City Council, the highest level of decision-making authority. Once adopted by ordinance, a commitment can only be revised or removed by the adoption of another ordinance.

**Assigned** fund balance includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed because they are supported by management's intent rather than a formal action of the City Council. The Finance Director is authorized by Section 2.511 of the Code of Ordinances to assign fund balance. Since assignments only exist temporarily, no further action is required to revise or remove them.

**Unassigned** fund balance includes amounts not classified above. Positive unassigned fund balance may only be reported in the general fund. In all other funds, unassigned fund balance is limited to negative residual fund balances.

**Minimum fund balance.** Per City Council Policy, a minimum General Fund unassigned balance of 8.0% of the subsequent year's budgeted expenditures must be maintained as a contingency fund for unanticipated financial needs. In addition, 0.5% of the subsequent year's budgeted expenditures must be maintained to fund unanticipated retirements of employees residing in General Fund departments. Budgeted appropriations will maintain these minimum reserves of 8.5% of subsequent year's budgeted expenditures, with excess reserves available for specific capital improvement projects or other "one-time" needs.

**Stabilization arrangement.** As of September 30, 2022, the City Council has not established a separate revenue stabilization reserve.

**I.E.12. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

**I.F. Adoption of new GASB pronouncements**

During the fiscal year ended September 30, 2022, the City implemented the following GASB pronouncements:

GASB Statement No. 87, *Leases*. Issued June 2017, this Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the

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contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**Note II – Stewardship, Compliance, and Accountability**

**II.A. Budgets and budgetary accounting**

Annual budgets are legally adopted for the General Fund, Special Development special revenue fund, and the Community Redevelopment Agency special revenue fund. The budgets for the General Fund and the Special Development Fund are adopted on a basis consistent with GAAP, and appropriations lapse at year-end. The Community Redevelopment Agency (CRA) Fund annual budget is adopted by the trustees of that agency in accordance with state law. The level of budgetary control is the total fund. The CRA Fund Budget is adopted on a basis consistent with GAAP, and all appropriations lapse at year-end.

The level of budgetary control established by the legislative body, the level on which expenditures may not legally exceed appropriations, is the individual fund. In accordance with provisions of Ordinance 5025-90 and with Section 2.519(4) of the Clearwater Code, the City Manager may transfer part or all of any unencumbered appropriation balance among programs within an operating fund, provided such action does not result in the discontinuance of a program. Such transfers must be included in the next budget review presented to the City Council. Upon detailed written request by the City Manager, the City Council may by ordinance transfer part or all of any unencumbered appropriation balance from one fund to another.

As established by administrative policy, department directors may transfer money from one operating code to another within a program without a formal written amendment. Formal requests for budget amendments from department directors are required for transfers, capital expenditures, and reserves. Thus, certain object classifications within departmental and/or program budget appropriations are subject to administratively imposed controls, in addition to the legal controls imposed by City Council action described above.

Budget amounts presented in the accompanying financial statements reflect all amendments adopted by the City Council and the governing board of the component unit. All amendments were adopted in conformance with legal requirements. Individual amendments, as well as the net effects of all amendments during the fiscal year, were not material in relation to the original appropriations for the governmental funds in the aggregate.

Budgets for the Capital Projects Funds, the Special Programs Fund, the SHIP Local Housing Assistance Trust Fund, and the Pinellas County Local Housing Assistance Trust Fund are adopted on a multi-year completed program basis, where budgetary appropriations do not lapse at year-end, but may extend across two or more fiscal years. A comparison of annual results with these budgets would not be meaningful and is therefore not included in this report.

All City Council adopted budgets are integrated into the formal accounting system to allow for monthly comparison of projected and actual results in all funds for which budgets are adopted.

**Note III – Detailed Notes on All Funds**

**III.A. Deposits and investments**

Investments with original maturities of three months or less are considered to meet the definition of cash equivalents. The majority of the investments in which the City's proprietary funds have equity are held by the City's consolidated pool of cash and investments. Since fund equities in this cash management pool have the general characteristics of demand deposits, in that additional funds may be deposited at any time, and funds may be withdrawn at any time without prior notice or penalty,

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each fund's equity account is considered a cash-equivalent regardless of the maturities of investments held by the pool. Funds with deficit (overdraft) positions within the consolidated pool report the deficits as interfund payables to the City's Capital Improvement Fund.

**Fair Value and Net Asset Value**

The City of Clearwater and the City's pension plans categorize fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the securities and assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. Certain investments held by the City and the pension plans are valued at net asset value (NAV) per share when an investment does not have a readily determined fair value, provided that the NAV is calculated and used as a practical expedient to estimate fair value in accordance with GAAP requirements.

Equity and Fixed Income Securities – Equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets issued by pricing vendors for these securities. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the City's custodian bank, Wells Fargo, for the City's pooled cash investments. Prices for pension investments are obtained by the custodial agents for each of the pension plans. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using prices determined by matrix pricing techniques maintained by various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt and equity securities classified in Level 3 of the fair value hierarchy, when applicable, are securities whose stated market price is unobservable by the marketplace; often these securities are priced by the issuer or industry groups.

Real Estate Funds – Investments in real estate funds are valued at estimated fair value, as determined in good faith by the General Partner (GP). These investments are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results, and other factors deemed relevant by the GP. These assets are valued at NAV.

**Deposits**

All cash of the City is entirely insured either by federal depository insurance or via banks' participation as qualified public depositories pursuant to Florida Statutes, Chapter 280, "Security for Public Deposits". The City is required to verify that monies are invested in "qualified public depositories" as defined in Florida Statutes section 280.02.

**Pooled Cash and Investments**

To increase returns and minimize fees, the City follows the practice of pooling available cash and investments of all funds, with the exception of retirement plan investments and assets held under Bond Trust Indenture Agreements. Please refer to Note I.E.1. for a discussion of allowable investments under the pooled cash and investments investment policy. All investments at year-end were in compliance with the pooled cash and investments investment policy.

**City of Clearwater, Florida**  
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Pooled cash and investments as of September 30, 2022 are classified in the accompanying financial statements as follows:

**Statement of net position**

**09/30/22**

Primary Government:	
Cash and investments	\$ 596,525,701
Restricted cash and investments	25,738,612
Fiduciary Funds:	
Cash and investments	<u>8,756,841</u>
Total pooled cash and investments	<u><u>\$ 631,021,154</u></u>

<u>Pooled Cash and Investments</u>	<u>Carrying Amount</u>	<u>% of Portfolio</u>	<u>Investment Maturities in Years</u>			<u>Moody's Rating</u>
			<u>Less than 1</u>	<u>1-3 Years</u>	<u>More than 3</u>	
<u>Cash and cash equivalents:</u>						
Cash on hand	\$ 24,974	0.00%				N/A
Time / interest bearing account	11,478,161	1.82%				N/A
Total cash and cash equivalents	<u>11,503,135</u>					
<u>Investments:</u>						
Local Government Investment Pools:						
Florida Safe Investment Pool	13,197,783	2.09%	13,197,783	-	-	AAAm
Florida Cooperative Liquid Assets Securities System	104,880,072	16.62%	104,880,072	-	-	AAAm
	<u>118,077,855</u>		<u>118,077,855</u>	<u>-</u>	<u>-</u>	
						<u>Moody's Rating</u>
Treasuries	<u>12,457,062</u>	1.97%	<u>3,177,375</u>	<u>9,279,687</u>	<u>-</u>	N/A
U.S. Agencies:						
Federal Home Loan Bank (FHLB)	282,787,935	44.82%	-	93,411,598	189,376,337	Aaa
Federal National Mortgage Assn (FNMA)	35,770,813	5.67%	-	18,045,541	17,725,272	Aaa
Federal Farm Credit Bank (FFCB)	82,519,737	13.08%	-	36,542,930	45,976,807	Aaa
Federal Home Loan Mortgage Corp (FHLMC)	18,482,073	2.93%	-	18,482,073	-	Aaa
Total U.S. Agencies	<u>419,560,558</u>		<u>-</u>	<u>166,482,142</u>	<u>253,078,416</u>	
Municipal bonds	<u>9,053,469</u>	1.43%	<u>-</u>	<u>9,053,469</u>	<u>-</u>	Aa2
Mortgage backed securities	<u>59,951,172</u>	9.50%	<u>1,056,136</u>	<u>10,938,035</u>	<u>47,957,001</u>	Aaa
Asset backed securities	<u>417,903</u>	0.07%	<u>2,143</u>	<u>338,407</u>	<u>77,353</u>	Aaa
Total investments	<u>619,518,019</u>		<u>122,313,509</u>	<u>196,091,740</u>	<u>301,112,770</u>	
Total pooled cash and investments	<u>\$ 631,021,154</u>	100.00%				



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**Interest Rate Risk – Pooled Cash and Investments:**

As a means of limiting exposure to fair value losses arising from rising interest rates, the City's pooled cash investment policy prohibits investments in securities maturing more than fifteen years from the date of purchase, unless matched to a specific cash flow requirement. Additionally, the policy allows no more than 10% of the portfolio to have maturities in excess of ten years unless specifically matched against a debt or obligation. Finally, the investment policy states that it is the City's intent to keep the weighted average maturity to three years or less, except for temporary situations due to market conditions and/or cash needs when the average maturity may exceed three years but shall not exceed five years. Weighted average maturities for the City's pooled cash investments are indicated in the table above.

**Credit Risk – Pooled Cash and Investments:**

The City's pooled cash investment policy, in accordance with Florida Statutes, allows investments to direct obligations of the United States, federal agencies, debt issued by the State of Florida or any political subdivision, and commercial paper of prime quality of the highest letter and numerical rating as provided by at least one nationally recognized rating service. Ratings for the City's pooled cash investments are disclosed in the preceding table.

**Concentration of Credit Risk – Pooled Cash and Investments:**

The City's pooled cash investment policy limits the investment in any one issuer to 40% of the portfolio. Concentrations of the various issuers are disclosed in the preceding table.

**Custodial Credit Risk – Pooled Cash and Investments:**

Monies on deposit with financial institutions are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, which provides protection against any loss to public depositors. Consistent with the City's investment policy, investment securities owned by the City are held by the City's custodian in the City's name and all purchases use the "delivery versus payment" procedure.

**Fair Value and Net Asset Value Measurement:**

The City has adopted the provisions of GASB Statements No. 72 and No. 79 and fully disclosed in the notes to the financial statements the fair value hierarchy and the methods of valuing the related investments as required under generally accepted accounting principles. The City of Clearwater categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the securities and assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. Certain investments held by the City are valued at net asset value (NAV) per share when an investment does not have a readily determined fair value, provided that the NAV is calculated and used as a practical expedient to estimate fair value in accordance with GAAP requirements.

Fixed Income Securities – Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the City's custodian bank, Bank of America, for the City's pooled cash investments. Debt securities classified in Level 2 of the fair value hierarchy are valued using prices determined by matrix pricing techniques maintained by various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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The City has the following recurring fair value and net asset value measurements as of September 30, 2022:

<b>(in thousands)</b>		Quoted Prices in Active Markets for Identical <u>Assets (Level 1)</u>	Significant Other Observable <u>Inputs (Level 2)</u>	Significant Unobservable <u>Inputs (Level 3)</u>
Investments measured at fair value:				
U.S. Government securities	\$ 12,457	\$ 12,457	\$ -	\$ -
Federal Agency securities	419,561	-	419,561	-
Municipal obligations	9,053	-	9,053	-
Mortgage backed securities	59,951	-	59,951	-
Asset backed securities	418	-	418	-
Total investments measured at fair value	501,440	\$ 12,457	\$ 488,983	\$ -
Investments measured at net asset value:				
Florida Safe Investment Pool	13,198			
Florida Cooperative Liquid Assets Securities System	104,880			
Total investments measured at net asset value	118,078			
Total pooled cash investments	\$ 619,518			

The Florida SAFE Investment Pool (FLSAFE) and the Florida Cooperative Liquid Assets Securities System (FLCLASS) are independent local government investment pools created under the laws of Florida to provide eligible units of local government with investment vehicles to pool their surplus funds. FLSAFE and FLCLASS investment pools are Stable Net Asset Value investment pools rated AAAM by Standard & Poors. The investment advisor and administrator for the FLSAFE investment pool is PMA Financial Network, Inc. and the investment advisor and administrator for the FLCLASS investment pool is Public Trust Advisors, LLC.

The two local government investment pools, Florida Safe Investment Pool (FLSAFE) and Florida Cooperative Liquid Assets Securities System (FLCLASS), have no unfunded commitments and both provide same day or next day redemption. The investment strategies of both prioritize safety of principal and liquidity over return, consistent with the City's investment strategy, investing in high-quality short-term investments.

**Pension Plan Assets**

The City reports four pension funds in the accompanying financial statements. Each of the plans has a separate governing board of trustees, a separate investment policy, and differing investment restrictions/risks. Consequently, each is disclosed separately below. All investments at year-end were in compliance with the respective plan investment policies. Please refer to Note I.E.1. for a discussion of allowable investments under the pension plans.

Investments are reported at fair value or net asset value, as disclosed, and are managed by third party money managers. The City's independent custodian and the individual money managers price each instrument (using various third-party pricing sources) and reconcile material differences. Investments in certain alternative investments are valued using the net asset value (NAV) per shares outstanding.

**City of Clearwater, Florida**  
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**Employees' Pension Plan**

At year-end, the Employees' Pension Plan cash and investment balances were as follows:

<u>Employees' Pension Plan Cash and Investments</u>	<u>Carrying Amount</u>	<u>% of Portfolio</u>	<u>Weighted avg maturity (years)</u>	<u>Moody's Rating</u>
<u>Cash and cash equivalents:</u>				
Cash in bank	\$ 7,849,449	0.73%	N/A	N/A
Cash in managed investment accounts	14,142,834	1.31%	N/A	N/A
Total cash and cash equivalents	<u>21,992,283</u>			
<u>Investments:</u>				
Government bonds	53,063,081	4.91%	12.2	Aaa
Government bonds	155,838	0.01%		A
Government bonds	2,343,430	0.22%		Baa
Government bonds	209,727	0.02%		NR
Agency bonds	561,482	0.05%	13.4	AGY
Agency bonds	942,595	0.09%		Aaa
Agency bonds	1,976,474	0.18%		B
Municipal bonds	1,238,634	0.11%	16.6	Aa
Municipal bonds	561,105	0.05%		A
Municipal bonds	785,862	0.07%		Baa
Domestic corporate bonds	1,726,244	0.16%	10.8	Aaa
Domestic corporate bonds	3,934,030	0.36%		Aa
Domestic corporate bonds	39,591,813	3.67%		A
Domestic corporate bonds	65,578,017	6.07%		Baa
Domestic corporate bonds	3,345,670	0.31%		Ba
Domestic corporate bonds	139,620	0.01%		B
Domestic corporate bonds	1,639,214	0.15%		NR
Asset backed securities	2,527	0.00%	36.7	AGY
Asset backed securities	9,285,750	0.86%		Aaa
Asset backed securities	136,587	0.01%		NR
Other/rights/warrants	1,606	0.00%	N/A	NR
Domestic stocks	245,887,012	22.80%	N/A	N/A
International equity securities	104,467,563	9.67%	N/A	N/A
Mortgage backed bonds	101,601,743	9.41%	28.5	AGY
Mortgage backed bonds	30,014	0.00%		Aaa
Mortgage backed bonds	42,236	0.00%		NR
Government issued commercial mortgage backed bonds	66,000	0.01%	27.7	AGY
International equity mutual funds	37,031,154	3.43%	N/A	N/A
Domestic equity mutual funds	192,726,885	17.85%	N/A	N/A
Infrastructure	54,511,675	5.05%	N/A	N/A
Real Estate/Timber	134,198,683	12.43%	N/A	N/A
Total investments	<u>1,057,782,271</u>			
Total cash and investments	<u>\$ 1,079,774,554</u>	100.00%		

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
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**Interest Rate Risk – Employees’ Pension Plan:**

As a means of limiting exposure to fair value losses arising from rising interest rates, the Employees’ Pension Plan investment policy limits the investment in fixed income investments to no more than 40% of the portfolio. There are no limits related to weighted average maturities due to the long-term nature of pension plan investing.

**Credit Risk – Employees’ Pension Plan:**

The Employees’ Pension Plan investment policy limits credit risk by restricting equity investments to corporations that are listed on one of the national or international stock exchanges. Additionally, fixed income corporate bonds must carry an “investment grade” rating as established by one of the nationally recognized rating agencies. As of September 30, 2022, the Plan had \$5,461,764 invested in domestic corporate bonds that had fallen below investment grade (Ba1 and lower) as the result of investment downgrades, as indicated on the previous table. The respective money managers notified the Plan administrators of the downgrades and the planned courses of action related to these securities on a timely basis, consistent with the policy’s individual manager guidelines.

**Concentration of Credit Risk – Employees’ Pension Plan:**

The Employees’ Pension Plan investment policy limits concentration of credit risk by limiting the investment in common stock or capital stock of any one corporation to 3% of the plan equity assets, unless due to a higher percentage included in a nationally recognized market index at least as broad as the Standard and Poor’s Composite Index of 500 companies, or upon a specific finding by the investment committee that such higher percentage is in the best interest of the fund. Additionally, the individual manager guidelines associated with the policy provide further diversification of both equity and fixed income investments to minimize concentration of credit risk.

**Custodial Credit Risk – Employees’ Pension Plan:**

This is the risk that in the event of the failure of a counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. Consistent with the Plan’s investment policy, investments are held by the Plan’s custodial bank and registered in the Plan’s name.

**Foreign Currency Risk – Employees’ Pension Plan:**

Risk of loss arises from changes in currency exchange rates. The Employees’ Pension Plan investment policy does not have a formal policy to limit foreign currency risk, other than a guideline of no more than 25% of the plan assets invested in international equities.

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
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The Pension Plan's exposure to foreign currency risk as of September 30, 2022 is as follows:

<u>Investment</u>	<u>Currency</u>	<u>Fair Value</u>
Common Stock	Euro currency	\$ 17,465,001
Common Stock	Japanese yen	11,153,845
Common Stock	British pound sterling	10,061,102
Common Stock	Swiss franc	6,094,215
Common Stock	Australian dollar	2,249,501
Common Stock	Hong Kong dollar	1,390,823
Common Stock	Swedish krona	1,372,591
Common Stock	Singapore dollar	1,054,127
Common Stock	Norwegian krone	969,776
Common Stock	South Korean won	771,986
Common Stock	Canadian dollar	382,113
Total		\$ 52,965,080

**Fair Value and Net Asset Value Measurement:**

The Employees' Pension Plan has adopted the provisions of GASB Statement No. 72 and fully disclosed in the notes to the financial statements the fair value hierarchy and the methods of valuing the related investments as required under the generally accepted accounting principles. The City's independent custodian and the individual money managers price each instrument (using various third-party pricing sources) and reconcile material differences. Investments in certain alternative investments are valued using the net asset value (NAV) per shares outstanding.

The Employees' Pension Plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the securities and assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. Certain investments held by the pension plan are valued at net asset value (NAV) per share when an investment does not have a readily determined fair value, provided that the NAV is calculated and used as a practical expedient to estimate fair value in accordance with GAAP requirements.

Equity and Fixed Income Securities – Equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets issued by pricing vendors for these securities. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the City's custodian bank, Bank of America, for the City's pooled cash investments. Prices for pension investments are obtained by the custodial agents for each of the pension plans. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using prices determined by matrix pricing techniques maintained by various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt and equity securities classified in Level 3 of the fair value hierarchy, when applicable, are securities whose stated market price is unobservable by the marketplace; often these securities are priced by the issuer or industry groups.

Real Estate Funds – Investments in real estate funds are valued at estimated fair value, as determined in good faith by the General Partner (GP). These investments are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results, and other factors deemed relevant by the GP. These assets are valued at NAV.

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

The Employees' Pension Plan has the following recurring fair value and net asset value measurements as of September 30, 2022:

<b>(in thousands)</b>	<u>Fair Value</u>	<u>Assets (Level 1)</u>	<u>Inputs (Level 2)</u>	<u>Inputs (Level 3)</u>
Investments measured at fair value:				
Government bonds	\$ 55,772	\$ -	\$ 55,772	\$ -
Agency bonds	3,480	-	3,480	-
Municipal bonds	2,585	-	2,585	-
Domestic corporate bonds	115,955	-	115,928	27
Asset backed bonds	9,425	-	9,425	-
Other/Rights/Warrants	2	-	-	2
Domestic stocks	245,887	245,887	-	-
International equity securities	104,467	104,467	-	-
Mortgage backed bonds	101,674	-	101,674	-
Government issued mortgage backed bonds	66	-	66	-
Total investments measured at fair value	<u>639,313</u>	<u>\$ 350,354</u>	<u>\$ 288,930</u>	<u>\$ 29</u>
Investments measured at net asset value:				
Emerging markets mutual funds	37,031			
Domestic equity mutual funds	192,727			
Infrastructure	54,512			
Real Estate/Timber	134,199			
Total investments measured at net asset value	<u>418,469</u>			
Total Employees' Pension Plan investments	<u>\$ 1,057,782</u>			

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

**Net Asset Value Investments (in thousands):**

Money Manager	Value	Unfunded Commitments	Investment Strategy	Redemption Restrictions
Dimensional	\$ 37,031	\$ -	Emerging markets equity collective investment trust seeking long term capital appreciation by investing at least 80% of net assets in equity securities of companies located in emerging market countries.	None
Northern Trust	60,095	-	Collective large cap value index fund seeking to approximate the risk and return characteristics of the Russell 1000 Value Index.	None
Northern Trust	132,632	-	Collective large cap growth index fund seeking to approximate the risk and return characteristics of the Russell 1000 Growth Index.	None
Multi-Employer Property Trust	71,394	-	An open-end commingled real estate equity fund organized as a bank collective trust. Strategy to create top-quality, core, income-producing assets through development, rehab, or acquisition and repositioning of undervalued assets.	Quarterly redemptions with 45 days notice.
Molpus Woodlands Group Funds III & IV	10,837	1,255	Limited Partnership providing income through acquisition, holding, and distribution of timberland.	No redemption due to Limited Partnership term of up to 14 years, ending 10/22/2027.
Hancock Timberland XI LP	7,752	559	Limited Partnership providing income through acquisition, holding, and distribution of timberland	No redemption due to Limited Partnership. Two-year wind-up period begins 12/31/2025 and ends 12/31/2027.
IFM Infrastructure	54,512	-	Limited Partnership investing in a diversified portfolio of global infrastructure assets, favoring proprietary investment opportunities over competitive bidding processes.	Quarterly redemptions with 90 days notice; manager's best efforts within 36 months of end of quarter.
USAA U.S. Government Buildings	24,705	-	Core plus real estate strategy for acquisition and build-to-suit development of high quality assets leased to agencies of the U.S. Federal and State Governments.	Quarterly redemptions with 60 days notice.
Intercontinental U.S. Real Estate Investment Trust	19,511	-	Primarily investing in high-quality core and core plus properties for stable predictable cash flow and opportunity for capital appreciation. To a lesser degree, additional enhanced-core and value properties to further enhance diversification and return.	Quarterly redemptions with 60 days notice.
	<u>\$ 418,469</u>	<u>\$ 1,814</u>		

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

**Firefighters’ Relief and Pension Plan**

At year-end, the Firefighters’ Relief and Pension Plan cash and investment balances were as follows:

	<u>Carrying Amount</u>	<u>% of Portfolio</u>	<u>Weighted avg maturity (years)</u>	<u>Moody's Rating</u>
<u>Cash and cash equivalents:</u>				
Cash in bank	\$ 74,007	2.58%	N/A	N/A
Total cash and cash equivalents	<u>74,007</u>			
<u>Investments:</u>				
U.S. Treasury Note	1,787,273	62.21%	0.58	Aaa
U.S. Agency - Federal Agricultural Mortgage Corp. (FAMCA)	1,011,384	35.21%	1.62	Aaa
Total investments	<u>2,798,657</u>			
Total managed cash and investments	<u>\$ 2,872,664</u>	100.00%		

**Interest Rate Risk – Firefighters’ Relief and Pension Plan:**

As a means of limiting exposure to fair value losses arising from rising interest rates, the Firefighters’ Relief and Pension Plan investment policy stipulates that the Plan does not trade securities and will typically hold securities to maturity. There are no limits related to weighted average maturities due to the long-term nature of pension plan investing.

**Credit Risk – Firefighters’ Relief and Pension Plan:**

The Firefighters’ Relief and Pension Plan investment policy limits credit risk by restricting the fixed income investments to investment grade securities, per a nationally recognized ranking agency.

**Custodial Credit Risk – Firefighters’ Relief and Pension Plan:**

Monies on deposit with financial institutions are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, which provides protection against any loss to public depositors. Consistent with the City’s investment policy, investment securities owned by the Plan are held by the City’s custodian in the City’s name and all purchases use the “delivery versus payment” procedure.

**Concentration of Credit Risk – Firefighters’ Relief and Pension Plan:**

The Firefighters’ Relief and Pension Plan investment policy limits concentration of credit risk by limiting the recommended target allocation of the plan to domestic fixed income to 70% of the portfolio, with the remainder of the portfolio allocated to the City’s well-diversified pooled cash portfolio (see above disclosure). There are no additional limitations on concentrations with individual issuers or agencies due to the relatively small portfolio of this closed pension plan.

**Foreign Currency Risk – Firefighters’ Relief and Pension Plan:**

The Firefighters’ Relief and Pension Plan investment policy does not permit investment in foreign fixed income or equity securities.



**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

**Fair Value Measurement:**

The Firefighters' Relief and Pension Plan has the following recurring fair value measurements as of September 30, 2022:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Federal agency securities	\$ 2,798,657	\$ 1,787,273	\$ 1,011,384	\$ -

**Police Supplemental Pension Plan**

At year-end, the Police Supplemental Pension Plan cash and investment balances were as follows:

	<u>Carrying Amount</u>	<u>% of Portfolio</u>	<u>Weighted avg maturity (years)</u>	<u>Moody's Rating</u>
<u>Cash and cash equivalents:</u>				
Cash in bank	\$ 11,840	0.08%	N/A	N/A
Cash in managed investment accounts	2,021,635	13.78%	N/A	N/A
Total cash and cash equivalents	<u>2,033,475</u>			
<u>Investments:</u>				
Domestic equity mutual funds	10,185,334	69.41%	N/A	N/R
International equity mutual funds	2,454,475	16.73%	N/A	N/R
Total investments	<u>12,639,809</u>			
Total managed cash and investments	<u>\$ 14,673,284</u>	100.00%		

**Interest Rate Risk – Police Supplemental Pension Plan:**

As a means of limiting exposure to fair value losses arising from rising interest rates, the Police Supplemental Pension Plan investment policy limits the duration of the fixed income portfolio to less than 135% of the duration of the Bloomberg Barclay's Intermediate Aggregate Bond Index.

**Credit Risk – Police Supplemental Pension Plan:**

The Police Supplemental Pension Plan investment policy limits credit risk by restricting equity investments to securities that are fully and easily negotiable. Investments in corporations whose stock has been publicly traded for less than one year are limited to 15% at cost value of the equity portfolio. Investment in equity securities whose market capitalization is less than \$10 billion dollars shall be limited to 25% of the total equity portfolio. Exchange traded funds (ETF's) or Exchange Traded Notes (ETN's) may not exceed 10% at cost value of any equity manager's portfolio. Investments in real estate shall not exceed 25% (at market valuation) of the value of the total fund assets. Investments in absolute or real return strategies shall not exceed 25% of the value of the total fund assets. The average credit quality of the bond portfolio shall be "A" or higher, and those securities rated below "BBB" shall not exceed 15% of the entire fixed income portfolio.

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

**Concentration of Credit Risk – Police Supplemental Pension Plan:**

The Police Supplemental Pension Plan investment policy limits concentration of credit risk by limiting the investment in common stock or capital stock of any one issuing company within an investment manager’s portfolio to 5% of the portfolio. Similarly, no more than 5% at cost value of a fixed income investment manager’s portfolio may be invested in the securities of any single corporate issuer per the plan investment policy. Finally, investments in collateralized mortgage obligations are limited to 25% of the market value of the investment manager’s total portfolio.

**Custodial Credit Risk – Police Supplemental Pension Plan:**

This is the risk that in the event of the failure of a counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. Plan investments are held by the Plan’s custodial bank and registered in the Plan’s name.

**Foreign Currency Risk – Police Supplemental Pension Plan:**

Risk of loss arises from changes in currency exchange rates. The Police Supplemental Pension Plan requires that no more than 25% of the market value of the plan’s total assets may be invested in foreign equity securities, commingled or mutual funds. Direct investment in foreign companies is limited to those traded on a national exchange and/or American Depository Receipts (ADR’s).

**Fair Value Measurement:**

The Police Supplemental Pension Plan has the following recurring fair value measurements as of September 30, 2022:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Domestic equity mutual funds	\$ 10,185,334	\$ 10,185,334	\$ -	\$ -
International equity mutual funds	2,454,475	-	2,454,475	-
	<u>\$ 12,639,809</u>	<u>\$ 10,185,334</u>	<u>\$ 2,454,475</u>	<u>\$ -</u>

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

**Firefighters' Supplemental Pension Plan**

At year-end, the Firefighters' Supplemental Pension Plan cash and investment balances were as follows:

	<u>Carrying Amount</u>	<u>% of Portfolio</u>	<u>Weighted avg maturity (years)</u>	<u>Moody's Rating</u>
<b><u>Cash and cash equivalents:</u></b>				
Cash in managed investment accounts	\$ 1,548,989	8.01%	N/A	N/A
Total cash and cash equivalents	<u>1,548,989</u>			
<b><u>Investments:</u></b>				
U.S. Treasury obligations	657,215	3.40%	8.2	Aaa
Municipal obligations	57,732	0.30%	4.4	A1/A2/A3
Municipal obligations	30,167	0.16%		Aa1
Municipal obligations	45,627	0.24%		N/R
Domestic corporate bonds	475,116	2.46%	4.5	A1/A2/A3
Domestic corporate bonds	25,843	0.13%		Aa1/Aa2/Aa3
Domestic corporate bonds	680,754	3.52%		Baa1/Baa2/Baa3
Domestic corporate bonds	4,411	0.02%		N/R
International equity securities	375,127	1.94%	N/A	N/R
Domestic stocks	3,248,331	16.79%	N/A	N/R
Mortgage backed bonds	1,228,692	6.35%	17.4	N/R
Domestic equity mutual funds	5,380,276	27.80%	N/A	N/R
International equity mutual funds	903,918	4.67%	N/A	N/R
Real estate	4,682,598	24.21%	N/A	N/R
Total investments	<u>17,795,807</u>			
Total managed cash and investments	<u>\$ 19,344,796</u>	100.00%		

**Interest Rate Risk – Firefighters' Supplemental Pension Plan:**

As a means of limiting exposure to fair value losses arising from rising interest rates, the Firefighters' Supplemental Pension Plan investment policy limits the duration of the fixed income portfolio to less than 135% of the duration of the Bloomberg Barclay's Intermediate Aggregate Bond Index.

**Credit Risk – Firefighters' Supplemental Pension Plan:**

The Firefighters' Supplemental Pension Plan investment policy limits credit risk by restricting equity investments to securities that are fully and easily negotiable. Investments in corporations whose stock has been publicly traded for less than one year are limited to 15% at cost value of the equity portfolio. Investment in equity securities whose market capitalization is less than \$10 billion dollars shall be limited to 25% of the total equity portfolio. Exchange traded funds (ETF's) or Exchange Traded Notes (ETN's) may not exceed 10% at cost value of any equity manager's portfolio. Investments in real estate shall not exceed 35% (at market valuation) of the value of the total fund assets. Investments in absolute or real return strategies shall not exceed 20% of the value of the total fund assets. The average credit quality of the bond portfolio shall be "A" or higher, and those securities rated below "BBB" shall not exceed 15% of the entire fixed income portfolio.

**Concentration of Credit Risk – Firefighters' Supplemental Pension Plan:**

The Firefighters' Supplemental Pension Plan investment policy limits concentration of credit risk by limiting the investment in common stock or capital stock of any one issuing company within an investment manager's portfolio to 5% of the portfolio. Similarly, no more than 5% at cost value of a fixed income investment manager's portfolio may be invested in the securities of any single corporate issuer per the plan investment policy. Finally, investments in collateralized mortgage obligations are limited to 25% of the market value of the investment manager's total portfolio.

**City of Clearwater, Florida**  
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**Custodial Credit Risk – Firefighters’ Supplemental Pension Plan:**

This is the risk that in the event of the failure of a counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. Plan investments are held by the Plan’s custodial bank and registered in the Plan’s name.

**Foreign Currency Risk – Firefighters’ Supplemental Pension Plan:**

Risk of loss arises from changes in currency exchange rates. The Firefighters’ Supplemental Pension Plan requires that no more than 25% of the market value of the plan’s total assets may be invested in foreign equity securities, commingled or mutual funds. Direct investment in foreign companies is limited to those traded on a national exchange and/or American Depository Receipts (ADR’s).

**Fair Value Measurement:**

The Firefighters’ Supplemental Pension Plan has adopted the provisions of GASB Statement No. 72 and fully disclosed in the notes to the financial statements the fair value hierarchy and the methods of valuing the related investments as required under generally accepted accounting principles. The Plan has the following recurring fair value measurements as of September 30, 2022:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
U.S. Treasury obligations	\$ 657,215	\$ 657,215	\$ -	\$ -
Municipal obligations	133,526	-	133,526	-
Domestic corporate bonds	1,186,124	-	1,186,124	-
International equity securities	375,127	375,127	-	-
Domestic stocks	3,248,331	3,248,331	-	-
Mortgage backed bonds	1,228,692	-	1,228,692	-
Domestic equity mutual funds	5,380,276	5,380,276	-	-
International equity mutual funds	903,918	-	903,918	-
Real estate	4,682,598	-	-	4,682,598
	<u>\$ 17,795,807</u>	<u>\$ 9,660,949</u>	<u>\$ 3,452,260</u>	<u>\$ 4,682,598</u>

**III.B. Receivables**

Receivables as of year-end for the City’s governmental, proprietary and internal service funds, including the applicable allowances for uncollectible accounts for the proprietary funds, are segregated on the fund financial statements. Mortgages, Notes, and Other Loans in the amount of \$4,846,448 are reported on the Governmental Funds Balance Sheet, net of an allowance for uncollectible accounts in the amount of \$11,928,413. The gross receivable of \$16,774,861 includes \$1,089,993 of long-term loans receivable that are not expected to be collected within the next fiscal year. Mortgage notes receivable and the related payment history are reviewed individually on an annual basis to determine collectability for allowance and bad debt determinations.

Receivables as of year-end for the primary government’s individual major funds, as well as non-major funds and internal service funds in the aggregate, are as follows:

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

**Receivables, net of applicable allowances for uncollectible accounts (amounts in thousands):**

	Franchise		Interest	Accounts		Notes	Other	Total
	Taxes	Fees		and Contracts	Leases			
General fund	\$ 1,639	\$ 1,075	\$ 169	\$ 463	\$ 2,380	\$ -	\$ 46	\$ 5,772
Special Development	33	-	103	-	-	-	1	137
Special Programs	-	-	51	-	-	9,477	-	9,528
Capital Improvement	-	-	54	-	-	-	18	72
Non-major governmental funds	-	-	23	-	-	7,298	-	7,321
Internal service funds	-	-	142	-	-	-	89	231
Total governmental	1,672	1,075	542	463	2,380	16,775	154	23,061
Less: Allowance for uncollectible accounts	(121)	-	-	-	-	(11,928)	-	(12,049)
Net governmental receivables	<u>\$ 1,551</u>	<u>\$ 1,075</u>	<u>\$ 542</u>	<u>\$ 463</u>	<u>\$ 2,380</u>	<u>\$ 4,847</u>	<u>\$ 154</u>	<u>\$ 11,012</u>
Water and Sewer Utility	\$ -	\$ -	\$ 309	\$ 8,541	\$ 192	\$ -	\$ 37	\$ 9,079
Gas Utility	-	-	47	3,488	-	-	8	3,543
Solid Waste and Recycling Utility	-	-	70	2,648	-	-	-	2,718
Stormwater Utility	-	-	69	2,216	-	-	-	2,285
Non-major enterprise funds	-	-	67	-	5,340	-	-	5,407
Total business-type	-	-	562	16,893	5,532	-	45	23,032
Less: Allowance for uncollectible accounts	-	-	-	(42)	-	-	-	(42)
Net business-type receivables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 562</u>	<u>\$ 16,851</u>	<u>\$ 5,532</u>	<u>\$ -</u>	<u>\$ 45</u>	<u>\$ 22,990</u>

**III.C. Lease Receivables**

The City, as a lessor, has entered into the following lease agreements:

Fields, Inc. d/b/a Barefoot Beach House leases the premises on Clearwater Beach at 332 South Gulfview Blvd. to operate a food and beach accessory concession and restroom complex. The lease terminates on December 31, 2024. There are no further renewals available. Monthly fixed base rent payments of \$8,334 are received in the General Fund, as well as additional rent which varies based on gross sales. A lease receivable of \$223,079 and a deferred inflow of \$230,355 are recorded in the General Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 0.743%.

Alexandra of Clearwater Beach, Inc. leases the premises on Clearwater Beach at 10 Pier 60 Drive to operate a food and beach accessory concession and restroom complex. The lease terminates on February 28, 2027. There are no further renewals available. Fixed base rent of \$50,000 is due annually on March 1<sup>st</sup>, in addition to fixed monthly rent of \$10,000 and additional rent which varies based on gross sales. A lease receivable of \$712,919 and a deferred inflow of \$726,483 are recorded in the General Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 1.090%.

Clearwater Community Sailing Association, Inc. leases the premises on Clearwater Beach (3,658 square feet of real property and improvements) at 1001 Gulf Blvd., known as the Clearwater Community Sailing Center, and two additional tracts of land. The lease terminates on February 29, 2024. There are no renewals available. Monthly base rent of \$1,459 is received in the General Fund, and is subject to increase annually on March 1<sup>st</sup> based on the CPI for all Urban Consumers (CPI-U), South Urban Area, for the twelve-month period ending December 31<sup>st</sup>. A lease receivable of \$24,711 and a deferred inflow of \$26,058 are recorded in the General Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 0.529%.

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Clearwater Golf Club, LLC leases the golf course located at 525 Betty Lane North, known as the Clearwater Country Club. The lease terminates on April 30, 2041. There are no renewals available. In lieu of rent, the Club at its sole expense will perform the renovations and construction stated in the agreement, valued at approximately \$1.2 million, during the five-year period ending April 30, 2027. A lease receivable of \$1,066,452 (present value of the required improvements using a discount rate of 2.36%) and a deferred inflow of \$1,044,235 are recorded in the General Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 2.36%.

Martin Luther King, Jr. Neighborhood Family Center, Inc. leases 530 square feet of office space at the North Greenwood Aquatics and Recreation Complex located at 900 North Martin Luther King, Jr. Avenue. The lease terminates on September 30, 2026 if not renewed for an additional five-year term. Quarterly rent of \$5,000 is received in the General Fund, and may be adjusted for the renewal term, if exercised, to reflect applicable changes in the use of the premises or the cost of operating the facility. A lease receivable of \$78,177 and a deferred inflow of \$82,789 are recorded in the General Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 1.090%.

The Philadelphia Phillies baseball club leases the stadium known as BayCare Ballpark, located at 601 North Old Coachman Road, for use as a spring training facility and also the home of their Class A affiliate, the Clearwater Threshers. The lease terminates on December 31, 2023 if renewal options are not exercised. Annual rent of \$204,000 is received in the General Fund. A lease receivable of \$202,927 and a deferred inflow of \$255,088 are recorded in the General Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is .529%.

Clearwater Golf Associates, Inc. leases a golf course located at 1875 Airport Road, known as The Landings Golf Club of Clearwater. The lease terminates on February 28, 2029. There are no renewals available. Quarterly fixed rent of \$3,000 is received in the General Fund, as well as 3% of gross revenues in excess of \$1.1 million annually. A lease receivable of \$71,715 and a deferred inflow of \$72,464 are recorded in the General Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 1.390%.

A portion of the water tower premises at 1751 Kings Highway and Weston Drive is leased to T-Mobile (formerly MetroPCS California/Florida, Inc.) for location of a cell tower and related equipment. The lease terminates on December 18, 2025. There are no further renewals available. Annual lease payments are received in the Water and Sewer Utility Fund. A lease receivable of \$113,325 and a deferred inflow of \$139,263 are recorded in the Water and Sewer Utility Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 0.916%.

A portion of the water tower premises at 3200 SR-580 and McMullen Booth Road (5,525 square feet) is leased to Crown Castle (formerly GTE Mobilnet of Tampa, Inc.) for location of a cell tower and related equipment. The lease terminates on September 30, 2025 if not renewed for additional five-year terms through 2040. Annual lease payments are received in the Water and Sewer Utility Fund. A lease receivable of \$78,397 and a deferred inflow of \$91,671 are recorded in the Water and Sewer Utility Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 0.916%.

Fifty-one commercial boat slips at the Clearwater Beach Marina are leased to various parties for a term of five years. There is no renewal option. Termination dates range from April 30, 2024 to November 2, 2026. Monthly lease payments ranging from \$487.44 to \$2,561.27, based on the passenger capacity and number of vessels in the slip, are received in the Marine Operations Fund. There are no scheduled rent increases; however, the City Manager is authorized to adjust vessel slip rent increases or decreases up to ten percent annually, based on surveys of rates charged by other municipal and local area marinas. Current rates reflect the most recent increase on May 1, 2022. A lease receivable of \$1,107,211 and a deferred inflow of \$1,126,134 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate ranges from 0.743% to 1.264% for these leases.

Clearwater Angler, LLC d/b/a The Bait Shop leases the building at 45 Causeway Blvd., located at the Clearwater Beach Marina. The lease terminates on September 30, 2023 if the second and final renewal is not exercised. Monthly lease payments of \$2,864, increasing 3% to \$2,950 on October 1, 2022, are received in the Marine Operations Fund. A lease

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receivable of \$35,303 and a deferred inflow of \$37,507 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 0.316%.

Suite #101 of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd. is leased to Kenneth Hayslett, individually, and RE/MAX Action First of Florida, Inc. The lease terminates on May 31, 2024 if the renewal options are not exercised. Monthly lease payments of \$3,742, increasing 3% to \$3,854 on June 1, 2023, are received in the Marine Operations Fund. A lease receivable of \$75,685 and a deferred inflow of \$78,003 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 0.743%.

Suite #104 of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd. is leased to Thomas C. Wolkowsky, Patricia A. Wolkowsky and Olivia O. Wolkowsky d/b/a Pirate's Pantry. The lease terminates on September 30, 2023 if the second and final renewal is not exercised. Monthly lease payments of \$691, increasing 3% to \$712 on October 1, 2022, are received in the Marine Operations Fund. A lease receivable of \$8,522 and a deferred inflow of \$9,054 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 0.316%.

Suite #106 of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd. is leased to Thomas C. Wolkowsky, Patricia A. Wolkowsky and Olivia O. Wolkowsky d/b/a Marina Beach Shoppe. The lease terminates on September 30, 2023 if the second and final renewal is not exercised. Monthly lease payments of \$2,597, increasing 3% to \$2,674 on October 1, 2022, are received in the Marine Operations Fund. A lease receivable of \$32,002 and a deferred inflow of \$34,000 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 0.316%.

Suite #108 of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd. is leased to Marina Cantina, LLC d/b/a Poke Havana. The lease terminates on September 30, 2023 if the second and final renewal is not exercised. Monthly lease payments of \$1,615, increasing 3% to \$1,664 on October 1, 2022, are received in the Marine Operations Fund. A lease receivable of \$19,907 and a deferred inflow of \$21,150 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 0.316%.

Suite #109 of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd. is leased to Harbor Barber and Beauty Salon, Inc. The lease terminates on September 30, 2023 if the second and final renewal is not exercised. Monthly lease payments of \$907, increasing 3% to \$935 on October 1, 2022, are received in the Marine Operations Fund. A lease receivable of \$11,183 and a deferred inflow of \$11,881 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 0.316%.

Suite #103 and Suite #105 as well as the entire second floor of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd., is leased to Marina Cantina, LLC for use as restaurant space (10,141 of interior space and 15,578 square feet of exterior/seasonal patio space). The lease terminates on September 30, 2027 if the renewal options are not exercised. Monthly lease payments of \$14,789, increasing to \$16,902 on October 1, 2022, are received in the Marine Operations Fund. A lease receivable of \$982,811 and a deferred inflow of \$972,225 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 0.316%.

The premises (land and building) located at 37 Causeway Blvd. is leased to Clearwater Beach Seafood, Inc. for use as Crabby's Dockside Restaurant. The lease terminates on March 31, 2047. There is no renewal option. Current monthly fixed base rent of \$13,285 is received in the Marine Operations Fund, as well as a percentage rent that varies according to food and alcohol sales. The base rent is adjusted annually on May 1<sup>st</sup>, the greater of 2% or the percentage increase in the PPI for the previous twelve months. A lease receivable of \$2,931,026 and a deferred inflow of \$2,902,785 are recorded in the Marine

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Operations Enterprise Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 2.461%.

Clearwater Marine Aquarium leases slips 1-20, known as the Island Estates boat slips, for a term of five years expiring on May 31, 2026. There is no renewal option; however, a new agreement may be negotiated at the termination of the current agreement. Consideration in lieu of rent consists of \$137,000 of investments and upgrades to the slips to be completed by May 31, 2026. A lease receivable of \$137,000 and a deferred inflow of \$137,000 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2022. The City's incremental borrowing rate is 1.090%.

**III.D. Capital assets**

Capital asset activity for the year ended September 30, 2022:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable capital assets:				
Land	\$ 92,280,967	\$ 820,990	\$ (635,000)	\$ 92,466,957
Construction in progress	27,180,485	50,965,552	(9,223,223)	68,922,814
Total non-depreciable capital assets	<u>119,461,452</u>	<u>51,786,542</u>	<u>(9,858,223)</u>	<u>161,389,771</u>
Depreciable capital assets:				
Buildings	174,115,455	158,141	(1,131,926)	173,141,670
Improvements other than buildings	52,170,021	9,041,399	(202,205)	61,009,215
Machinery and equipment	119,156,290	6,133,432	(5,005,190)	120,284,532
Infrastructure	163,562,540	-	-	163,562,540
Total depreciable capital assets	<u>509,004,306</u>	<u>15,332,972</u>	<u>(6,339,321)</u>	<u>517,997,957</u>
Less accumulated depreciation for:				
Buildings	(89,162,431)	(5,357,172)	3,071,960	(91,447,643)
Improvements other than buildings	(28,017,705)	(2,541,847)	200,824	(30,358,728)
Machinery and equipment	(87,848,512)	(10,572,228)	2,851,674	(95,569,066)
Infrastructure	(122,215,232)	(4,347,882)	-	(126,563,114)
Total accumulated depreciation	<u>(327,243,880)</u>	<u>(22,819,129)</u>	<u>6,124,458</u>	<u>(343,938,551)</u>
Net depreciable capital assets	<u>181,760,426</u>	<u>(7,486,157)</u>	<u>(214,863)</u>	<u>174,059,406</u>
Net governmental activities capital assets	<u>\$ 301,221,878</u>	<u>\$ 44,300,385</u>	<u>\$ (10,073,086)</u>	<u>\$ 335,449,177</u>



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<b>Business-type activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable capital assets:				
Land	\$ 30,829,028	\$ -	\$ (230,009)	\$ 30,599,019
Construction in progress	11,193,368	17,927,397	(5,156,941)	23,963,824
Total non-depreciable capital assets	<u>42,022,396</u>	<u>17,927,397</u>	<u>(5,386,950)</u>	<u>54,562,843</u>
Depreciable capital assets:				
Buildings	86,650,444	1,836,309	(11,533,434)	76,953,319
Improvements other than buildings	728,982,333	5,832,927	(1,000,000)	733,815,260
Machinery and equipment	20,554,509	737,316	(250,551)	21,041,274
Total depreciable capital assets	<u>836,187,286</u>	<u>8,406,552</u>	<u>(12,783,985)</u>	<u>831,809,853</u>
Less accumulated depreciation for:				
Buildings	(17,115,862)	(2,493,202)	1,369,596	(18,239,468)
Improvements other than buildings	(413,929,224)	(18,887,769)	1,000,000	(431,816,993)
Machinery and equipment	(11,983,155)	(1,760,527)	249,034	(13,494,648)
Total accumulated depreciation	<u>(443,028,241)</u>	<u>(23,141,498)</u>	<u>2,618,630</u>	<u>(463,551,109)</u>
Net depreciable capital assets	<u>393,159,045</u>	<u>(14,734,946)</u>	<u>(10,165,355)</u>	<u>368,258,744</u>
Net business-type activities capital assets	<u>\$ 435,181,441</u>	<u>\$ 3,192,451</u>	<u>\$ (15,552,305)</u>	<u>\$ 422,821,587</u>

Depreciation expense was charged to functions / programs of the primary government as follows:

Governmental activities:	
General government	\$ 723,558
Public safety	1,344,047
Transportation, including depreciation on infrastructure assets	4,160,006
Economic environment	45,861
Culture and recreation	6,388,155
Capital assets held by governmental internal service funds are charged to the various functions based on their usage of assets	10,157,502
	<u>\$ 22,819,129</u>
Business-type activities:	
Water and sewer utility	\$ 13,497,433
Gas utility	3,993,309
Solid waste and recycling utility	1,086,565
Stormwater utility	3,580,089
Marine operations	27,070
Aviation operations	186,807
Parking system operations	436,623
Clearwater Harbor Marina operations	333,602
	<u>\$ 23,141,498</u>

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**III.E. Right to use assets**

Right to use asset activity for the year ended September 30, 2022:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Right to use assets:				
Leased buildings	\$ 973,066	\$ -	\$ -	\$ 973,066
Leased equipment	904,251	395,675	-	1,299,926
Total right to use assets	<u>1,877,317</u>	<u>395,675</u>	<u>-</u>	<u>2,272,992</u>
Less accumulated amortization for:				
Leased buildings	-	(393,808)	-	(393,808)
Leased equipment	-	(487,792)	-	(487,792)
Total accumulated amortization	<u>-</u>	<u>(881,600)</u>	<u>-</u>	<u>(881,600)</u>
Net governmental right to use assets	<u>\$ 1,877,317</u>	<u>\$ (485,925)</u>	<u>\$ -</u>	<u>\$ 1,391,392</u>

The City is a lessee of the following right to use assets:

The City leases the 6<sup>th</sup> floor (13,024 square feet) of One Clearwater Tower located at 600 Cleveland Street for use as a temporary City Hall. The lease terminates on January 31, 2024 if the five-year renewal option is not exercised. Monthly lease payments of \$21,935, increasing to \$22,597 on January 1, 2023, are paid from the General Fund. The City has recorded a lease liability in the government-wide statements in the amount of \$357,219 as well as a right to use asset in the amount of \$373,357, net of accumulated amortization, as of September 30, 2022. The City's incremental borrowing rate is 0.529%.

The City leases 2,660 square feet of office space. The lease terminates on April 30, 2023. There are no renewal options. Monthly lease payments of \$4,167 are paid from the General Fund. The City has recorded a lease liability in the government-wide statements in the amount of \$29,115 as well as a right to use asset in the amount of \$33,063, net of accumulated amortization, as of September 30, 2022. The City's incremental borrowing rate is 0.529%.

The City leases a 56' X 24' modular unit to be used as a temporary fire station during the construction of Fire Station #46. The lease terminates on July 31, 2023. There are no renewal options. Monthly lease payments of \$2,725 are paid from the appropriate capital project in the Capital Improvement Fund. The City has recorded a lease liability in the government-wide statements in the amount of \$27,184 as well as a right to use asset in the amount of \$29,746, net of accumulated amortization, as of September 30, 2022. The City's incremental borrowing rate is 0.529%.

The City leases Suite 400 (3,719 square feet) in the Powell Professional Center located at 401 Corbett Street for use as an employee health clinic. The lease terminates on May 31, 2024. There are no renewal options. Monthly lease payments of \$6,864, increasing to \$7,070 on June 1, 2023, are paid from the Central Insurance Fund. The City has recorded a lease liability in the Central Insurance Internal Service Fund and the government-wide statements in the amount of \$138,841 as well as a right to use asset in the amount of \$143,092, net of accumulated amortization, as of September 30, 2022. The City's incremental borrowing rate is 0.743%.

The City leases various computer equipment from Hewlett-Packard Financial Services Company for terms of 36 months. There are twelve leases outstanding with termination dates ranging from December 31, 2022 to June 30, 2025. There are no renewal options. Quarterly lease payments ranging from \$3,588 to \$28,746 are paid from the Administrative Services Fund. The City has recorded a lease liability in the Administrative Services Internal Service Fund and the government-wide statements in the amount of \$803,928 as well as a right to use asset in the amount of \$812,134, net of accumulated amortization, as of September 30, 2022. The City's incremental borrowing rate ranges from 0.308% to 2.552% for these leases.

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Future lease payments on right to use assets are as follows:

	Principal	Interest	Total
2023	\$ 924,633	\$ 10,927	\$ 935,560
2024	354,205	4,397	358,602
2025	77,449	787	78,236
	<u>\$ 1,356,287</u>	<u>\$ 16,111</u>	<u>\$ 1,372,398</u>

The City does not report any right to use assets in the proprietary fund statements or business-type activities in the government-wide statements.

**III.F. Construction commitments**

As of September 30, 2022, material outstanding construction commitments were as follows:

<u>Project</u>	<u>Fund</u>	<u>Construction Commitments Outstanding</u>
Imagine Clearwater	Capital Improvement Fund	\$ 27,539,563
Northeast Water Reclamation Facility Improvements	Water & Sewer Utility Enterprise Fund	7,371,290
Fire Stsion #46	Capital Improvement Fund	6,081,076
Cleveland Street Streetscape Phase 3	Capital Improvement Fund	3,176,580
Bridge Repairs	Capital Improvement Fund	2,468,477
Compressed Natural Gas Station Upgrades	Gas Utility Fund	2,264,431
Cleveland Street Streetscape Phase 3	Stormwater Utility Enterprise Fund	1,903,003
Annual Roadway Resurfacing Program	Capital Improvement Fund	1,097,593
Cleveland Street Streetscape Phase 3	CRA Capital Improvement Fund	927,795
Police Department District 3 Sub-Station	Capital Improvement Fund	885,109
Del Oro Park Site Improvements	Capital Improvement Fund	751,399
Annual Stormwater Repairs	Stormwater Utility Enterprise Fund	731,384
Sailing Center Pier and Dock Replacements	Capital Improvement Fund	621,368
MSB Parking Garage Rehabilitation	Parking Fund	523,061
Total Construction Commitments		<u>\$ 56,342,129</u>

**III.G. Interfund receivables, payables, and transfers**

**III.G.1. Interfund balances**

As discussed in Note III.A., individual fund deficits in the consolidated cash pool, if any, have been reclassified as of September 30, 2022, as interfund loans from the Capital Improvement Fund, which was selected by management for this purpose. This reclassification results in a corresponding reduction in the cash equity in the Capital Improvement Fund, offset by an increase in interfund receivables.

As of September 30, 2022, there were no funds with a cash pool deficit.

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The amounts of the reclassified cash pool deficits, if any, as well as the current portion of other individual fund interfund payable and receivable balances are classified as Due from/to Other Funds. The long-term portions of other interfund balances are classified as Advances to/from Other Funds.

Fund	Due from Other Funds	Due to Other Funds	Advances to Other Funds	Advances from Other Funds
General Fund	\$ -	\$ 133,011	\$ -	\$ 444,103
Special Revenue Funds:				
Special Programs Fund	-	-	325,440	-
Community Redevelopment Agency Fund	-	-	-	325,440
Capital Projects Fund:				
Capital Improvement Fund	3,701,646	-	9,804,866	-
Enterprise Funds:				
Water & Sewer Utility Fund	-	105,476	-	324,569
Solid Waste & Recycling Utility Fund	-	528,706	-	2,248,353
Internal Service Funds:				
Administrative Services Fund	-	34,929	-	52,626
General Services Fund	-	6,939	-	21,236
Garage Fund	-	3,237,775	-	8,565,488
Central Insurance Fund	345,190	-	1,851,509	-
	<u>\$ 4,046,836</u>	<u>\$ 4,046,836</u>	<u>\$ 11,981,815</u>	<u>\$ 11,981,815</u>

Descriptions of interfund loans as of September 30, 2022:

An internal loan from the Special Programs special revenue fund to the Community Redevelopment Agency Fund in the amount of \$325,440, approved on September 1, 2011, for the environmental cleanup of the Car Pro site in the East Gateway area of the downtown. This loan is interest-free and is to be repaid upon the sale of the developed parcel. Because the first principal payment is not due within one year, this loan is classified as an advance.

An internal loan from the Central Insurance Fund to the Solid Waste/Recycling Utility Fund in the amount of \$3.5 million, approved November 16, 2017, to partially fund the construction of a Solid Waste Transfer Station. This loan provides for 10 equal payments of \$396,812, including interest at 2.35%, beginning September 30, 2019 and ending September 30, 2028. The current portion of this loan (\$345,190) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$1,851,509) is classified as an advance.

An internal loan from the Capital Improvement Fund to the General Fund in the amount of \$125,584 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$26,675, including interest at 2.04%, beginning May 31, 2020 and ending May 31, 2024. The current portion of this loan (\$25,619) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$26,141) is classified as an advance.

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An internal loan from the Capital Improvement Fund to the Water & Sewer Utility Fund in the amount of \$191,586 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$40,694, including interest at 2.04%, beginning May 31, 2020 and ending May 31, 2024. The current portion of this loan (\$39,083) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$39,880) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Solid Waste & Recycling Utility Fund in the amount of \$395,983 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$84,109, including interest at 2.04%, beginning May 31, 2020 and ending May 31, 2024. The current portion of this loan (\$80,779) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$82,427) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Garage Fund in the amount of \$3,363,457 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$714,414, including interest at 2.04%, beginning May 31, 2020 and ending May 31, 2024. The current portion of this loan (\$686,134) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$700,132) is classified as an advance.

An internal loan from the Capital Improvement Fund to the General Fund in the amount of \$174,984 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$36,054, including interest at 1.00%, beginning July 1, 2022 and ending July 1, 2026. The current portion of this loan (\$34,647) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$106,033) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Solid Waste & Recycling Fund in the amount of \$518,874 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$106,909, including interest at 1.00%, beginning July 1, 2022 and ending July 1, 2026. The current portion of this loan (\$102,737) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$314,417) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Administrative Services Fund in the amount of \$56,170 to fund the purchase of computers and network equipment. This loan provides for 3 equal payments of \$19,005, including interest at 0.75%, beginning July 1, 2022 and ending July 1, 2024. The current portion of this loan (\$18,723) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$18,863) is classified as an advance.

An internal loan from the Capital Improvement Fund to the General Services Fund in the amount of \$35,046 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$7,221, including interest at 1.00%, beginning July 1, 2022 and ending July 1, 2026. The current portion of this loan (\$6,939) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$21,236) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Garage Fund in the amount of \$5,140,518 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$1,059,151, including interest at 1.00%, beginning July 1, 2022 and ending July 1, 2026. The current portion of this loan (\$1,017,824) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$3,114,948) is classified as an advance.

An internal loan from the Capital Improvement Fund to the General Fund in the amount of \$384,674 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$83,516, including interest at 2.80%, beginning August 1, 2023 and ending August 1, 2027. The current portion of this loan (\$72,745) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$311,929) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Water & Sewer Utility Fund in the amount of \$351,081 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$76,223, including interest at 2.80%, beginning August 1, 2023 and ending August 1, 2027. The current portion of this loan (\$66,393) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$284,689) is classified as an advance.

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An internal loan from the Capital Improvement Fund to the Administrative Services Fund in the amount of \$49,969 to fund the purchase of computers and network equipment. This loan provides for 3 equal payments of \$17,581, including interest at 2.75%, beginning August 1, 2023 and ending August 1, 2025. The current portion of this loan (\$16,206) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$33,763) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Garage Fund in the amount of \$2,554,384 to fund the purchase of radio equipment. This loan provides for 3 equal payments of \$898,715, including interest at 2.75%, beginning August 1, 2023 and ending August 1, 2025. The current portion of this loan (\$828,470) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$1,725,914) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Garage Fund in the amount of \$3,729,841 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$809,783, including interest at 2.80%, beginning August 1, 2023 and ending August 1, 2027. The current portion of this loan (\$705,347) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$3,024,494) is classified as an advance.

**III.G.2. Interfund transfers**

Transfers are primarily used to 1) transfer revenues that have been collected in the required fund per state law to the funds and activities that state law allows for expenditures; 2) transfer of "payment in lieu of taxes" contributions from the utility funds to the General Fund; 3) transfer funding from governmental funds to debt service and capital improvements funds; and 4) transfer matching funds from the General Fund to various grant programs.

Other non-routine interfund transfers occurring during the current fiscal year included: A transfer of \$4,752 from the Central Insurance Fund to various funds for perfect claims safety award; a transfer of \$115,000 from the Community Redevelopment Agency Fund to the General Fund for a new Assistant Director position; a transfer of \$400,000 from General Fund to the Capital Improvement Fund for the Sailing Center Dock Replacement project; a transfer of \$300,000 from General Fund to the Capital Improvement Fund for the Greenprint Implementation project; a transfer of \$2.8 million from General Fund to the Capital Improvement Fund for the Fire Station 46 project; a transfer of \$1,344 from the Special Programs Fund to the Capital Improvement Fund for the Studio/Production Equipment project; a transfer of \$30,063 from the Capital Improvement Fund to the General Fund to return unspent funds in the Command Bus Refurbishment project; a transfer of \$2.3 million from the General Fund to the Clearwater Harbor Marina Fund for the Clearwater Harbor Marina Replacement & Upgrade project; a transfer of \$7.4 million from the General Fund to the Capital Improvement Fund for the New City Hall project; to record a transfer of \$13,000 from the Administrative Services Fund to the Aviation Fund for the Security System Upgrade project; a transfer of \$250,000 from the General Fund to the Marina Fund for the Beach Marina Upgrade project; a transfer of \$350,000 from the Special Development Fund to the Capital Improvement Fund for the Park Land Acquisition project; and a transfer of \$22 million from the Special Programs Fund to the General Fund, and then transfers from the General Fund to the Capital Improvement Fund and the Special Programs Fund for ARPA projects and programs approved by City Council.

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Interfund transfers for the year ended September 30, 2022 consisted of the following:

Transfers to General Fund from:	
Capital Improvement Fund	\$ 30,063
Special Programs Fund	22,711,690
Water & Sewer Utility Enterprise Fund	5,008,810
Gas Utility Enterprise Fund	1,700,000
Solid Waste & Recycling Utility Enterprise Fund	1,513,770
Stormwater Utility Enterprise Fund	942,880
Nonmajor governmental funds	839,853
Nonmajor enterprise funds	997,594
Internal service funds	3,786
Total	<u>33,748,446</u>
Transfers to Special Programs Fund from:	
General Fund	<u>12,098,174</u>
Transfers to Capital Improvement Fund from:	
General Fund	29,498,720
Special Development Fund	16,801,790
Special Programs Fund	195,344
Stormwater Utility Enterprise Fund	830,000
Nonmajor governmental funds	427,795
Nonmajor enterprise funds	85,000
Internal service funds	28,280
Total	<u>47,866,929</u>
Transfers to Gas Utility Enterprise Fund from:	
Internal service funds	<u>660</u>
Transfers to Nonmajor governmental funds from:	
General Fund	3,573,537
Capital Improvement Fund	927,795
Nonmajor governmental funds	4,924,637
Total	<u>9,425,969</u>
Transfer to Nonmajor enterprise funds from:	
General Fund	2,289,695
Capital Improvement Fund	517,386
Internal service funds	13,102
Total	<u>2,820,183</u>
Transfers to Internal service funds from:	
General Fund	6,728,300
Capital Improvement Fund	624,664
Special Programs Fund	112,981
Water & Sewer Utility Enterprise Fund	396,711
Gas Utility Enterprise Fund	41,083
Solid Waste & Recycling Utility Enterprise Fund	182,131
Stormwater Utility Enterprise Fund	287,283
Nonmajor enterprise funds	52,788
Internal service funds	204
Total	<u>8,426,145</u>
Total interfund transfers	<u><u>\$ 114,386,506</u></u>

**City of Clearwater, Florida**  
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**III.H. Financed Purchases**

The City purchases various equipment for governmental and business-type activities under financed purchase agreements (direct borrowings). The equipment is purchased with cash and subsequently provided as collateral via a financing agreement, typically for a five-year term. Obligations under these financed purchase agreements are recorded at the present value of their future minimum payments as of date of inception. Purchase of the assets is recorded as a cash outflow and the subsequent receipt of the financing proceeds is recorded as "proceeds from issuance of debt" for Statement of Cash Flows reporting.

Capitalized equipment subject to financed purchase agreements as of September 30, 2022:

	Governmental Activities	Business-type Activities
Equipment	\$ 20,887,792	\$ 1,113,570
Less: Accumulated Depreciation	(12,763,002)	(556,226)
Total	\$ 8,124,790	\$ 557,344

The future minimum payments under financed purchase agreements are as follows as of September 30, 2022:

<u>Year Ending Sept. 30</u>	Governmental Activities	Business-type Activities
2023	3,948,757	219,324
2024	2,099,255	176,966
2025	1,458,967	146,279
	7,506,979	542,569
Deduction of the amount of imputed interest necessary to reduce net minimum lease payments to present value	(126,706)	(9,816)
	\$ 7,380,273	\$ 532,753



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**III.I. Long-term debt**

**III.I.1. Bonds Payable**

\$14,810,000 Revenue Bonds (Spring Training Facility), Series 2002; issued to finance a portion of the cost of the acquisition, construction, rehabilitation and equipping of a spring training facility to be used by the Philadelphia Phillies major league baseball team; serial bonds due in annual installments of \$310,000 on March 1, 2023; interest at 5.375%; 5.375% term bonds in the amount of \$1,420,000 due March 1, 2027; and 5.375% term bonds in the amount of \$1,750,000 due March 1, 2031.

\$3,480,000

\$30,000,000 Non-Ad Valorem Revenue Bonds (Imagine Clearwater Improvements), Series 2022; issued to finance and/or reimburse a portion of the cost of acquisition, construction and equipping of the Imagine Clearwater Project; serial bonds due in annual installments of \$205,000 on October 1, 2023 to \$1,165,000 due at October 1, 2042; interest at 4.00% to 5.00%; 4.125% term bonds in the amount of \$3,785,000 due October 1, 2045; 4.125% term bonds in the amount of \$4,280,000 due October 1, 2048; 4.125% term bonds in the amount of \$3,155,000 due October 1, 2050; and 4.125% term bonds in the amount of \$3,420,000 due October 1, 2052.

30,000,000

Total revenue bonds for governmental activities

33,480,000

\$69,270,000 Water and Sewer Revenue Refunding Bonds, Series 2017; issued to refund and redeem the outstanding principal of the City's Water and Sewer Revenue Bonds, Series 2009A, maturing on and after December 1, 2020; term bonds due in annual installments of \$730,000 on December 1, 2022, to \$9,265,000 on December 1, 2039; interest at 3.50% to 5.00%.

67,900,000

\$29,080,000 Water and Sewer Revenue Refunding Bond, Series 2017B; a direct placement bank loan issued to refund and redeem the outstanding principal of the City's Water and Sewer Revenue Refunding Bonds, Series 2011, maturing on and after December 1, 2022; term bonds due in annual installments of \$2,285,000 on December 1, 2022, to \$2,895,000 on December 1, 2032; interest at 2.40%.

28,375,000

\$20,430,000 Water and Sewer Revenue Refunding Bonds, Series 2020; issued to refund and redeem the outstanding principal of the City's Water and Sewer Revenue Refunding Bond, Series 2014, a direct placement bank loan, maturing on and after December 1, 2020; serial bonds due in annual installments of \$1,295,000 on December 1, 2022, to \$2,060,000 on December 1, 2032; interest at 5.00%.

18,215,000

\$7,365,000 Gas System Revenue Refunding Bond, Series 2013; a direct placement bank loan issued to current refund the City's callable Gas System Revenue Refunding Bonds, Series 2004, maturing after September 1, 2013; term bonds due in annual installments of \$435,000 on September 1, 2023, to \$1,520,000 on September 1, 2026; interest at 2.41%.

3,880,000

\$5,405,000 Gas System Revenue Refunding Bond, Series 2014; a direct placement bank loan issued to current refund the City's callable Gas System Revenue Refunding Bonds, Series 2005, maturing after September 1, 2014; term bonds due in annual installments of \$300,000 on September 1, 2023, to \$2,040,000 on September 1, 2027; interest at 2.67%.

3,285,000

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\$19,365,000 Stormwater System Revenue Refunding Bonds, Series 2012, issued to pay and redeem all of the Stormwater Revenue Bonds, Series 2002, currently outstanding; serial bonds due in annual installments of \$890,000 on November 1, 2022, to \$1,350,000 on November 1, 2032, interest at 3.00% to 5.00%.	12,245,000
Total revenue bonds and direct placement bank loans for business-type activities	133,900,000
Total bonds payable	\$167,380,000

**III.I.2. Restrictive covenants and collateral requirements**

The Revenue Bonds (Spring Training Facility), Series 2002, are special, limited obligations of the City, payable solely from and secured by a lien upon and pledge of the (i) payments received by the City from the State of Florida pursuant to Section 212.20, Florida Statutes (State payments); and (ii) payments received by the City from Pinellas County, Florida pursuant to the Interlocal Agreement dated December 1, 2000 (County payments). The pledge of the State Payments and County Payments does not constitute a lien upon any property of the City. Furthermore, neither the City, Pinellas County, the State of Florida, nor any political subdivision thereof has pledged its faith or credit or taxing power to the payment of the bonds. However, the City has pledged, per a municipal bond insurance debt service agreement, to supplement State and County payments with non-ad valorem City revenues, if necessary, to pay debt service.

The Non-Ad Valorem Revenue Bonds (Imagine Clearwater Improvements), Series 2022, are limited obligations of the City, payable solely from non-ad valorem revenues of the City and secured by a covenant to budget and appropriate funds sufficient for the payment of principal and interest and certain other required payments in each fiscal year. The pledge of non-ad valorem revenues does not constitute a lien upon any property of the City, nor do the bonds constitute a general indebtedness of the City.

The Water and Sewer Revenue Refunding Bonds, Series 2017, Series 2017B and Series 2020, are limited obligations of the City payable solely from and secured by a lien upon and pledge of the net revenues of the City's water and sewer system (System). The pledge of the System's net revenues does not constitute a lien upon any property of the City. The covenants of the ordinances authorizing the bonds include, among other things, an obligation of the City to fix and maintain such rates, and collect such fees, rentals and other charges for the services and facilities of the System and revise the same from time to time whenever necessary, which will provide gross revenues in each fiscal year sufficient to pay the cost of operation and maintenance of the system; one hundred fifteen percent (115%) of the bond service requirement becoming due in such fiscal year on the outstanding bonds; plus one hundred percent (100%) of all reserve and other payments required to be made pursuant to the ordinances authorizing the bonds. The City further covenants that such rates, fees, rentals and other charges will not be reduced so as to render them insufficient to provide gross revenues for such purpose.

The Gas System Revenue Refunding Bonds, Series 2013 and Series 2014, are limited obligations of the City payable solely from and secured by a lien upon and pledge of the net revenues of the City's gas system (System). The pledge of the System's net revenues does not constitute a lien upon any property of the City. The covenants of the ordinances authorizing the bonds include, among other things, an obligation of the City to fix, establish, revise from time to time whenever necessary, maintain and collect always, such fees, rates, rentals and other charges for the use of the product, services and facilities of the System which will always provide revenues in each year sufficient to pay, and out of such funds pay, 100% of the cost of operations and maintenance of the System in such year and all reserve and other payments provided for in the ordinances authorizing the bonds, along with one hundred twenty five percent (125%) of the bond service requirement due in such year on all outstanding bonds.

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The Stormwater Revenue Refunding Bonds, Series 2012, are limited obligations of the City payable solely from and secured by a lien upon and pledge of the net revenues of the City's stormwater management system (System). The pledge of the System's net revenues does not constitute a lien upon any property of the City. The covenants of the ordinances authorizing the bonds include, among other things, an obligation of the City to fix, revise from time to time whenever necessary, and maintain and collect always such fees, rates, rentals and other charges for use of the products, services, and facilities which will always provide net revenues in each year sufficient to pay one hundred fifteen percent (115%) of the bond service requirement becoming due in such fiscal year on the outstanding bonds. The City further covenants that such rates, fees, rentals and other charges will not be reduced so as to render them insufficient to provide revenues for such purpose. Additionally, the covenants of each of the above issues includes a "Reserve Requirement" equal to the lesser of the Maximum Bond Service Requirement for any given year; 125% of the Average Annual Bond Service Requirement; or the largest amount as shall not adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes. A Reserve Fund has been funded for the Series 2012 Bonds.

Annual debt service requirements to maturity for revenue bonds and direct placement bank loans are as follows:

Year Ending September 30	Governmental Activities		Business-type Activities			
	Revenue Bonds		Revenue Bonds		Direct Placement Bank Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 310,000	\$ 1,129,744	\$ 2,915,000	\$ 4,222,044	\$ 3,020,000	\$ 834,798
2024	530,000	1,488,703	3,065,000	4,074,688	3,085,000	760,804
2025	845,000	1,453,072	3,215,000	3,927,538	4,195,000	685,237
2026	890,000	1,408,366	3,360,000	3,778,113	4,300,000	582,838
2027	935,000	1,361,334	3,520,000	3,621,913	4,550,000	477,948
2028-2032	4,935,000	6,027,538	20,135,000	15,506,906	13,495,000	1,172,340
2033-2037	4,070,000	4,930,875	35,425,000	9,507,688	2,895,000	34,740
2038-2042	5,160,000	3,827,550	26,725,000	1,631,900	-	-
2043-2047	6,320,000	2,649,922	-	-	-	-
2048-2052	7,740,000	1,204,203	-	-	-	-
2053	1,745,000	37,081	-	-	-	-
Totals	<u>\$ 33,480,000</u>	<u>\$ 25,518,388</u>	<u>\$ 98,360,000</u>	<u>\$ 46,270,790</u>	<u>\$ 35,540,000</u>	<u>\$ 4,548,705</u>

**III.I.3. Pledged revenues**

**State of Florida and Pinellas County Payments Pledged:** The City has pledged future revenues derived from payments received from the State of Florida pursuant to Section 212.20, Florida Statutes, and payments from Pinellas County, Florida pursuant to an Interlocal Agreement, together with any investment income earned on the revenues, to repay \$14.8 million in Spring Training Facility Revenue bonds issued in September 2002. Proceeds from the bonds provided financing for a portion of the costs of the acquisition, construction, rehabilitation, and equipping of a spring training facility to be used by the Philadelphia Phillies major league baseball team. The bonds are payable solely from the State of Florida and Pinellas County, Florida payments and are payable through March 2031. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,387,031. Principal and interest paid for the current year and total revenue received were \$488,983 and \$458,667, respectively.

**Non-Ad Valorem Revenues:** The City has covenanted and agreed to appropriate in its annual budget, by amendment if necessary, sufficient amounts of non-ad valorem revenues for payment of the principal and interest and to make certain other payments as required, for each fiscal year in which the Non-Ad Valorem Revenue Bonds (Imagine Clearwater Improvements) Series 2022, remain outstanding. Proceeds from the bonds provided financing for the cost of acquisition, construction or equipping of the Imagine Clearwater Project and to pay related costs of issuance of the Series 2022 bonds.

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Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$54,611,356. Debt service payments commence on April 1, 2023; therefore, no principal and interest payments were made in the current year.

**Water and Sewer Utility Net Revenues Pledged:** The City has pledged future net revenues of the City of Clearwater, Florida, Water & Sewer Utility, defined as all income or earnings, including any income from the investment of funds, derived by the City from the operation of the utility after deduction of current expenses for the operation, maintenance and repair of the system, but not including reserves for renewals and replacements, for extraordinary repairs or any allowance for depreciation to repay:

\$69.3 million Water and Sewer Revenue Refunding bonds issued in February 2017. Proceeds from the bonds provided financing to refund and redeem the outstanding principal maturing on or after December 1, 2020 of the City's Water and Sewer Revenue Bonds, Series 2009A. The bonds are payable solely from the Water and Sewer Utility net revenues and are payable through December 2039.

\$29.1 million Water and Sewer Revenue Refunding bond, a direct placement bank loan, issued in September 2017. Proceeds from the bonds provided financing to refund and redeem the outstanding principal maturing on or after December 1, 2022 of the City's Water and Sewer Revenue Refunding Bonds, Series 2011. The bonds are payable solely from the Water and Sewer Utility net revenues and are payable through December 2032.

\$20.4 million Water and Sewer Revenue Refunding bonds issued January 2020. Proceeds from the bonds provided financing to refund and redeem the outstanding principal maturing on or after December 1, 2020 of the City's Water and Sewer Revenue Refunding bond, Series 2014, a direct placement bank loan. The bonds are payable solely from the Water and Sewer Utility net revenues and are payable through December 2032.

Annual principal and interest payments on the bonds are expected to require less than 85 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$162,104,940. Principal and interest paid for the current year (\$8,745,155) required 55.65% of total net revenue (\$15,714,393).

**Stormwater Utility Net Revenues Pledged:** The City has pledged future net revenues of the City of Clearwater, Florida, Stormwater Utility, defined as all income or earnings, including any income from the investment of funds, derived by the City from the operation of the utility after deduction of current expenses for the operation, maintenance and repair of the system, but not including reserves for renewals and replacements, for extraordinary repairs or any allowance for depreciation to repay:

\$19.4 million Stormwater Revenue Refunding bonds issued in February 2012. Proceeds from the bonds provided sufficient funds to be available on March 5, 2012 to pay and redeem the City's outstanding Stormwater Revenue Bonds, Series 2002. The bonds are payable solely from the Stormwater Utility net revenues and are payable through November 2032.

Annual principal and interest payments on the bonds are expected to require less than 60 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$14,807,388. Principal and interest paid for the current year (\$9,318,962 including \$7,885,000 to redeem all outstanding principal on the 2013 Stormwater Revenue Refunding Bond, a direct placement bank loan) required 147.84% of total net revenue (\$6,303,234).

**Gas System Utility Net Revenues Pledged:** The City has pledged future net revenues of the City of Clearwater, Florida, Gas System Utility defined as all income or earnings, including any income from the investment of funds, derived by the City from the operation of the utility after deduction of current expenses for the operation, maintenance and repair of the system, but not including reserves for renewals and replacements, for extraordinary repairs or any allowance for depreciation to repay:

\$7.4 million Gas System Revenue Refunding bond, a direct placement bank loan, issued in June 2013. Proceeds from the bonds provided financing to refund the outstanding principal of the Gas System Revenue Refunding bonds, Series 2004. The bonds are payable solely from the Gas System Utility net revenues and are payable through September 2026.

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\$5.4 million Gas System Revenue Refunding bond, a direct placement bank loan, issued in June 2014. Proceeds from the bonds provided financing to refund the outstanding principal of the Gas System Revenue Refunding bonds, Series 2005. The bonds are payable solely from the Gas System Utility net revenues and are payable through September 2027.

Annual principal and interest payments on the bonds are expected to require less than 60 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,807,164. Principal and interest paid for the current year (\$909,070) required 15.60% of total net revenue (\$5,827,158).

**III.I.4. Advance refunding of bonds**

On September 21, 2017, the City issued at a discount \$29,080,000 of Water & Sewer Revenue Refunding Bonds, Series 2017B, a direct placement bank loan, for the purpose of advance refunding and redeeming on December 1, 2021, \$30,465,000 principal of Water & Sewer Revenue Refunding Bonds, Series 2011, maturing on or after December 1, 2022. The net proceeds in the amount of \$34,708,045 (after payment of \$91,402 plus additional cash of \$5,792,147 from released debt service reserve escrow), were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. The refunding transaction resulted in an aggregate debt service reduction in the amount of \$9,757,105 and an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,336,358.

There was no outstanding principal of the refunded bonds as of September 30, 2022.

A portion of the proceeds of the above-referenced bond issues was deposited into an irrevocable trust with an escrow agent and used to purchase securities of the United States Government and related agencies at various maturities and interest rates sufficient to meet all debt service requirements of the refunded debt. These assets are administered by trustees and are restricted to use for retirement of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts are not included in the accompanying financial statements as the City defeased its obligation for payment of the refunded debt upon completion of the refunding transactions.

**III.I.5. Early redemption of bonds**

On November 1, 2021, the city exercised a total early redemption option of the 2013 Stormwater Revenue Refunding Bond, a direct placement bank loan issued by STI Institutional & Governmental, Inc. The payout amount consisted of the principal balance of \$7,885,000 and accrued interest in the amount of \$117,487.

**III.I.6. Non-Ad valorem revenue bonds**

On November 21, 2019, City Council adopted Resolution 19-34 authorizing the issuance of not-to-exceed \$30 million of City of Clearwater, Florida Non-Ad Valorem Revenue Bonds (Imagine Clearwater Improvements) to finance and/or reimburse a portion of the costs of acquisition, design, construction, reconstruction, renovation, expansion, improving and equipping the Imagine Clearwater project at Coachman Park. The bonds would be issued as covenant to budget and appropriate legally available non-ad valorem revenue bonds (CBA bonds), which are not a traditional revenue pledge but rather a covenant, or “promise”, to budget and appropriate non-ad valorem revenues each budget year, sufficient to pay debt service and other costs of the bonds. On February 6, 2020, City Council adopted Ordinance 9357-20, ratifying the adoption of Resolution 19-34, and authorizing the issuance of bonds to finance a portion of the costs of the Imagine Clearwater project in accordance with the Clearwater Code of Ordinances.

Pursuant to a hearing on September 1, 2020, a Final Judgement was issued by the Circuit Court for Pinellas County validating and confirming the bonds, including the City’s authority to issue the bonds; the legality and validity of the bonds; the legality and validity of the proceedings authorizing the issuance and execution of the bonds including the bond resolution and bond ordinance, and the adoption of both the bond resolution and bond ordinance; the lawfulness of the City’s covenant

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to budget, appropriate and deposit non-ad valorem revenues in the manner and to the extent provided in the bond resolution and the pledge of funds to secure payment of the bonds; and the legality and validity of all matters and proceedings in connection therewith.

The bonds were issued on July 14, 2022.

**III.I.7. Changes in long-term liabilities**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:	\$ 3,775,000	\$ 30,000,000	\$ (295,000)	\$ 33,480,000	\$ 295,000
Add (subtract) deferred amounts:					
For issuance premiums (discounts)	50,547	1,225,939	(25,039)	1,251,447	-
Net bonds payable	<u>3,825,547</u>	<u>31,225,939</u>	<u>(320,039)</u>	<u>34,731,447</u>	<u>295,000</u>
Financed purchases (a)	12,787,134	-	(5,406,861)	7,380,273	5,406,861
Compensated absences (b)	9,517,797	6,665,679	(6,230,639)	9,952,837	5,540,843
Other postemployment benefits (c)	19,086,503	2,098,024	(5,161,275)	16,023,252	-
Net pension liability	-	6,162,205	-	6,162,205	-
Lease obligations	1,877,317	395,675	(916,705)	1,356,287	924,633
Claims payable (d)	<u>10,067,200</u>	<u>22,520,573</u>	<u>(22,845,269)</u>	<u>9,742,504</u>	<u>4,079,616</u>
Governmental activity					
Long-term liabilities	<u>\$ 57,161,498</u>	<u>\$ 69,068,095</u>	<u>\$ (40,880,788)</u>	<u>\$ 85,348,805</u>	<u>\$ 16,246,953</u>
<b>Business-type activities:</b>					
Bonds payable:					
Revenue bonds payable	\$ 103,165,000	\$ -	\$ (4,805,000)	\$ 98,360,000	\$ 2,915,000
Less deferred amounts:					
For issuance premiums (discounts)	7,835,890	-	(902,202)	6,933,688	-
Net revenue bonds payable	<u>111,000,890</u>	<u>-</u>	<u>(5,707,202)</u>	<u>105,293,688</u>	<u>2,915,000</u>
Direct placement bank loans (e)	44,300,000	-	(8,760,000)	35,540,000	3,020,000
Less deferred amounts:					
For issuance premiums (discounts)	(44,449)	-	6,947	(37,502)	-
Net direct placement bank loans	<u>44,255,551</u>	<u>-</u>	<u>(8,753,053)</u>	<u>35,502,498</u>	<u>3,020,000</u>
Total bonds payable	<u>155,256,441</u>	<u>-</u>	<u>(14,460,255)</u>	<u>140,796,186</u>	<u>5,935,000</u>
Financed purchases (a)	892,823	-	(360,070)	532,753	213,543
Compensated absences (b)	2,351,786	1,285,263	(1,400,264)	2,236,785	1,245,239
Other postemployment benefits (c)	8,433,905	959,630	(2,360,754)	7,032,781	-
Net pension liability	-	817,301	-	817,301	-
Business-type activity					
Long-term liabilities	<u>\$ 166,934,955</u>	<u>\$ 3,062,194</u>	<u>\$ (18,581,343)</u>	<u>\$ 151,415,806</u>	<u>\$ 7,393,782</u>

(a) Financed purchase agreements (direct borrowings):

On September 19, 2013, City Council approved a Master Lease Purchase Agreement with The Bankcorp Bank d/b/a Mears Motor Leasing to finance the acquisition of vehicles and equipment from October 1, 2013 through September 30, 2018. Since the agreement expired at the end of fiscal 2018, there is no remaining line of credit as

**City of Clearwater, Florida**  
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of September 30, 2022. The vehicles and equipment were purchased by the city with cash and subsequently provided as collateral to the lender. The city has the option to prepay without any prepayment penalty. In the event that insufficient funds are appropriated in any fiscal year to pay amounts due, the agreement will terminate on the last day of the fiscal year for which payments were made, and the city will surrender the vehicles and equipment to the lender. In the event of default, the lender's sole remedy is to sue for compensatory damages, which are agreed to be any accrued and unpaid rental payments, provided that the vehicles and equipment are surrendered to the lender in proper working order.

On February 1, 2019, City Council approved a Master Lease Purchase Agreement with SunTrust Equipment Finance and Leasing Corp. (now Truist Equipment Finance Corp.) to provide a line of credit in the amount of \$36,650,000 to finance the acquisition of vehicles and equipment from October 1, 2018 through September 30, 2023. The remaining line of credit as of September 30, 2022 is \$25,945,345. The vehicles and equipment were purchased by the city with cash and subsequently provided as collateral to the lender. The city has the option to prepay in whole but not in part on any payment date as set forth in the applicable Payment Schedule, if and to the extent the Payment Schedule permits such prepayment, with written notice given not less than thirty days prior to the payment date. In the event that sufficient funds are not appropriated for the following fiscal year, the city will be deemed to not have renewed the agreement, the agreement will terminate at the end of the current fiscal year, and the city will be required to return the equipment to the lender. In the event of default, the lender may, at its option, declare all payments due to the end of the current budget year to be immediately due and payable, terminate the agreement and repossess any or all of the equipment, or exercise any other remedy available at law or in equity with respect to such default.

The reduction in financed purchases of \$5,406,861 includes \$4,696,060 for internal service funds and \$710,801 for governmental funds. There are no additions for governmental funds for fiscal 2022.

- (b) Compensated absences are paid by the fund where salaries are incurred, which is primarily the General Fund for governmental activities.
- (c) Since the OPEB plan's inception in fiscal 2008, other postemployment benefits costs are allocated to and paid by funds based on their percentage of full-time equivalent employees, which is primarily the General Fund for governmental activities.
- (d) The Central Insurance Fund, an internal service fund, accrues for estimated claims and pays claims for all departments.
- (e) Direct placement bank loans outstanding include:
  - \$3,880,000 for Gas System Revenue Refunding Bond, Series 2013, issued by STI Institutional & Governmental, Inc. Net revenues derived by the City from the operation of the respective utility system are pledged as security for the loans. In the event of default as defined in the City's bond ordinance, the default rate of interest shall be the lesser of the maximum rate permitted by law or 18%. There are no termination or acceleration provisions that have finance-related consequences.

\$3,285,000 for Gas System Revenue Refunding Bond, Series 2014, issued by TD Bank, N.A. Net revenues derived by the City from the operations of the respective utility systems are pledged as security for the loans. In the event of default as defined by the City's bond ordinance, the default rate of interest shall be Prime Rate plus 4%. There are no termination or acceleration provisions that have finance-related consequences.

\$28,375,000 for Water and Sewer Revenue Refunding Bond, Series 2017B, issued by Raymond James Capital Funding, Inc. Net revenues derived by the City from the operation of the City's water and sewer utility are pledged as security for the loan. In the event of default as defined by the City's bond ordinance, the default rate of interest shall be the greater of (a) Prime Rate plus 3%, (b) the Federal Funds Rate plus 5%, or (c) 7% per annum. There are no termination or acceleration provisions that have finance-related consequences.

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**III.J. Restricted assets**

Restricted assets are classified as current or noncurrent on the Statement of Net Position based on the underlying liabilities payable from the restricted assets.

**III.J.1. Water and Sewer Utility Fund**

Assets in the Water and Sewer Utility Fund restricted for construction include:

Sewer Improvement charges, the use of which is restricted by the authorizing ordinance to the construction of additions to the sewer system; assets remaining as of September 30, 2022, are:

Cash and Investments	\$3,701,978
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Assets of the Water and Sewer Utility Fund restricted under the provisions of the ordinances authorizing the issuance of Water and Sewer Revenue Bonds consisted of the following as of September 30, 2022:

Water and Sewer Revenue Bonds Debt Service:

Cash and Investments	5,099,767
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Water and Sewer Revenue Bonds Renewals and Replacements:

Cash and Investments	4,372,519
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Assets of the Water and Sewer Utility Fund representing Customers' Deposits and therefore restricted, consisting entirely of Cash and Investments as of September 30, 2022

4,691,189

Total restricted assets – Water and Sewer Utility Fund

\$17,865,453

**III.J.2. Gas Utility Fund**

Assets in the Gas Utility Fund restricted under the provisions of the ordinance authorizing the issuance of revenue bonds consisted of the following as of September 30, 2022:

Gas System Revenue Bonds

Debt Service:

Cash and Investments	\$ 77,839
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Renewals and Replacements:

Cash and Investments	300,000
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Assets of the Gas Utility Fund representing Customers' Deposits as of September 30, 2022:

Cash and Investments	<u>3,775,474</u>
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Total restricted assets – Gas Utility Fund

\$ 4,153,313

**III.J.3. Solid Waste & Recycling Utility Fund**

Restricted assets in the Solid Waste & Recycling Utility Fund represent customer deposits in the amount of \$1,341,420 as of September 30, 2022, consisting entirely of Cash and Investments.



**City of Clearwater, Florida**  
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**III.J.4. Stormwater Utility Fund**

Assets restricted under the provisions of the ordinances for the issuance of revenue bonds consisted of the following as of September 30, 2022:

<u>Stormwater Revenue Refunding Bonds – Series 2012</u>	
Debt Service: Cash and Investments	<u>\$2,378,426</u>
Total restricted assets – Stormwater Utility Fund	<u>\$2,378,426</u>

**City of Clearwater, Florida**  
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**III.K. Fund Balance Classification**

	General Fund	Special Development Fund	Special Programs Fund	Capital Improvement Fund	Non-Major Governmental Funds
<b>Non Spendable:</b>					
Inventories	\$ 83,765	\$ -	\$ -	\$ -	\$ -
Prepaid items	660	-	-	-	-
<b>Restricted for:</b>					
General government	-	-	-	2,574,498	-
Public safety	-	-	3,131,756	5,610,032	-
Physical environment	-	21,611	968,910	2,606,801	-
Transportation	-	3,053,253	-	17,218,384	-
Economic environment	-	-	14,195,970	-	13,232,421
Human services	-	-	376,027	-	-
Culture and recreation	-	4,231,783	157,610	11,890,908	780,258
Infrastructure capital projects	-	8,405,093	-	-	-
<b>Committed to:</b>					
General government	-	-	1,322,617	13,457,534	-
Public safety	-	-	2,542,022	5,286,006	-
Physical environment	-	-	-	2,787,701	-
Transportation	-	-	-	10,444,663	-
Economic environment	-	-	-	-	-
Human services	-	-	2,440,110	597,341	-
Culture and recreation	-	-	150,978	6,776,686	-
<b>Assigned to:</b>					
General government	165,075	-	-	-	-
Public safety	183,394	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	13,193	486,536	-	-	-
Economic environment	38,433	-	-	-	-
Human services	134,792	-	-	-	-
Culture and recreation	202,314	48,559	-	-	-
Infrastructure capital projects	-	73,519	-	-	-
Unassigned	58,098,667	-	-	-	-
<b>Total Fund Balances</b>	<b><u>\$ 58,920,293</u></b>	<b><u>\$ 16,320,354</u></b>	<b><u>\$ 25,286,000</u></b>	<b><u>\$ 79,250,554</u></b>	<b><u>\$ 14,012,679</u></b>

General Fund assigned fund balance (\$737,201) relates to encumbrances.

In the Special Development Fund, restricted amounts relate to collections from drainage fees (\$21,611), sidewalk fees (\$303,830), transportation impact fees (\$2,459,805), local option gas tax (\$289,618), recreation impact fees (\$4,231,783), and local infrastructure sales tax (\$8,405,093). Assigned amounts relate to the portion of property tax revenues that is set aside in the budget process to provide funding for road maintenance projects (\$486,536), interest earned on recreation impact fees (\$48,559), and interest earned on local infrastructure sales tax balances (\$73,519).

**City of Clearwater, Florida**  
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Significant restrictions in Special Programs Fund include public safety restrictions for law enforcement programs (\$1,770,978) and EMS programs (\$1,360,778); physical environment restrictions for tree replacements (\$968,910); and economic environment restrictions for economic development programs (\$8,337,071) and low-income housing (\$5,858,899). Significant commitments include general government commitments for electronic plan submittal program (\$134,488), Nagano Sister City program (\$163,386), the lien foreclosure program (\$631,889) and the planning studies fund (\$392,854); commitments to public safety for emergency operations (\$2,088,240), police vehicles (\$366,666), and law enforcement programs (\$87,116); and commitments to human services for grant programs (\$2,240,110).

Amounts in the Capital Improvement Fund all relate to funding for various capital projects.

Significant restrictions in the non-major governmental funds include economic environment restrictions for low-income housing (\$1,747,549) and community redevelopment (\$11,484,872); and culture and recreation restrictions for debt service (\$780,258).

**Note IV - Other Information**

**IV.A. Risk management**

The City is self-insured within certain parameters for losses arising from claims for general liability, auto liability, police professional liability, public official's liability, property damage, and workers' compensation. Insurance coverage has been maintained by the City to pay for or indemnify the City for losses in excess of certain specific retentions and up to specified maximum limits in the case of claims for liability, property damage, and workers' compensation. The liability excess coverage is \$5,000,000 per occurrence (\$10,000,000 aggregate) with self-insured retention of \$500,000. There is workers' compensation coverage to the statutory limit, with self-insured retention of \$600,000. The property damage excess coverage is \$100 million per occurrence, except \$75 million for the perils of Named Storm (per occurrence), Flood (annual aggregate) and Earth Movement (annual aggregate) after either a \$100,000 self-insured retention for perils other than a named storm or 5% self-insured retention for named storm and High Hazard Flood with a \$100,000 minimum. Settled claims have not exceeded excess coverage in any of the past three years.

On October 17, 2012, City Council authorized a partial self-insured funding arrangement with Cigna for health insurance effective for the plan year beginning January 1, 2013. Per this arrangement, the City is self-insured for medical and pharmacy claims up to \$250,000 per person per year. The City has purchased stop loss insurance from Cigna which covers 50% of individual claims for any amount of the claim between the amounts of \$250,000 and \$350,000 and covers 100% of individual claims for any amount of the claim exceeding the amount of \$350,000 per person per year. In accordance with the fully insured arrangement between the City and Cigna prior to January 1, 2013, the City has no liability for health insurance claims incurred prior to this date. The City estimates a liability for health insurance claims incurred but not yet paid as of September 30, 2022 in the amount of \$1,462,151.

The transactions relating to the self-insurance program are accounted for in the Central Insurance Fund, an internal service fund. The billings by the Central Insurance Fund to the various operating funds (the interfund premiums) are based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability reported as of September 30, 2022, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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Changes in the claims liability amounts in fiscal years 2022 and 2021 were:

	Self Insurance
Balance at September 30, 2020	\$ 9,453,227
Current year claims and changes in estimates	22,000,189
Claims paid	(21,386,216)
Balance at September 30, 2021	10,067,200
Current year claims and changes in estimates	22,520,573
Claims paid	(22,845,269)
Balance at September 30, 2022	\$ 9,742,504

**IV.B. Employee retirement systems and pension plans**

**IV.B.1. Defined benefit pension plans**

The City contributes to two separate single-employer, self-administered defined benefit pension plans covering approximately three-fourths of all City employees. The Employees' Pension Plan covers all permanent, full-time City employees who successfully pass the required physical examination, except for firefighters employed prior to July 1, 1963, and certain unclassified (primarily managerial) employees. The Firefighters' Relief and Pension Plan covered eligible firefighters hired prior to July 1, 1963 and is closed to new entrants. As indicated, both plans are self-administered, and the administrative costs of the plans are financed from the respective plan assets.

Each pension fund is accounted for as a pension trust fund; therefore, each is accounted for in substantially the same manner as proprietary funds with an economic resources measurement focus and the accrual basis of accounting. Fund assets, primarily investments, are valued at fair value for balance sheet purposes. Investment values are determined using the estimated fair value determined by averaging estimated fair values obtained from three or more nationally recognized brokers. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Detailed information about each plan's fiduciary net position is available on pages 113-118 and pages 142-143 of this Annual Comprehensive Financial Report. Neither of these plans issues a stand-alone financial report.

The **Employees' Pension Plan** is authorized by and operates under the provisions of Sections 2.391 through 2.428 of the Municipal Code of the City of Clearwater. Sections 2.391 through 2.401 apply to those participants who attained a vested benefit and terminated employment prior to January 1, 2013. Sections 2.410 through 2.428 apply to those participants who are actively employed by the City of Clearwater as of or after January 1, 2013. Plan provisions have been duly approved as required by the voters in referendums. Since the last valuation, there have been no revisions in benefits. The investment rate assumption has been reduced by 0.05% from 6.55% to 6.50%. This assumption change caused the required City contribution to increase by \$224,890, or 0.24% of covered pensionable payroll.

Management of the Employees' Pension Plan is vested in the Clearwater City Council, serving as the Pension Trustees.

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*Plan membership/Employees covered by benefit terms.* As of the most recent actuarial valuation date, January 1, 2022, the membership of the Employees' Pension Plan was as follows:

	Employees' Pension Plan
Retirees and beneficiaries currently receiving benefits	1,390
Terminated employees entitled to benefits but not yet receiving them	79
Active employees	1,510
Total number of participants	2,979

*Benefits provided.* The normal retirement benefit is a monthly benefit equal to 2.75% of average monthly compensation (2.00% for participants in non-hazardous duty hired on or after January 1, 2013) for the highest five of the final ten years of service multiplied by the number of years of service to date of retirement. Eligibility for normal retirement occurs upon completion of 10 years of service and the attainment of age 65, or completion of 20 years of service and the attainment of age 55, or completion of 30 years of service regardless of age, for employees hired before January 1, 2013 who are engaged in non-hazardous duty. For employees hired on or after January 1, 2013 who are engaged in non-hazardous duty, eligibility for normal retirement occurs upon completion of 25 years of service and attainment of age 60, or completion of 10 years of service and attainment of age 65. For those engaged in hazardous duty, eligibility occurs upon completion of 20 years of service or upon completion of 10 years of service and attainment of age 55. For all hazardous duty participants and non-hazardous duty participants eligible to retire as of January 1, 2013, the normal monthly benefit is payable for the life of the participant and will continue, after the participant's death, to be paid at the same amount for 5 years to the surviving spouse; after 5 years, the survivor annuity is reduced to 50% of the original amount and ceases upon death or remarriage of the spouse. For non-hazardous duty participants not eligible to retire as of January 1, 2013, the normal benefit is a monthly annuity paid for the life of the participant. There are several other benefit payment options that are computed to be the actuarial equivalent of the normal benefit. The plan provides for an annual cost of living adjustment (COLA) of up to 1.5% for benefits accrued prior to January 1, 2013. For non-hazardous duty participants, there is a five-year delay until the cost of living increase is applied to benefits accrued after January 1, 2013, and for Hazardous Duty Firefighters, there is no cost of living increase for benefits accrued after January 1, 2013. For Hazardous Duty Police Officers actively employed on or after January 1, 2020, there is a COLA of 1.5% on all benefits accrued after January 1, 2013. For all non-grandfathered Hazardous Duty Police Officers (not eligible for normal retirement on January 1, 2013), there will be a five-year delay (after the retirement date) until the COLA is applied to benefits accrued after January 1, 2013. The plan also provides for disability and death benefits, vesting after completion of 10 years of service and the refund of employee contributions in case of a non-vested termination. Covered employees in non-hazardous duty and employees in hazardous duty who are eligible to retire as of January 1, 2013 contribute 8% of their compensation. Covered employees in hazardous duty who are not eligible to retire as of January 1, 2013 contribute 10% of their compensation. It is the City's obligation to provide a sufficient additional contribution to maintain the actuarial soundness of the fund but, in any event, not less than 7% of participating employee's compensation per the ordinance governing the plan.

*Contributions.* Employer contributions are made in equal installments during the first two quarters of the fiscal year based upon the actuarially determined percentage of payroll and the actual payroll payable at the time contributions are made. The minimum required City contribution is 7% of covered payroll. Member contributions are made continuously throughout the year.

*Investment policy.* The Employees' Pension Plan Statement of Investment Objectives and Guidelines was adopted by the Pension Trustees on December 16, 2019. The investment policy requires an annual review by the Pension Investment Committee with a recommendation to the Pension Trustees to confirm or revise. The following was the Trustees' adopted asset allocation policy as of September 30, 2022:

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<b>Asset Class</b>	<b>Target Allocation</b>
Core Fixed Income	28.00%
Global Equity	5.00%
U.S. Large Cap Equities	26.00%
U.S. Mid Cap Equities	7.00%
U.S. Small Cap Equities	6.00%
International Equities	10.00%
Emerging Markets Equities	3.00%
Private Real Estate and REITS	15.00%
	100.00%

The Employees' Pension Plan has invested in real estate, timber, and infrastructure limited partnership funds. The strategies of these funds are long term and illiquid in nature. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. These investments partnerships are valued using their respective net asset value (NAV) and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors, and consultation with valuation specialists. The management assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment. All timber acquisitions are valued per an independent expert third party appraisal within one year of acquisition and similar independent third-party appraisals of fair value are conducted at least every three years thereafter. The infrastructure fund's assets are valued by international recognized accounting firms and/or internationally recognized appraisal firms (independent appraisers) on a quarterly basis, with the independent appraisers rotated at three-year intervals.

*Concentrations.* As of September 30, 2022, the Employees' Pension Plan held no investments (other than U.S. Government or U.S. Government guaranteed obligations) in any one organization comprising 5% or more of the net position available for benefits.

*Rate of return.* For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on investments of the Employees' Pension Plan, net of pension plan investment expense, was (15.65)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net pension liability.* The components of the net pension liability of the City for the Employees' Pension Plan as of September 30, 2022, were as follows:

Total pension liability	\$ 1,089,718,239
Plan fiduciary net position	1,082,738,733
City's net pension liability	\$ 6,979,506
Plan fiduciary net position as a percentage of the total pension liability	99.36%

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The changes in the net pension liability (asset) of the City for the Employees' Pension Plan for the year ending September 30, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 9/30/2021	\$ 1,055,835,834	\$ 1,325,814,385	\$ (269,978,551)
Changes for the year:			
Service cost	18,718,516	-	18,718,516
Interest	68,447,973	-	68,447,973
Benefit changes	-	-	-
Differences between expected and actual experience	(345,877)	-	(345,877)
Assumption changes	6,156,036	-	6,156,036
Contributions - employer	-	11,912,374	(11,912,374)
Contributions - employee	-	8,591,715	(8,591,715)
Contributions - state tax	-	12,000	(12,000)
Net investment income	-	(204,174,834)	204,174,834
Benefit payments, including refunds of employee contributions	(59,094,243)	(59,094,243)	-
Administrative expense	-	(322,664)	322,664
Net changes	33,882,405	(243,075,652)	276,958,057
Balances at 9/30/2022	<u>\$ 1,089,718,239</u>	<u>\$ 1,082,738,733</u>	<u>\$ 6,979,506</u>

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of January 1, 2022 (Valuation Date), using the following actuarial assumptions, applied to September 30, 2022 (Measurement Date):

Inflation	2.25%
Salary increases	Hazardous Duty - 4.50% to 7.60%, including 2.25% inflation, based on merit and seniority Non-Hazardous Duty - 2.75% to 6.50%, including 2.25% inflation, based on merit and seniority
Investment rate of return	6.50% net of investment expense

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an Experience Investigation for the Five Years Ended December 31, 2017.

Since the last valuation, the investment return assumption was reduced by 0.05% from 6.55% to 6.50%. This assumption change caused the required City contribution to increase by \$224,890, or .024% of covered pensionable payroll.

**City of Clearwater, Florida**  
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*Long-term expected rate of return.* The long-term expected rate of return on investments of the Employees' Pension Plan was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2022, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Fixed Income	1.10%
Global Equity	4.43%
U.S. Large Cap Equities	4.65%
U.S. Mid Cap Equities	4.90%
U.S. Small Cap Equities	4.90%
International Equities	3.65%
Emerging Markets Equities	4.65%
Private Real Estate and REITS	5.90%

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

*Sensitivity of the net pension liability (asset) to changes in the discount rate.* The following presents the Employee Pension Plan's net pension liability (asset), calculated using a single discount rate of 6.50%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher.

1% Decrease 5.50%	Discount Rate Assumption 6.50%	1% Increase 7.50%
\$ 143,296,204	\$ 6,979,506	\$ (105,962,663)

*Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.* For the year ended September 30, 2022, the City recognized pension expense of \$18,188,876 for the Employees' Pension Plan. When combined with the Firefighters' Relief and Pension Plan's pension expense of \$74,105, the City recognized \$18,262,981 of pension expense for fiscal 2022. As of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:



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	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ 2,222,176	\$ 1,127,492	\$ 1,094,684
Changes in assumptions	12,830,929	9,806,494	3,024,435
Net differences between projected and actual earnings on pension plan investments	126,403,796	-	126,403,796
<b>Total</b>	<b>\$ 141,456,901</b>	<b>\$ 10,933,986</b>	<b>\$ 130,522,915</b>

Amounts reported as deferred outflows or resources and deferred inflows on resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2023	\$ 26,789,635
2024	20,721,641
2025	24,126,768
2026	58,884,871
2027	-
Thereafter	-
	<u>\$ 130,522,915</u>

The **Firefighters' Relief and Pension Plan** is authorized and operated under the provisions of Subpart B, Article I (Laws of Florida, Chapter 30658, 1955 and amendments), Sections 1 through 27 of the Municipal Charter and Related Law of the City of Clearwater and Chapter 26, Article III, Sections 26.50 through 26.52 of the Municipal Code of the City of Clearwater. Since the last actuarial valuation, the administrative expense assumption was changed from a flat \$9,500 to a 3.00% loading of the future benefit liability.

Management of the Firefighters' Relief and Pension Plan rests with the Board of Trustees, which consists of the Mayor, the Fire Chief and three members of the Fire Department, which can be either active or retired members of the Firefighters' Relief and Pension Plan, as stipulated in Chapter 2008-287, Laws of Florida. In the event that no member of the plan is available to stand for election, then a current firefighter of the department below the rank of chief who is willing to serve shall be placed on the ballot. If no one is available to stand for election, or if no one is available to participate in the voting, then members of the Board of Trustees will be appointed by the City Council from membership of the City Council.

*Plan membership/Employees covered by benefit terms.* As of the most recent actuarial valuation date, October 1, 2022, the membership of the Firefighters' Relief and Pension Plan was as follows:

Retirees and beneficiaries currently receiving benefits	Firefighters' Relief and Pension Plan
Terminated employees entitled to benefits but not yet receiving them	12
Active employees	-
Total number of participants	<u>12</u>

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*Benefits provided.* The normal retirement benefit is a monthly benefit in the amount of 50% of the prevailing wage at the date of retirement of the lowest rank held by the participant during the three years immediately preceding retirement plus 2% of such prevailing wage for each year of service in excess of 20 years up to a maximum of 60%. Participants retiring at the age of 65 years are entitled to a benefit of 60% of the prevailing wage of the lowest rank held by the participant during the three years immediately preceding retirement. The ending rate of pay specified above may not exceed the highest rate of pay for the rank of Captain. Eligibility for normal retirement occurs upon completion of 20 years of service or attainment of age 65. The monthly benefits are payable for the life of the participant and continue, after the participant's death, to be paid to certain eligible surviving beneficiaries at an amount that is one-half of the amount received by the participant. Benefits are also provided for children of the deceased participant who are less than 18 years of age subject to certain limitations as to amount. The plan also provides for disability and death benefits and for vesting upon completion of at least 12 years of service. The plan provides for post-retirement cost of living increases equal to the increase in the prevailing wage for the rank at which the participant retired with a limitation for those retiring on or after January 1, 1972, of 100% of the initial pension benefit for total cost of living increases. Participating employees are required to contribute 6% of their salaries up to the equivalent of the salary of a fireman holding the rank of Captain. Effective with the fiscal year ended September 30, 2007, the Firefighters' Relief and Pension Plan, with no remaining active members (only retirees), is fully funded per the requirements of the governing Ordinance. The City may elect to contribute should future valuations show an actuarial need for such.

*Contributions.* Effective with the fiscal year ended September 30, 2007, the Firefighters' Relief and Pension Plan, with no remaining active members (only retirees), was fully funded per the requirements of the governing Ordinance. There were no contributions to the plan, as it is a fully funded plan with no active participants. The City may elect to contribute should future annual valuations show an actuarial need for such.

*Investment policy.* The Firefighters' Relief and Pension Plan investment policy was adopted on September 28, 2000. It must be reviewed annually by the Board of Trustees. The following was the adopted asset allocation policy as of September 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Fixed Income	0 - 70%
Pooled Cash	30% - 100%

*Concentrations.* As of September 30, 2022, the Firefighters' Relief and Pension Plan held no investments (other than U.S. Government or U.S. Government guaranteed obligations) in any one organization comprising 5% or more of the net position available for benefits.

*Rate of return.* For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on investments of the Firefighters' Relief and Pension Plan, net of pension plan investment expense, was .58%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net pension liability (asset).* The components of the net pension liability (asset) of the City for the Firefighters' Relief and Pension Plan as of September 30, 2022, were as follows:

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Total pension liability	\$	1,623,517
Plan fiduciary net position		2,912,716
City's net pension liability (asset)	<u>\$</u>	<u>(1,289,199)</u>
Plan fiduciary net position as a percentage of the total pension liability		179.41%

The changes in the net pension liability (asset) of the City for the Firefighters' Relief and Pension Plan for the year ending September 30, 2022 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 9/30/2021	<u>\$ 1,743,078</u>	<u>\$ 3,247,484</u>	<u>\$ (1,504,406)</u>
Changes for the year:			
Service cost	-	-	-
Interest	40,834	78,247	(37,413)
Differences between expected and actual experience	67,373	-	67,373
Assumption changes	-	-	-
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	(176,377)	176,377
Benefit payments, including refunds of employee contributions	(227,768)	(227,768)	-
Administrative expense	-	(8,870)	8,870
Net changes	<u>(119,561)</u>	<u>(334,768)</u>	<u>215,207</u>
Balances at 9/30/2022	<u>\$ 1,623,517</u>	<u>\$ 2,912,716</u>	<u>\$ (1,289,199)</u>

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2021 (Valuation Date), using the following actuarial assumptions, applied to September 30, 2022 (Measurement Date):

Inflation	2.00%
Salary increases	N/A
Investment rate of return	2.50% net of investment expense

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

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*Long-term expected rate of return.* Because the Firefighters' Relief and Pension Plan is limited to investments in fixed income securities and pooled cash, the long-term expected rate of return will approximate the discount rate of 2.50%.

*Discount rate.* A discount rate of 2.50% was used to measure the total pension liability. The discount rate was based on the actuary's expectation of future yields and consideration of the City's projection of future weighted yield based on current asset holdings.

*Sensitivity of the net pension liability (asset) to changes in the discount rate.* The following presents the Firefighters' Relief and Pension Plan's net pension liability (asset), calculated using a discount rate of 2.50%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher.

1% Decrease 1.50%	Discount Rate Assumption 2.50%	1% Increase 3.50%
\$ (1,195,807)	\$ (1,289,199)	\$ (1,373,289)

*Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.* For the year ended September 30, 2022, the City recognized pension expense of \$74,105 for the Firefighters' Relief and Pension Plan. When combined with the Employees' Pension Plan's pension expense of \$18,188,876, the City recognized \$18,262,981 pension expense for fiscal 2022. As of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes in assumptions	-	-	-
Net differences between projected and actual earnings on pension plan investments	141,102	-	141,102
<b>Total</b>	<b>\$ 141,102</b>	<b>\$ -</b>	<b>\$ 141,102</b>

Amounts reported as deferred outflows or resources and deferred inflows on resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2023	\$ 35,275
2024	35,275
2025	35,275
2026	35,277
2027	-
Thereafter	-
	<b>\$ 141,102</b>

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**IV.B.2. Police Supplemental Pension Fund**

A supplemental defined contribution pension plan exists for all eligible policemen, which is funded by earmarked revenues received from the State and is administered by the Board of the Police Supplemental Pension Plan. The revenues received from the State are allocated among eligible police officers based on the number of days employed as Clearwater Police Officers. These revenues received from the State of Florida “on-behalf” of the City’s employees, which comprise the plan contributions, totaled \$1,248,522 for the year ended September 30, 2022, and are obtained from an eighty-five one hundredths of one percent (0.85%) excise tax on the gross receipts from premiums collected on casualty insurance policies covering property within the City’s corporate limits. These monies were recognized as General Fund revenues and General Fund police department expenditures in the current year. The current year contributions represent 5.58% of covered employees’ gross payroll. The fair value of cash and investments as of September 30, 2022, totaled \$14,661,444.

The Police Supplemental Pension Fund is authorized by and operates under the provisions of Sections 2.471 through 2.480 of the Municipal Code of the City of Clearwater and Chapter 185 of Florida Statutes. Under the plan provisions, the total monies received during each fiscal year, after payment or provision for all costs and expenses of management and operation of the plan, are allocated to participants based on the total number of shares to which each participant is entitled. Each participant is entitled to one share in the fund for each day of service as a police officer of the City.

All police officers, as defined in Section 26.70(g) of the Code of Ordinances of the City of Clearwater, who are elected, appointed, or employed full-time by the City are eligible to participate in the plan. There are no employee contributions to the supplemental plan. Benefits are fully vested for a lump sum distribution after twenty years from the date of hire, with provision for partial vesting after ten or more years under the plan. Accumulated benefits are payable in full in case of death while employed by the City or in case of total and permanent job-related disability. Non-vested participants’ account values upon termination of employment during any fiscal year are added to the monies received during that fiscal year for allocation to the remaining participants in the plan based on total days worked.

Plan assets, primarily investments, are valued at fair value for balance sheet purposes. Investment values are determined using the estimated fair value determined by averaging estimated fair values obtained from three or more nationally recognized brokers.

For the fiscal year ended September 30, 2022, the gross payroll of the covered officers was \$22,359,515; the City’s total gross payroll for the same period was \$114,426,922.

Since the entitlement to benefits is based entirely upon the allocation of monies received by the plan to the participants’ share accounts, there is no actuarial liability on the part of either the State or the City.

**IV.B. 3. Firefighters’ Supplemental Pension Fund**

A supplemental defined contribution pension plan exists for all eligible firefighters, which is funded by earmarked revenues received from the State and is administered by the Board of the Clearwater Firefighters’ Supplemental Pension Plan. The revenues received from the State are allocated among eligible firefighters based on the number of days worked during the previous year. These revenues received from the State of Florida “on-behalf” of the City’s employees, which comprise the plan contributions, amounted to \$1,393,032 in the year ended September 30, 2022, and are obtained from a one and eighty-five one hundredths percent (1.85%) excise tax on the gross receipts from premiums collected on property insurance policies covering property within the City’s corporate limits. These monies were recognized as General Fund revenues and General Fund fire department expenditures in the current year. The current year contributions represent 7.47% of covered employees’ gross payroll. The fair value of cash and investments as of September 30, 2022, totaled \$19,344,796.

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As the plan is described as a money purchase pension plan, whereby contributions are allocated based on the number of days worked during the fiscal year ended September 30, and interest earnings allocated based on the beginning balances in each participant's account, there is no actuarial liability on the part of the State or the City.

The Firefighters' Supplemental Pension Fund is authorized by and operates under the provisions of Sections 2.441 through 2.455 of the Municipal Code of the City of Clearwater and Chapter 175 of Florida Statutes. Eligibility requires two years of credited calendar year service as a firefighter with concurrent participation in the Employees' Pension Plan. There is no employee contribution to the supplemental plan, and benefits are vested for a lump sum distribution at ten years unless there is early retirement, disability or death. Non-vested participants' account values upon termination of employment are reallocated among the remaining participants based on days worked during the previous year.

Plan assets, primarily investments, are valued at fair value for balance sheet purposes. Investment values are determined using the estimated fair value determined by averaging estimated fair values obtained from three or more nationally recognized brokers.

For the fiscal year ended September 30, 2022, the gross payroll of covered firefighters was \$18,647,955; the City's total gross payroll for the same period was \$114,426,922.

**IV.B.4. Pension Plan Financial Statements**

Separate financial statements are provided in the Notes per the guidance of GASB Statement No. 34 as follows:

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**Statement of Fiduciary Net Position:**

	Defined Benefit		Defined Contribution		Total
	Pension Trust Funds		Pension Trust Funds		
	Employees' Pension Fund	Firefighters' Relief and Pension Fund	Police Supplemental Pension Fund	Firefighters' Supplemental Pension Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,849,449	\$ 74,007	\$ 11,840	\$ -	\$ 7,935,296
Receivables:					-
Interest and dividends	3,376,924	40,052	19,983	30,321	3,467,280
Unsettled investment sales	7,269,146	-	-	-	7,269,146
Securities lending earnings	20,634	-	-	-	20,634
Due from others	-	-	-	-	-
Total receivables	<u>10,666,704</u>	<u>40,052</u>	<u>19,983</u>	<u>30,321</u>	<u>10,757,060</u>
Managed investment accounts, at fair value:					
Cash and cash equivalents	14,142,834	-	2,021,635	1,548,989	17,713,458
Government bonds	55,772,076	1,787,273	-	657,215	58,216,564
Agency bonds	3,480,551	1,011,384	-	-	4,491,935
Municipal bonds	2,585,601	-	-	133,526	2,719,127
Domestic corporate bonds	115,954,608	-	-	1,186,124	117,140,732
International equity securities	104,467,563	-	-	375,127	104,842,690
Domestic stocks	245,887,012	-	-	3,248,331	249,135,343
Mortgage backed bonds	101,673,993	-	-	1,228,692	102,902,685
Government issued commercial mortgage backed bonds	66,000	-	-	-	66,000
Asset backed securities	9,424,864	-	-	-	9,424,864
Other/rights/warrants	1,606	-	-	-	1,606
Domestic equity mutual funds	192,726,885	-	10,185,334	5,380,276	208,292,495
International equity mutual funds	37,031,154	-	2,454,475	903,918	40,389,547
Infrastructure	54,511,675	-	-	-	54,511,675
Real estate	134,198,683	-	-	4,682,598	138,881,281
Total managed investment accounts	<u>1,071,925,105</u>	<u>2,798,657</u>	<u>14,661,444</u>	<u>19,344,796</u>	<u>1,108,730,002</u>
Securities lending collateral	<u>11,755,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>1,102,196,565</u>	<u>2,912,716</u>	<u>14,693,267</u>	<u>19,375,117</u>	<u>1,127,422,358</u>
<b>LIABILITIES</b>					
Accounts payable	930,580	-	57	-	930,637
Unsettled investment purchases	6,736,968	-	-	-	6,736,968
Other payables	34,977	-	-	-	34,977
Obligations under securities lending	11,755,307	-	-	-	11,755,307
Total liabilities	<u>19,457,832</u>	<u>-</u>	<u>57</u>	<u>-</u>	<u>19,457,889</u>
<b>NET POSITION</b>					
Restricted for:					
Pensions	1,082,738,733	2,912,716	14,693,210	19,375,117	1,119,719,776
Total net position	<u>\$ 1,082,738,733</u>	<u>\$ 2,912,716</u>	<u>\$ 14,693,210</u>	<u>\$ 19,375,117</u>	<u>\$ 1,119,719,776</u>

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**Statement of Changes in Fiduciary Net Position:**

	Defined Benefit Pension Trust Funds		Defined Contribution Pension Trust Funds		Total Pension Trust Funds
	Employees' Pension Fund	Firefighters' Relief and Pension Fund	Police Supplemental Pension Fund	Firefighters' Supplemental Pension Fund	
<b>ADDITIONS</b>					
<b>Contributions:</b>					
Employer	\$ 11,912,374	\$ -	\$ -	\$ -	\$ 11,912,374
Employer - state tax	12,000	-	1,248,522	1,393,032	2,653,554
Employees	8,591,715	-	-	-	8,591,715
Total contributions	<u>20,516,089</u>	<u>-</u>	<u>1,248,522</u>	<u>1,393,032</u>	<u>23,157,643</u>
<b>Investment earnings (loss):</b>					
Net increase (decrease) in fair value of investments	(215,497,263)	(196,993)	(5,311,370)	(3,790,914)	(224,796,540)
Interest, dividends and other	17,692,661	98,863	244,943	1,186,183	19,222,650
Securities lending income	504,040	-	-	-	504,040
Total investment earnings (loss)	<u>(197,300,562)</u>	<u>(98,130)</u>	<u>(5,066,427)</u>	<u>(2,604,731)</u>	<u>(205,069,850)</u>
Less investment costs:					
Investment management/custodian fees	(6,697,985)	-	(26,884)	(110,143)	(6,835,012)
Securities lending costs	(176,287)	-	-	-	(176,287)
Net investment earnings (loss)	<u>(204,174,834)</u>	<u>(98,130)</u>	<u>(5,093,311)</u>	<u>(2,714,874)</u>	<u>(212,081,149)</u>
<b>Total additions</b>	<u>(183,658,745)</u>	<u>(98,130)</u>	<u>(3,844,789)</u>	<u>(1,321,842)</u>	<u>(188,923,506)</u>
<b>DEDUCTIONS</b>					
Benefits	57,321,813	227,768	1,546,026	2,242,629	61,338,236
Refunds and transfers to other systems	1,772,430	-	-	-	1,772,430
Administrative expenses	322,664	8,870	23,948	43,078	398,560
<b>Total deductions</b>	<u>59,416,907</u>	<u>236,638</u>	<u>1,569,974</u>	<u>2,285,707</u>	<u>63,509,226</u>
<b>Net increase (decrease) in fiduciary net position</b>	(243,075,652)	(334,768)	(5,414,763)	(3,607,549)	(252,432,732)
Fiduciary net position - beginning	1,325,814,385	3,247,484	20,107,973	22,982,666	1,372,152,508
Fiduciary net position - ending	<u>\$ 1,082,738,733</u>	<u>\$ 2,912,716</u>	<u>\$ 14,693,210</u>	<u>\$ 19,375,117</u>	<u>\$ 1,119,719,776</u>



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**IV.B.5. 401(a) Defined Contribution Plan**

For all management employees not covered under either of the defined benefit pension plans, the City provides pension benefits through a 401(a) defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are participants from the date of employment and are fully vested upon enrollment. The plan is totally contributory on the part of the City in an amount equal to 15% of compensation on behalf of the City Manager and the City Attorney and 8% of compensation on behalf of all other management contract employees and Assistant City Attorneys. The City makes bi-weekly contributions to the Trust throughout the plan year to meet its funding obligations under the plan. Plan provisions and contribution requirements are established and may be amended by the City Council.

MissionSquare Retirement, the trustee for the defined annuity, offers participants a variety of investment options.

The City's total gross payroll for the fiscal year ended September 30, 2022 was \$114,426,922. The Plan members' payroll for the same period totaled \$5,301,938. The City's contribution, per the above contribution rates, totaled \$460,102.

**IV.B.6. Deferred compensation plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Effective January 1, 1997, Federal legislation converted the Section 457 deferred compensation assets from City assets to employee assets. As a result of these changes, plan assets are no longer subject to the claims of the City's general creditors.

Consequently, these assets are no longer reported in the accompanying financial statements, in compliance with GASB Statement No. 32.

**IV.C. Post-employment Benefits Other Than Pension (OPEB)**

*Plan Description.* The City of Clearwater administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical insurance benefits to its employees and their eligible dependents. Because the City provides a medical plan to active employees of the City and their eligible dependents, the City is also required by Section 112.0801, Florida Statutes, to provide retirees with the opportunity to participate in this Plan. While the City does not directly contribute towards the costs of retiree premiums via an explicit subsidy, the ability of retirees to obtain health insurance coverage at a group rate which includes active employees, constitutes a significant economic benefit to retirees, or an "implicit" subsidy. This implicit subsidy is considered an "other post-employment benefit" (OPEB) obligation of the City. Since the City is currently funding this OPEB obligation on a pay-as-you-go basis, there are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, not including the impact of employer contributions, adjusted for deferred recognition of the liability.

*Benefits provided.* Benefit provisions for the Plan are established by the City Council and may be amended by the City Council. The retirees pay the full group premium amount for health insurance with no explicit subsidy from the City. Additionally, the City provides and pays for \$1,000 of term life insurance for retirees who retired before October 1, 2008. The term life insurance benefit provision was also established, and may be amended, by action of the City Council. Contribution rates for the Plan are established on an annual basis by the City Council. Eligible retirees and their covered dependents receiving benefits contribute 100% of their premium costs for health insurance and 0% of the cost for the \$1,000 term life insurance.

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*Employees covered by benefit terms.* As of September 30, 2022 (measurement date), the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	563
Inactive plan members entitled to but not yet receiving benefits	74
Active plan members	1,569
Total plan members	2,206

*Total OPEB Liability.* The City's total OPEB liability of \$23,056,033 was measured as of September 30, 2022 and was determined by an actuarial valuation as of January 1, 2022. The Total OPEB Liability was rolled forward 9 months from the Valuation Date to the Measurement Date using standard actuarial techniques.

*Actuarial assumptions and other inputs.* The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	2.25%
Discount rate	4.40%
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 5.75% and gradually decreasing to an ultimate trend rate of 3.99%

The discount rate is based on Fidelity Investments' "20-Year Municipal GO AA Index" as of the most recent date available on or before the measurement date.

Mortality rates are the same as used in the July 1, 2021 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class and Special Risk Class members. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.

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The changes in the total OPEB liability for the measurement year ending September 30, 2022 were as follows:

	Total OPEB Liability
Balance at 9/30/2021	\$ 27,520,408
Changes for the year:	
Service cost	2,412,125
Interest	645,529
Changes in benefit terms	-
Differences between expected and actual experience	(5,128,309)
Changes in assumptions and other inputs	(1,481,029)
Benefit payments	(912,691)
Net changes	(4,464,375)
Balance at 9/30/2022	\$ 23,056,033

Changes in assumptions and other inputs reflect a change in the discount rate from 2.19% at the beginning of the measurement period to 4.40% at the end of the measurement period. In addition, per capita costs and premiums were updated based on information provided.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the City's total OPEB liability calculated using a discount rate of 4.40%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher.

1% Decrease 3.40%	Discount Rate Assumption 4.40%	1% Increase 5.40%
\$ 25,375,094	\$ 23,056,033	\$ 21,002,300

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the City's total OPEB liability calculated using the current healthcare cost trend rate assumption based on the Getzen Model of 5.75% and gradually decreasing to an ultimate trend rate of 3.99%, as well as what the City's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ 20,208,374	\$ 23,056,033	\$ 26,529,187

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*OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.* For the year ended September 30, 2022, the City recognized OPEB expense of \$1,129,941. As of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,874,566	\$ (6,874,566)
Changes in assumptions and other inputs	1,421,612	4,049,713	(2,628,101)
Total	<u>\$ 1,421,612</u>	<u>\$ 10,924,279</u>	<u>\$ (9,502,667)</u>

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

Year ended September 30:	
2023	\$ (1,927,712)
2024	(1,794,897)
2025	(2,278,638)
2026	(1,532,343)
2027	(945,097)
Thereafter	(1,023,980)
	<u>\$ (9,502,667)</u>

**IV.D. Securities lending transactions**

The City of Clearwater Employees' Pension Plan participates in securities lending transactions, as authorized by the Pension Trustees on April 14, 2003, via a Securities Lending Authorization Agreement with Northern Trust Company, which is also the pension plan's custodian. Securities are loaned versus collateral that may include cash, U.S government securities, and irrevocable letters of credit. U.S. securities are loaned versus collateral at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned versus collateral at 105% of the market value plus any accrued interest. The Plan's investment policy places no restrictions on the amount of securities that can be loaned.

Non-cash collateral cannot be pledged or sold unless the borrower defaults. All securities loans can be terminated on demand by either the lender or the borrower. The average term for the pension plan's loans as of September 30, 2022 was 100 days.

Cash open collateral is invested in a short term investment pool, the Northern Trust Collective SL Core Short Term Investment Fund (CORECOLL). The fund had an average weighted maturity, lower of maturity date or interest reset date, of 26 days, and an average weighted maturity, maturity date, of 102 days, as of September 30, 2022.

There were no significant violations of legal or contractual provisions, nor any borrower or lending agent default losses known to the securities lending agent. The Plan did not impose any restrictions on the amount of loans made by Northern Trust during fiscal year 2022.

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
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There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to participating clients on approximately the fifteenth day of the following month.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower and Northern Trust has failed to live up to its contractual responsibilities relating to the lending of those securities. Northern Trust's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

The following is a summary of securities on loan and their collateral at fair value:

Security Type	Securities Collateralized by Cash	
	Loaned Securities	Cash Collateral
U.S. Equity	\$ 46,093,591	\$ 47,624,532
U.S. Corporate Fixed	19,652,058	20,234,532
U.S. Government Fixed	41,065,284	42,170,286
U.S. Agencies	881,318	905,040
Global Equities	780,328	820,917
Total	\$ 108,472,579	\$ 111,755,307

On the statement of fiduciary net position, a securities lending asset of \$111,755,307 was reported that represents the fair value of the investments made with cash collateral as of September 30, 2022. In addition, a securities lending obligation of \$111,755,307 was reported that represents the collateral that the City is required to maintain to cover the fair value of the loaned securities.

**IV.E. Contingencies and commitments**

Pollution Remediation Claims Liabilities

Pursuant to GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the City is required to analyze known polluted sites to determine future component cost outlays, including estimation where required, for pollution remediation. As of September 30, 2021, accruals totaled \$457,288, consisting of \$173,022 for the Harbor Drive Fill Area site, \$22,398 for the Joe DiMaggio Sports Complex site, and \$261,868 for assessment and remediation at the Gas Plant site (see the Soil and groundwater contamination site note below).

During fiscal year 2022 there was an increase to estimates and contractual commitments in the amount of \$72,400, and reductions/payments totaled \$73,087. As of September 30, 2022, accruals totaled \$456,601, consisting of \$169,169 for the Harbor Drive Fill Area site, \$8,008 for the Joe DiMaggio Sports Complex site, and \$279,424 for assessment and remediation at the Gas Plant site.

In addition to the above sites for which accruals exist, the City has 14 other sites that have known contamination from petroleum products, metals, arsenic, chlorine or coal tar. Seven of these sites are on the State of Florida Petroleum Clean-up Program. When any of these seven sites will be scheduled for cleanup cannot be determined at this time. They are under monitoring plans or are awaiting responses from the FDEP on data submitted by the City. Any additional cleanup costs for these sites cannot be estimated at this time.

The Solid Waste Fuel Site was added to the list in 2022 due to a fuel spill resulting from a failed tank component. The site is still being assessed for cleanup costs, and remains under a Restrictive Covenant with FDEP. Soil and groundwater impacts are thought to be minimal.

**City of Clearwater, Florida**  
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On November 19, 2013, the FDEP approved the certification of closure construction completion of the former fill area at Philip Jones Field. However, this site remains on the list as it includes the Harbor Drive Fill Area. Remediation of Phillip Jones Ballfield is complete, and the site is currently under monitoring and maintenance. A closure plan for the Harbor Drive Fill Area has been approved by FDEP, and cleanup is scheduled for 2023.

Soil and groundwater contamination site

The City is the owner of property located at 400 North Myrtle Avenue, Clearwater, Pinellas County, Florida ("Property"). The Property occupies approximately six acres and is currently used by the City Gas Division ("CGS") as its administrative offices and operating facility. The City operated a manufactured gas plant at the Property from approximately 1929 to 1960. Following the discovery in June 1990 of soil and groundwater impacts at the Property allegedly resulting from the prior operation of the manufactured gas plant, the Florida Department of Environmental Protection ("FDEP") directed the City to implement measures to delineate the area and vertical extent of the impacts at the Property and, if necessary, implement appropriate remedial actions.

Contamination assessment activities were initiated at the Property in 1995. On April 17, 1996, the City executed an Intergovernmental Agreement with FDEP, governing the scope of assessment and remediation work performed at the Property. The material terms and conditions of the Intergovernmental Agreement require the City to perform contamination assessment activities to delineate the area and vertical extent of soil and groundwater impacts and, if necessary, to remediate such impacts to the extent required by Florida law.

Field activities to delineate the extent of impacts were performed from 1995 to 2003. The results of the final field work are presented in a Supplemental Assessment Report dated May 2003, in which the City's consultant concluded that field activities to delineate the extent of soil and groundwater impacts were complete and that a risk assessment should be undertaken to evaluate an appropriate remedy for the reported impacts.

By letter dated April 19, 2004, FDEP directed the City to install two additional monitoring wells within the source area on site to delineate the vertical extent of groundwater impacts. The City and FDEP previously discussed the potential harm to the underlying aquifer that may result from the installation of monitoring wells through a source area and the underlying clay confining unit during a meeting with FDEP held on November 29, 2003. Based on the advice of its environmental consultant and other specialists consulted concerning this issue, the City has consistently maintained that the installation of the additional monitoring wells requested by FDEP will likely provide a pathway for the migration of impacts into the aquifer underlying the clay confining unit that is otherwise not presently impacted by the former operations of the MGP based on existing perimeter monitoring well data. The City responded to the FDEP by letter dated April 29, 2004, requesting that FDEP advise the City whether the directive to install the additional vertical extent wells was deemed by FDEP to be final agency action that would otherwise be subject to review in an administrative proceeding. The City's April 29, 2004 response included a request for an extension of time to file an administrative proceeding in the event that FDEP deemed the April 19, 2004 FDEP communication to be final agency action.

During fiscal 2005, the Myrtle Avenue Utility and Roadway Widening project began, requiring extensive dewatering during construction. Consulting, equipment, laboratory, permitting, and labor costs for dewatering in areas where there was suspected or known contamination from the former MGP plant were charged to the City of Clearwater Gas Division. All activities related to the Myrtle Avenue dewatering project were documented in the "Supplemental Site Assessment Report – North Myrtle Ave Roadway Corridor" dated March 2007.

On January 17, 2008, FDEP issued a letter to the City stating FDEP was willing to replace the need for additional vertical delineation wells with periodic sampling of existing deep wells, as long as they remain unaffected by the contaminants of concern on the site. In May 2009, FDEP issued a status report on all Manufactured Gas Plant sites in Florida. The report referenced the January 17, 2008 letter and reaffirmed FDEP's agreement to forego additional on-site vertical delineation if the City continued to monitor the perimeter wells on the facility. On June 22, 2009, the perimeter monitoring wells were

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

tested, and the results were reported to FDEP. On February 3, 2010, FDEP issued a letter that formally accepted Clearwater Gas System's Contamination Assessment Report (CAR) and required no further site assessment activities. Furthermore, the DEP required CGS to re-sample all monitoring wells on the site within 60 days of the February 3, 2010 letter.

In May 2010, CGS issued a Request for Proposal (RFP) to prepare a Feasibility Study, for DEP approval, that would offer a long-term corrective action plan for the gas plant site. Arcadis, Inc. was selected to conduct the Feasibility Study; however, two months into the project the City's environmental legal counsel recommended an alternate method of site remediation. They proposed that the City work with the University of Waterloo (Canada) to treat the contaminated soils with sodium persulfate, a chemical oxidant, which would stop the off-site groundwater impacts that were experienced on the Pinellas County Health Department site. Chemical oxidation is accepted as a very effective method of dealing with Manufactured Gas Plant residuals. This project was approved by the City Council in January 2011, and was scheduled to last approximately 6 years at an estimated cost of \$600,000.

In May 2017 it was determined that the University of Waterloo project was not working as originally projected. The sodium persulfate was not oxidizing the source material enough to grant site closure. Therefore, it was determined to abandon the project and look at other remedies for the site. The City's environmental legal counsel proposed to convert the site to a Brownfield site in order to obtain full site closure. This would be done in conjunction with the site redevelopment of all CGS buildings at 400 North Myrtle Avenue.

On December 7, 2018, City Council approved a Brownfield Site Rehabilitation Agreement (BSRA) with the FDEP. Under this agreement, no further active remediation will be required, and the site will be closed with a restrictive covenant to include an impervious cap to address remaining soil contamination at the site and prohibit the withdrawal of groundwater for any purpose within the site property. The groundwater use restriction will also be required to be imposed on the adjacent Pinellas County Health Department property.

A Site Environmental Management Plan ("SEMP") was subsequently created to provide guidance to contractors performing work at the site for encountering, handling and managing contaminated soils. In addition, a Remedial Action Plan ("RAP") was administered in March 2018, which includes the SEMP, and Engineering Control Maintenance Plan and a Declaration of Restrictive Covenant ("DRC") that will be required by the FDEP to obtain final site closure. Once the CGS redevelopment project is complete, the City will request final site closure. Full site closure is anticipated in fiscal 2025.

Benefits of closing the site under the Brownfield Program include liability projections to the City as set forth in F.S. Section 376.82(2)(a) and the opportunity for the City to obtain voluntary cleanup tax credits ("VCTC") for the cost of constructing the impervious cap and completion of site closure activities. For eligible costs recovered by the City through VCTC's, the City is able to then sell the VCTC's on the market. Such sales typically net 80-90% recovery for municipalities taking similar actions. The City was awarded \$744,076 in tax credits for calendar years 2017-2020. The City issued Bid #44-21 to sell the tax credit certificates issued by FDEP. Fallbrook Tax Credits LLC submitted the highest bid of \$0.9112 on the dollar, which yielded \$678,002 from the sale of the tax certificates.

The City has pursued insurance claims under certain insurance policies covering the Property for the period from June 1961 through July 1986. On September 17, 2001, the City agreed to reduce its claim against Southern American Insurance Company ("SAIC"), the sole remaining excess carrier with the City, at an undiscounted value of \$300,000. In December 2007, the liquidator managing the SAIC liquidation made an initial payment to the City in the amount of \$96,000. In September 2008, a second distribution payment of \$174,000 was issued to the City. Finally, in December 2009, the City received a payment of \$30,000 for a total collection amount of \$300,000. In total, the City has recovered \$787,500 on all outstanding insurance claims.

From 1993 through September 30, 2022, the City has spent \$1,760,753 on MGP assessment activities, which includes both environmental consultant and legal fees.

**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

Contractual Commitment – Water and Sewer Utility

Under the terms of a 30-year contract between the City and Pinellas County, which is effective through September 30, 2035, the maximum amount of water available to the City is 15 million gallons per day on an annual average basis with no minimum quantity purchase requirement. Effective October 1, 2021, the rate, which is set by the Pinellas County Board of County Commissioners (BOCC), was \$4.2581 per 1,000 gallons. The rate effective October 1, 2022 is \$4.3007 per 1,000 gallons. The cost of water purchased from the County during fiscal years 2021 and 2022 was \$7,285,633 and \$7,976,674 respectively.

Grant Revenues

During the current fiscal year and prior fiscal years, the City received revenues and contributions related to grants from the State of Florida, the federal government, and other grantors. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures disallowed under the terms of the grants. Based upon prior experience, City management believes such disallowances, if any, will not be significant.

Encumbrances

Encumbrance accounting is used in governmental funds to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. As of September 30, 2022, encumbrances expected to be honored upon performance by the vendor in the coming year were:

General fund	\$ 737,201
Special Programs Fund	660,433
Capital Improvement fund	54,705,218
Nonmajor governmental funds	1,274,381
	\$ 57,377,233

Tax Abatements

In accordance with Chapter 29, Article VII of the Clearwater Code of Ordinances, Article VII, Section 3 of the Constitution of the State of Florida, and Section 196-1995, Florida Statutes, the City Council may grant Economic Development Ad Valorem Tax Exemptions of up to 75 percent of the assessed value of the qualifying property for up to ten years to new businesses and expansions of existing businesses which create employment opportunities that will benefit the entire community.

For the fiscal year ending September 30, 2022, the City abated real and tangible personal property taxes totaling \$146,551 under this program, consisting of the following agreements:

A Business Maintenance and Continued Performance Agreement with Skye Lane Properties, LLC dated January 14, 2014, for the relocation of 54 jobs from St. Petersburg, the creation of 11 new jobs, the investment of \$6.1 million in the expansion of the property, including the renovation of the facility, construction of a tri-level parking deck, and the purchase of new furniture, fixtures and equipment. This agreement, which commenced in fiscal 2016, grants an exemption of ad valorem taxes of 75 percent for the first five years and 50 percent for the next five years. In the event of default, Skye Lane Properties, LLC will be subject to the taxes exempted plus annual interest at the maximum rate allowed by law. Tax abatements since inception total \$83,385.

A Business Maintenance and Continued Performance Agreement with Instrument Transformers, Inc. dated March 10, 2014 and amended February 11, 2016, for the creation of 143 new jobs and the investment of \$49 million in the expansion of the Clearwater facility, including the purchase or lease of new equipment. This agreement, which commenced in fiscal 2017, grants an exemption of ad valorem taxes of 75 percent for ten years. In the event of default, Instrument Transformers, Inc.



**City of Clearwater, Florida**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2022**

will be subject to the taxes exempted plus annual interest at the maximum rate allowed by law. Tax abatements since inception total \$716,633.

**IV.F. Pending litigation**

In the normal course of operations, the City is a defendant in various legal actions, the ultimate resolution of which is not expected to have a material effect on the financial statements, other than for amounts that have been reserved and recorded as liabilities in the Central Insurance Fund.

**IV.G. Conduit debt**

The City has one issue of conduit debt outstanding as follows:

<u>Description / Purpose</u>	<u>Original Issue Amount</u>	<u>Amount Outstanding at 9/30/21</u>	<u>Amount Outstanding at 9/30/22</u>
Drew Gardens Refunding Bonds / residential rental facility	\$ 3,425,000	\$ 1,030,000	\$ 840,000

The City issued Mortgage Revenue Refunding Bonds, Series 1992A (FHA Insured Mortgage Loan – Drew Gardens Project), dated August 1, 1992, in the amount of \$3,425,000, to provide a portion of the money required to refund a prior issue of the bonds of the Issuer that were issued to provide money to make a mortgage loan insured by the Federal Housing Administration pursuant to Section 221(d)(4) of the National Housing Act of 1934, as amended, to pay the cost of acquiring, constructing, improving and equipping a 180-unit multifamily residential rental housing facility owned by Drew Gardens Associates, Ltd., a Florida limited partnership, and to pay certain costs of the refunding. The bonds are payable solely from and secured by a lien upon and a pledge of the pledged revenues, consisting mainly of the bond proceeds. No additional commitments were extended by the City. As of September 30, 2022, the bonds have an aggregate outstanding principal amount payable of \$840,000. The bonds do not constitute a debt, liability, or obligation of the City of Clearwater, the State of Florida, or any political subdivision thereof and, accordingly, have not been reported in the accompanying financial statements.

**IV.H. Deepwater Horizon Oil Spill**

Following the Deepwater Horizon Oil Spill of April 2010, the City incurred reduced revenues that were determined to be directly or indirectly attributed to the oil spill. On July 13, 2015, the City adopted Resolution 15-18 and accepted a full and final settlement of all claims against BP Exploration and Production, Inc. and others in the amount of \$6,480,352, net of \$1,658,687 attorney's fees. A total of \$80,352 was returned to General Fund reserves in fiscal 2019, and the remaining \$6,400,000 of the proceeds were identified as a funding source for the Crest Lake Park Improvements project, which is accounted for in the Capital Improvement Fund. As of September 30, 2022, \$6,400,000 of the proceeds were expended on this project.

City of Clearwater, Florida  
Defined Benefit Pension Plans  
Required Supplementary Information

Employees' Pension Plan  
Schedule of Changes in Net Pension Liability and Related Ratios

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service Cost	\$ 18,718,516	\$ 18,412,162	\$ 16,934,015	\$ 15,240,018	\$ 15,065,668	14,770,113	\$ 15,173,452	\$ 14,585,979	\$ 14,670,375
Interest on the Total Pension Liability	68,447,973	68,636,343	66,061,748	65,042,520	62,567,359	61,050,474	58,870,815	56,983,247	55,622,257
Benefit Changes	-	-	6,428,217	-	-	-	-	-	-
Difference between Expected and Actual Experience	(345,877)	166,476	5,473,272	(6,533,554)	6,780,611	(8,071,653)	6,832,090	(3,532,969)	(11,230,163)
Assumption Changes	6,156,036	(16,344,158)	11,877,993	25,495,302	-	381,755	(4,748,597)	-	-
Benefit Payments	(57,321,813)	(56,274,207)	(50,966,931)	(49,687,426)	(46,860,103)	(44,490,793)	(42,069,828)	(39,276,003)	(37,118,458)
Refunds	(1,772,430)	(1,222,375)	(1,177,456)	(1,017,365)	(892,181)	(1,366,008)	(1,060,187)	(1,000,827)	(1,675,419)
<b>Net Change in Total Pension Liability</b>	<u>33,882,405</u>	<u>13,374,241</u>	<u>54,630,858</u>	<u>48,539,495</u>	<u>36,661,354</u>	<u>22,273,888</u>	<u>32,997,745</u>	<u>27,759,427</u>	<u>20,268,592</u>
<b>Total Pension Liability - Beginning</b>	<u>1,055,835,834</u>	<u>1,042,461,593</u>	<u>987,830,735</u>	<u>939,291,240</u>	<u>902,629,886</u>	<u>880,355,998</u>	<u>847,358,253</u>	<u>819,598,826</u>	<u>799,330,234</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 1,089,718,239</u>	<u>\$ 1,055,835,834</u>	<u>\$ 1,042,461,593</u>	<u>\$ 987,830,735</u>	<u>\$ 939,291,240</u>	<u>\$ 902,629,886</u>	<u>\$ 880,355,998</u>	<u>\$ 847,358,253</u>	<u>\$ 819,598,826</u>
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 11,912,374	\$ 11,917,353	10,364,100	\$ 10,901,645	\$ 10,650,462	11,898,912	\$ 13,178,874	\$ 14,923,098	\$ 18,860,463
Contributions - Employer (from State)	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Contributions - Employee	8,591,715	8,013,951	7,925,645	7,326,649	7,127,965	7,004,943	6,706,567	6,483,666	7,073,440
Net Investment Income	(204,174,834)	231,147,434	102,588,458	53,143,676	93,775,837	102,284,783	88,501,532	(4,165,092)	82,832,149
Benefit Payments	(57,321,813)	(56,274,207)	(50,966,931)	(49,687,426)	(46,860,103)	(44,490,793)	(42,069,828)	(39,276,003)	(37,118,458)
Refunds	(1,772,430)	(1,222,375)	(1,177,456)	(1,017,365)	(892,181)	(1,366,008)	(1,060,187)	(1,000,827)	(1,675,419)
Administrative Expense	(322,664)	(340,629)	(288,079)	(335,282)	(343,115)	(295,301)	(297,984)	(297,942)	(175,212)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(243,075,652)</u>	<u>193,253,527</u>	<u>68,457,737</u>	<u>20,343,897</u>	<u>63,470,865</u>	<u>75,048,536</u>	<u>64,970,974</u>	<u>(23,321,100)</u>	<u>69,808,963</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>1,325,814,385</u>	<u>1,132,560,858</u>	<u>1,064,103,121</u>	<u>1,043,759,224</u>	<u>980,288,359</u>	<u>905,239,823</u>	<u>840,268,849</u>	<u>863,589,949</u>	<u>793,780,986</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 1,082,738,733</u>	<u>\$ 1,325,814,385</u>	<u>\$ 1,132,560,858</u>	<u>\$ 1,064,103,121</u>	<u>\$ 1,043,759,224</u>	<u>\$ 980,288,359</u>	<u>\$ 905,239,823</u>	<u>\$ 840,268,849</u>	<u>\$ 863,589,949</u>
<b>Net Pension Liability/(Asset) - Beginning</b>	\$ (269,978,551)	\$ (90,099,265)	\$ (76,272,386)	\$ (104,467,984)	\$ (77,658,473)	\$ (24,883,825)	\$ 7,089,404	\$ (43,991,123)	\$ 5,549,248
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	\$ 6,979,506	\$ (269,978,551)	\$ (90,099,265)	\$ (76,272,386)	\$ (104,467,984)	\$ (77,658,473)	\$ (24,883,825)	\$ 7,089,404	\$ (43,991,123)
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)</b>	99.36%	125.57%	108.64%	107.72%	111.12%	108.60%	102.83%	99.16%	105.37%
<b>Covered Payroll</b>	\$ 97,193,423	\$ 90,810,283	\$ 89,845,375	\$ 82,998,580	\$ 80,852,451	\$ 79,558,524	\$ 76,942,048	\$ 74,021,494	\$ 75,629,669
<b>Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	7.18%	-297.30%	-100.28%	-91.90%	-129.21%	-97.61%	-32.34%	9.58%	-58.17%

**Notes to Schedule:**

Data unavailable prior to 2014.

**City of Clearwater, Florida**  
**Defined Benefit Pension Plans**  
**Required Supplementary Information**

**Firefighters' Relief and Pension Plan**  
**Schedule of Changes in Net Pension Liability and Related Ratios**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>									
Interest	\$ 40,834	\$ 51,167	\$ 52,304	\$ 72,699	\$ 84,902	\$ 90,635	\$ 99,691	\$ 100,650	\$ 92,956
Difference between Expected and Actual Experience	67,373	(17,191)	80,335	(141,190)	(205,912)	76,981	(296,507)	114,258	(426,528)
Assumption Changes	-	(215,006)	(55,554)	-	-	-	208,676	201,922	-
Benefit Payments	(227,768)	(245,126)	(262,649)	(285,762)	(332,638)	(365,154)	(423,458)	(442,775)	(525,760)
Other	-	-	-	-	-	-	-	-	143,654
<b>Net Change in Total Pension Liability</b>	<u>(119,561)</u>	<u>(426,156)</u>	<u>(185,564)</u>	<u>(354,253)</u>	<u>(453,648)</u>	<u>(197,538)</u>	<u>(411,598)</u>	<u>(25,945)</u>	<u>(715,678)</u>
<b>Total Pension Liability - Beginning</b>	<u>1,743,078</u>	<u>2,169,234</u>	<u>2,354,798</u>	<u>2,709,051</u>	<u>3,162,699</u>	<u>3,360,237</u>	<u>3,771,835</u>	<u>3,797,780</u>	<u>4,513,458</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 1,623,517</u>	<u>\$ 1,743,078</u>	<u>\$ 2,169,234</u>	<u>\$ 2,354,798</u>	<u>\$ 2,709,051</u>	<u>\$ 3,162,699</u>	<u>\$ 3,360,237</u>	<u>\$ 3,771,835</u>	<u>\$ 3,797,780</u>
<b>Plan Fiduciary Net Position</b>									
Net Investment Income	\$ (98,130)	\$ 14,512	\$ 147,975	\$ 319,636	\$ 59,255	\$ (149,322)	\$ 171,674	\$ 199,776	\$ 169,627
Benefit Payments	(227,768)	(245,126)	(262,649)	(285,762)	(332,638)	(365,154)	(423,458)	(442,775)	(525,760)
Administrative Expense	(8,870)	(3,000)	(2,500)	(2,500)	(2,500)	(3,500)	(2,758)	(2,005)	(5,808)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(334,768)</u>	<u>(233,614)</u>	<u>(117,174)</u>	<u>31,374</u>	<u>(275,883)</u>	<u>(517,976)</u>	<u>(254,542)</u>	<u>(245,004)</u>	<u>(361,941)</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>3,247,484</u>	<u>3,481,098</u>	<u>3,598,272</u>	<u>3,566,898</u>	<u>3,842,781</u>	<u>4,360,757</u>	<u>4,615,299</u>	<u>4,860,303</u>	<u>5,222,244</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 2,912,716</u>	<u>\$ 3,247,484</u>	<u>\$ 3,481,098</u>	<u>\$ 3,598,272</u>	<u>\$ 3,566,898</u>	<u>\$ 3,842,781</u>	<u>\$ 4,360,757</u>	<u>\$ 4,615,299</u>	<u>\$ 4,860,303</u>
<b>Net Pension Liability/(Asset) - Beginning</b>	\$ (1,504,406)	\$ (1,311,864)	\$ (1,243,474)	\$ (857,847)	\$ (680,082)	\$ (1,000,520)	\$ (843,464)	\$ (1,062,523)	\$ (495,433)
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	\$ (1,289,199)	\$ (1,504,406)	\$ (1,311,864)	\$ (1,243,474)	\$ (857,847)	\$ (680,082)	\$ (1,000,520)	\$ (843,464)	\$ (1,062,523)
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)</b>	179.41%	186.31%	160.48%	152.81%	131.67%	121.50%	129.78%	122.36%	127.98%
<b>Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

Data unavailable prior to 2014.

City of Clearwater, Florida  
Defined Benefit Pension Plans  
Required Supplementary Information

Employees' Pension Plan  
Schedule of Contributions

FY Ending September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 19,608,078	\$ 18,872,463 <sup>1</sup>	\$ 735,615	\$ 75,629,669	24.95%
2015	\$ 10,803,098	\$ 14,935,098	\$ (4,132,000)	\$ 74,021,494 <sup>2</sup>	20.18%
2016	\$ 8,767,703	\$ 13,190,874	\$ (4,423,171)	\$ 76,942,048	17.14%
2017	\$ 8,944,103	\$ 11,910,912	\$ (2,966,809)	\$ 79,558,524	14.97%
2018	\$ 8,659,427	\$ 10,662,462	\$ (2,003,035)	\$ 80,852,451	13.19%
2019	\$ 8,813,297	\$ 10,913,645	\$ (2,100,348)	\$ 82,998,580	13.15%
2020	\$ 9,720,956	\$ 10,376,100	\$ (655,144)	\$ 89,845,375	11.55%
2021	\$ 11,534,013	\$ 11,929,353	\$ (395,340)	\$ 90,810,283	13.14%
2022	\$ 11,412,994	\$ 11,924,374	\$ (511,380)	\$ 97,193,423	12.27%

<sup>1</sup> A portion of the plan's credit balance was applied to meet the remainder of the actuarially determined contribution for the fiscal year ending September 30, 2014.

<sup>2</sup> The definition of Covered Payroll for GASB Statement Nos. 67 and 68 was changed under GASB Statement No. 82 to be the pensionable earnings for members of the Plan. As a result, the Covered Payroll amount previously reported for fiscal year 2015 has been revised to reflect this change.

**Notes to Schedule of Contributions**

**Valuation Date:** January 1, 2021  
**Notes:** Actuarially determined contributions are calculated as of January 1, which is nine months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	25 years (longest remaining period); 12 years (single equivalent period)
Asset Valuation Method	5-year smoothed market; 20% corridor
Inflation	2.25%
Salary Increases	2.75% to 7.60% depending on service; including inflation
Investment Rate of Return	6.55%
Retirement Age	Experience-based table of rates that are specific to the employment classification and type of eligibility condition.

**Mortality**  
Hazardous Duty Employees: PUB-2010 Headcount Weighted Safety Healthy Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set forward one year, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates for both pre-retirement and post-retirement mortality are based on the Below Median Healthy tables. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2019 valuation, as mandated by Chapter 112.63, Florida Statutes.

Nonhazardous Duty Employees: PUB-2010 Headcount Weighted General Below-Median Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted General Below-Median Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates are set back one year. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2019 valuation, as mandated by Chapter 112.63, Florida Statutes.

**Other Information:**  
**Notes**  
Effective with the January 1, 2021 valuation, the investment return assumption was reduced from 6.65% to 6.55%. Additionally, the mortality tables and improvement scales were updated to reflect the updated mortality assumptions used in the July 1, 2019 Florida Retirement System (FRS) Actuarial Valuation, as mandated by Florida Statutes Chapter 112.63(1) (f). Please refer to the January 1, 2021 valuation report dated April 26, 2021 for additional details.

Data unavailable prior to 2014.

**City of Clearwater, Florida  
Defined Benefit Pension Plans  
Required Supplementary Information**

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**Firefighters' Relief and Pension Plan  
Schedule of Contributions**

There have been no employer contributions for the last ten fiscal years.

**Notes to Schedule of Contributions**

Effective with the fiscal year ended September 30, 2007, the Firefighters' Relief and Pension Plan, with no remaining active members (only retirees), was fully funded per the requirements of the governing Ordinance. The City may elect to contribute should future valuations show an actuarial need for such.

**City of Clearwater, Florida  
Defined Benefit Pension Plans  
Required Supplementary Information**

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**Employees' Pension Plan  
Schedule of Investment Returns**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	-15.65%	20.61%	9.73%	5.11%	9.69%	11.28%	10.63%	-0.03%	10.90%

Note: Data unavailable prior to 2014.

**City of Clearwater, Florida  
Defined Benefit Pension Plans  
Required Supplementary Information**

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**Firefighters' Relief and Pension Plan  
Schedule of Investment Returns**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	0.58%	2.48%	5.06%	6.52%	1.82%	4.68%	4.554%	4.315%	3.902%

Note: Data unavailable prior to 2014.

**City of Clearwater, Florida**  
**Other Post-Employment Benefits**  
**Required Supplementary Information**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 2,412,125	\$ 2,213,247	\$ 2,282,038	\$ 1,677,787	\$ 1,731,394
Interest	645,528	662,501	953,389	1,086,906	974,551
Changes of benefit terms	-	-	28,595	-	-
Difference between expected and actual experience	(5,128,309)	-	(4,646,689)	-	-
Changes of assumptions and other inputs	(1,481,029)	(120,728)	(4,692,393)	4,006,356	(1,029,325)
Benefit payments	(912,692)	(1,022,036)	(1,048,358)	(1,122,335)	(1,054,805)
<b>Net Change in Total OPEB Liability</b>	<u>(4,464,377)</u>	<u>1,732,984</u>	<u>(7,123,418)</u>	<u>5,648,714</u>	<u>621,815</u>
<b>Total OPEB Liability - Beginning</b>	<u>27,520,408</u>	<u>25,787,424</u>	<u>32,910,842</u>	<u>27,262,128</u>	<u>26,640,313</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 23,056,031</u>	<u>\$ 27,520,408</u>	<u>\$ 25,787,424</u>	<u>\$ 32,910,842</u>	<u>\$ 27,262,128</u>
<b>Estimated covered-employee payroll</b>	\$ 110,228,154	\$ 101,205,829	\$ 99,272,204	\$ 95,520,530	\$ 92,964,945
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	20.92%	27.19%	25.98%	34.45%	29.33%

**Notes to Schedule:**

Valuation Date: January 1, 2022  
Measurement Date: September 30, 2022

Roll Forward Procedures: The Total OPEB Liability was rolled forward nine months from the Valuation Date to the Measurement Date using standard actuarial techniques.

**Methods and Assumptions Used to Determine Total OPEB Liability:**

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	4.40%
Salary Increases	Salary increase rates used in the January 1, 2022 actuarial valuation of the City of Clearwater Employees' Pension Plan.
Retirement Age	Retirement rates used in the January 1, 2022 actuarial valuation of the City of Clearwater Employees' Pension Plan.
Mortality	Mortality rates are the same as used in the July 1, 2021 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class and Special Risk Class members. These rates were taken from adjusted PUB-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 to 2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 5.75% and gradually decreasing to an ultimate trend rate of 3.99%.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Administrative expenses are included in the per capita health costs.

**Other Information:**

The following assumption changes have been reflected in the Schedule of Changes in the Total OPEB Liability for the measurement period ending September 30, 2022:

- The discount rate was changed from 2.19% as of the beginning of the measurement period to 4.40% as of September 30, 2022 (based on the Long-Term Municipal Bond rate). This change significantly decreased the Total OPEB Liability.

- Medical claims costs and premiums were updated based on actual claims and premium information provided for this valuation. This change increased the Total OPEB Liability.

There were no benefit changes during the year.

Data unavailable prior to 2018.

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



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# **Nonmajor Governmental Funds**

## **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Community Redevelopment Agency Fund – to account for receipt, custody, and expenditure of property tax increment funds associated with related redevelopment projects.

Local Housing Assistance SHIP Trust Fund – to account for monies allocated to the City under the State Local Housing Assistance SHIP grant program.

Pinellas County Local Housing Assistance Trust Fund – to account for monies allocated to the City under the Pinellas County Local Housing Assistance grant program.

## **Debt Service Funds**

Debt service funds provide separate accounting records for all debt interest, principal, and reserve requirements for general government long-term. Debt of proprietary funds is serviced through restricted accounts maintained within the individual enterprise or internal service fund associated with the debt.

Non-Ad Valorem Revenue Bonds – to account for the advance monthly accumulation of resources by transfer of General Revenues from the General Fund and the payment of currently maturing installments of principal and interest each year.

Notes and Mortgages Debt Service Fund - to account for the advance monthly accumulation of resources by transfer of General Revenues from the General and Special Revenue Funds and the payment of currently maturing installments of principal and interest on the various note and mortgage obligations of the governmental funds during each fiscal year.

Spring Training Facility Revenue Bonds Debt Service Fund – to account for the advance monthly accumulation of resources received from the State of Florida and Pinellas County, and the payment of currently maturing installments of principal and interest each year.

## Capital Projects Funds

Capital projects funds are used to account for resources to be used for the acquisition or construction of **major** capital improvement projects, other than those financed by proprietary funds. A major capital improvement project is a property acquisition, a major construction undertaking, or a major improvement to an existing facility or property, with a cost greater than \$25,000 and a minimum useful life of at least five years.

Community Redevelopment Agency Capital Projects Fund – to provide separate accounting records for the acquisition or construction of capital improvement projects for the Clearwater Community Redevelopment Agency.

**City of Clearwater, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2022**

	Special Revenue Funds				
	Community Redevelopment Agency	SHIP Local Housing Assistance Trust	Pinellas County Local Housing Assistance Trust	Total	
	<b>ASSETS</b>				
	Cash and investments	\$ 372,518	\$ 1,529,756	\$ 224,342	\$ 2,126,616
Receivables:					
Accrued interest	19,174	2,277	376	21,827	
Mortgage notes	-	2,147,588	132,246	2,279,834	
Total assets	\$ 391,692	\$ 3,679,621	\$ 356,964	\$ 4,428,277	
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ 12,039	\$ 9,202	\$ -	\$ 21,241	
Due to other governments	48,000	-	-	48,000	
Advances from other funds	325,440	-	-	325,440	
Total liabilities	385,479	9,202	-	394,681	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - mortgage notes	-	2,147,588	132,246	2,279,834	
Total deferred inflows	-	2,147,588	132,246	2,279,834	
<b>FUND BALANCES</b>					
Restricted	6,213	1,522,831	224,718	1,753,762	
Total fund balances	6,213	1,522,831	224,718	1,753,762	
Total liabilities, deferred inflows and fund balances	\$ 391,692	\$ 3,679,621	\$ 356,964	\$ 4,428,277	

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

Debt Service Funds				Capital	Total
Notes and Mortgages	Spring Training Facility Revenue Bonds	Non-Ad Valorem Revenue Bonds	Total	Project Fund Community Redevelopment Agency	Nonmajor Governmental Funds
\$ -	\$ 421,508	\$ 358,008	\$ 779,516	\$ 11,486,431	\$ 14,392,563
-	742	-	742	-	22,569
-	-	-	-	-	2,279,834
<u>\$ -</u>	<u>\$ 422,250</u>	<u>\$ 358,008</u>	<u>\$ 780,258</u>	<u>\$ 11,486,431</u>	<u>\$ 16,694,966</u>
\$ -	\$ -	\$ -	\$ -	\$ 7,772	\$ 29,013
-	-	-	-	-	48,000
-	-	-	-	-	325,440
-	-	-	-	7,772	402,453
-	-	-	-	-	2,279,834
-	-	-	-	-	2,279,834
-	422,250	358,008	780,258	11,478,659	14,012,679
-	422,250	358,008	780,258	11,478,659	14,012,679
<u>\$ -</u>	<u>\$ 422,250</u>	<u>\$ 358,008</u>	<u>\$ 780,258</u>	<u>\$ 11,486,431</u>	<u>\$ 16,694,966</u>

**City of Clearwater, Florida**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2022**

	<b>Special Revenue Funds</b>			<b>Total</b>
	<b>Community Redevelopment Agency</b>	<b>SHIP Local Housing Assistance Trust</b>	<b>Pinellas County Local Housing Assistance Trust</b>	
<b>REVENUES</b>				
Intergovernmental:				
State	\$ -	\$ 751,583	\$ -	\$ 751,583
Local	2,472,510	-	10,829	2,483,339
Investment earnings (loss):				
Interest	113,986	163,714	5,054	282,754
Net appreciation (depreciation) in fair value	(1,174,675)	(142,829)	(23,006)	(1,340,510)
Total investment earnings (loss)	(1,060,689)	20,885	(17,952)	(1,057,756)
Miscellaneous	78,748	-	-	78,748
Total revenues	<u>1,490,569</u>	<u>772,468</u>	<u>(7,123)</u>	<u>2,255,914</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	457,067	62,601	2,337	522,005
Debt service:				
Principal	-	-	-	-
Interest & fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>457,067</u>	<u>62,601</u>	<u>2,337</u>	<u>522,005</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,033,502</u>	<u>709,867</u>	<u>(9,460)</u>	<u>1,733,909</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,442,586	-	-	3,442,586
Transfers out	(4,482,775)	(106,947)	-	(4,589,722)
Other long-term debt issued	-	-	-	-
Total other financing sources (uses)	<u>(1,040,189)</u>	<u>(106,947)</u>	<u>-</u>	<u>(1,147,136)</u>
Net change in fund balances	(6,687)	602,920	(9,460)	586,773
Fund balances - beginning	12,900	919,911	234,178	1,166,989
Fund balances - ending	<u>\$ 6,213</u>	<u>\$ 1,522,831</u>	<u>\$ 224,718</u>	<u>\$ 1,753,762</u>

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

<b>Debt Service Funds</b>				<b>Capital</b>	<b>Total</b>
<b>Notes and Mortgages</b>	<b>Spring Training Facility Revenue Bonds</b>	<b>Non-Ad Valorem Revenue Bonds</b>	<b>Total</b>	<b>Project Fund Community Redevelopment Agency</b>	<b>Nonmajor Governmental Funds</b>
\$ -	\$ 500,004	\$ -	\$ 500,004	\$ -	\$ 1,251,587
-	-	-	-	-	2,483,339
-	3,749	-	3,749	-	286,503
-	(45,086)	-	(45,086)	-	(1,385,596)
-	(41,337)	-	(41,337)	-	(1,099,093)
-	-	-	-	-	78,748
-	458,667	-	458,667	-	2,714,581
-	-	-	-	1,033,712	1,555,717
710,803	295,000	-	1,005,803	-	1,005,803
24,358	194,973	-	219,331	-	219,331
-	-	482,118	482,118	-	482,118
-	-	-	-	452,757	452,757
<u>735,161</u>	<u>489,973</u>	<u>482,118</u>	<u>1,707,252</u>	<u>1,486,469</u>	<u>3,715,726</u>
<u>(735,161)</u>	<u>(31,306)</u>	<u>(482,118)</u>	<u>(1,248,585)</u>	<u>(1,486,469)</u>	<u>(1,001,145)</u>
735,161	-	358,008	1,093,169	4,890,214	9,425,969
-	-	-	-	(1,602,563)	(6,192,285)
-	-	482,118	482,118	-	482,118
<u>735,161</u>	<u>-</u>	<u>840,126</u>	<u>1,575,287</u>	<u>3,287,651</u>	<u>3,715,802</u>
-	(31,306)	358,008	326,702	1,801,182	2,714,657
-	453,556	-	453,556	9,677,477	11,298,022
<u>\$ -</u>	<u>\$ 422,250</u>	<u>\$ 358,008</u>	<u>\$ 780,258</u>	<u>\$ 11,478,659</u>	<u>\$ 14,012,679</u>



**City of Clearwater, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual (GAAP Basis)**  
**Community Redevelopment Agency**  
**For the Year Ended September 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental - Local	\$ 2,535,218	\$ 2,535,218	\$ 2,472,510	\$ (62,708)
Investment earnings (loss):				
Interest	55,000	55,000	113,986	58,986
Net appreciation (depreciation) in fair value	-	-	(1,174,675)	(1,174,675)
Total investment earnings (loss)	<u>55,000</u>	<u>55,000</u>	<u>(1,060,689)</u>	<u>(1,115,689)</u>
Miscellaneous	<u>78,748</u>	<u>78,748</u>	<u>78,748</u>	<u>-</u>
Total revenues	<u>2,668,966</u>	<u>2,668,966</u>	<u>1,490,569</u>	<u>(1,178,397)</u>
<b>EXPENDITURES</b>				
Current - Economic environment	<u>682,940</u>	<u>567,940</u>	<u>457,067</u>	<u>110,873</u>
Total expenditures	<u>682,940</u>	<u>567,940</u>	<u>457,067</u>	<u>110,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,986,026</u>	<u>2,101,026</u>	<u>1,033,502</u>	<u>(1,067,524)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,480,667	2,480,667	3,442,586	961,919
Transfers out	<u>(4,466,693)</u>	<u>(4,581,693)</u>	<u>(4,482,775)</u>	<u>98,918</u>
Total other financing sources (uses)	<u>(1,986,026)</u>	<u>(2,101,026)</u>	<u>(1,040,189)</u>	<u>1,060,837</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	(6,687)	(6,687)
Fund balances - beginning	<u>12,900</u>	<u>12,900</u>	<u>12,900</u>	<u>-</u>
Fund balances - ending	<u>\$ 12,900</u>	<u>\$ 12,900</u>	<u>\$ 6,213</u>	<u>\$ (6,687)</u>

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

## **Nonmajor Enterprise Funds**

Enterprise funds are used to account for the financing, acquisition, operation, and maintenance of governmental facilities that are supported primarily by user charges.

Marine Operations Fund - to account for the financing, operation, and maintenance of the City's marine operations (excluding the downtown boat slips) and associated real property from rents collected from users.

Aviation Operations Fund - to account for the financing, operation, and maintenance of the City's airpark operations from rents collected from users.

Parking System Fund - to account for the financing, construction, operation and maintenance of the City's parking system, including on- and off-street parking on Clearwater Beach and Downtown Clearwater, from parking charges.

Clearwater Harbor Marina Fund - to account for the financing, operation, and maintenance of the City's downtown boat slips from boat slip rentals.

**City of Clearwater, Florida**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2022**

	<u>Marine Operations</u>	<u>Aviation Operations</u>	<u>Parking System</u>	<u>Clearwater Harbor Marina</u>	<u>Total</u>
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 6,444,874	\$ 743,449	\$ 37,810,244	\$ 4,199,397	\$ 49,197,964
Accrued interest receivable	9,980	1,244	50,896	5,089	67,209
Lease receivables	5,340,650	-	-	-	5,340,650
Due from other governments	-	45,324	-	-	45,324
Inventories, at cost	75,666	-	-	-	75,666
Total current assets	<u>11,871,170</u>	<u>790,017</u>	<u>37,861,140</u>	<u>4,204,486</u>	<u>54,726,813</u>
Noncurrent assets:					
Capital assets:					
Land and other nondepreciable assets	694,930	1,401,500	874,656	714,357	3,685,443
Capital assets, net of accumulated depreciation	<u>303,604</u>	<u>4,068,737</u>	<u>1,816,701</u>	<u>9,135,250</u>	<u>15,324,292</u>
Total noncurrent assets	<u>998,534</u>	<u>5,470,237</u>	<u>2,691,357</u>	<u>9,849,607</u>	<u>19,009,735</u>
Total assets	<u>12,869,704</u>	<u>6,260,254</u>	<u>40,552,497</u>	<u>14,054,093</u>	<u>73,736,548</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows - pension	311,205	56,583	961,907	155,603	1,485,298
Deferred outflows - other postemployment benefits	11,998	2,004	34,915	6,767	55,684
Total deferred outflows of resources	<u>323,203</u>	<u>58,587</u>	<u>996,822</u>	<u>162,370</u>	<u>1,540,982</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts and contracts payable	154,610	52,554	443,571	331,881	982,616
Accrued payroll	19,520	2,767	42,804	9,038	74,129
Deposits	44,388	-	-	44,170	88,558
Current portion of long-term liabilities:					
Compensated absences	30,492	3,959	63,253	4,135	101,839
Total current liabilities	<u>249,010</u>	<u>59,280</u>	<u>549,628</u>	<u>389,224</u>	<u>1,247,142</u>
Noncurrent liabilities:					
Compensated absences	24,280	3,153	50,367	3,293	81,093
Other postemployment benefits	194,593	32,509	566,256	109,747	903,105
Net pension liability	<u>15,355</u>	<u>2,792</u>	<u>47,461</u>	<u>7,677</u>	<u>73,285</u>
Total noncurrent liabilities	<u>234,228</u>	<u>38,454</u>	<u>664,084</u>	<u>120,717</u>	<u>1,057,483</u>
Total liabilities	<u>483,238</u>	<u>97,734</u>	<u>1,213,712</u>	<u>509,941</u>	<u>2,304,625</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - pension	24,055	4,374	74,351	12,027	114,807
Deferred inflows - other postemployment benefits	92,201	15,403	268,300	52,000	427,904
Deferred inflows - leases	<u>5,329,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,329,739</u>
Total deferred inflows of resources	<u>5,445,995</u>	<u>19,777</u>	<u>342,651</u>	<u>64,027</u>	<u>5,872,450</u>
<b>NET POSITION</b>					
Net investment in capital assets	998,534	5,470,237	2,619,951	9,547,663	18,636,385
Unrestricted	<u>6,265,140</u>	<u>731,093</u>	<u>37,373,005</u>	<u>4,094,832</u>	<u>48,464,070</u>
Total net position	<u>\$ 7,263,674</u>	<u>\$ 6,201,330</u>	<u>\$ 39,992,956</u>	<u>\$ 13,642,495</u>	<u>\$ 67,100,455</u>

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

**City of Clearwater, Florida**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2022**

	<u>Marine Operations</u>	<u>Aviation Operations</u>	<u>Parking System</u>	<u>Clearwater Harbor Marina</u>	<u>Totals</u>
<b>Operating revenues:</b>					
Sales to customers	\$ 4,477,570	\$ 23,604	\$ 9,789,711	\$ 1,914	\$ 14,292,799
User charges to customers	146,114	-	-	13,644	159,758
Rentals	2,350,206	311,641	-	954,703	3,616,550
Other	116,606	41	1,173,217	609	1,290,473
Total operating revenues	<u>7,090,496</u>	<u>335,286</u>	<u>10,962,928</u>	<u>970,870</u>	<u>19,359,580</u>
<b>Operating expenses:</b>					
Personal services	954,429	162,777	2,099,143	447,355	3,663,704
Purchases for resale	3,423,590	-	-	513	3,424,103
Operating materials and supplies	99,742	4,477	95,311	19,825	219,355
Transportation	21,041	7,898	129,354	4,832	163,125
Utility service	469,283	39,297	93,374	79,523	681,477
Depreciation	27,070	186,807	436,623	333,602	984,102
Interfund administrative charges	188,770	21,590	1,191,430	31,350	1,433,140
Other current charges:					
Professional fees	560,289	90,318	644,052	150,621	1,445,280
Advertising and marketing	2,671	-	-	-	2,671
Communications	21,175	-	33,042	510	54,727
Printing and binding	776	-	714	49	1,539
Insurance	95,490	7,850	44,590	19,270	167,200
Repairs and maintenance	23,333	1,467	1,532,472	5,786	1,563,058
Rentals	2,448	-	7,163	-	9,611
Miscellaneous	153,435	3,099	816,187	16,228	988,949
Data processing charges	65,960	5,740	107,830	16,720	196,250
Taxes	28,710	-	-	-	28,710
Total other current charges	<u>954,287</u>	<u>108,474</u>	<u>3,186,050</u>	<u>209,184</u>	<u>4,457,995</u>
Total operating expenses	<u>6,138,212</u>	<u>531,320</u>	<u>7,231,285</u>	<u>1,126,184</u>	<u>15,027,001</u>
Operating income (loss)	<u>952,284</u>	<u>(196,034)</u>	<u>3,731,643</u>	<u>(155,314)</u>	<u>4,332,579</u>
<b>Nonoperating revenues (expenses):</b>					
Investment earnings (loss):					
Interest	150,516	6,937	320,573	31,524	509,550
Net appreciation (depreciation) in fair value	(610,004)	(75,318)	(3,132,909)	(312,855)	(4,131,086)
Total investment earnings (loss)	<u>(459,488)</u>	<u>(68,381)</u>	<u>(2,812,336)</u>	<u>(281,331)</u>	<u>(3,621,536)</u>
Interest expense	-	-	(16)	-	(16)
Gain (loss) on disposal of capital assets	-	-	2,317,218	-	2,317,218
Total nonoperating revenue (expenses)	<u>(459,488)</u>	<u>(68,381)</u>	<u>(495,134)</u>	<u>(281,331)</u>	<u>(1,304,334)</u>
Income (loss) before contributions and transfers	492,796	(264,415)	3,236,509	(436,645)	3,028,245
Capital grants and contributions	-	316,811	-	-	316,811
Transfers in	517,386	13,000	102	2,289,695	2,820,183
Transfers out	(268,680)	(18,310)	(800,452)	(47,940)	(1,135,382)
Change in net position	<u>741,502</u>	<u>47,086</u>	<u>2,436,159</u>	<u>1,805,110</u>	<u>5,029,857</u>
Net position - beginning	6,522,172	6,154,244	37,556,797	11,837,385	62,070,598
Net position - ending	<u>\$ 7,263,674</u>	<u>\$ 6,201,330</u>	<u>\$ 39,992,956</u>	<u>\$ 13,642,495</u>	<u>\$ 67,100,455</u>

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

**City of Clearwater, Florida**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2022**

	<u>Marine Operations</u>	<u>Aviation Operations</u>	<u>Parking System</u>	<u>Clearwater Harbor Marina</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 7,079,888	\$ 335,286	\$ 10,962,928	\$ 973,621	\$ 19,351,723
Cash payments to suppliers	(4,732,535)	(409,321)	(2,722,071)	48,010	(7,815,917)
Cash payments to employees	(983,623)	(165,004)	(2,249,164)	(446,359)	(3,844,150)
Cash payments to other funds	(424,489)	(45,315)	(1,624,512)	(81,595)	(2,175,911)
Net cash provided by (used) operating activities	<u>939,241</u>	<u>(284,354)</u>	<u>4,367,181</u>	<u>493,677</u>	<u>5,515,745</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	517,386	13,000	102	2,289,695	2,820,183
Transfers to other funds	(268,680)	(18,310)	(800,452)	(47,940)	(1,135,382)
Net cash provided (used) by noncapital financing activities	<u>248,706</u>	<u>(5,310)</u>	<u>(800,350)</u>	<u>2,241,755</u>	<u>1,684,801</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on debt	-	-	(3,204)	-	(3,204)
Interest paid	-	-	(32)	-	(32)
Acquisition of capital assets	(33,151)	(236,807)	(102,036)	(714,357)	(1,086,351)
Proceeds from sale of capital assets	-	-	12,481,058	-	12,481,058
Capital contributed by other governmental entities	-	449,495	-	-	449,495
Net cash provided (used) by capital and related financing activities	<u>(33,151)</u>	<u>212,688</u>	<u>12,375,786</u>	<u>(714,357)</u>	<u>11,840,966</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment loss	(464,357)	(68,662)	(2,840,693)	(283,873)	(3,657,585)
Net cash provided (used) by investing activities	<u>(464,357)</u>	<u>(68,662)</u>	<u>(2,840,693)</u>	<u>(283,873)</u>	<u>(3,657,585)</u>
Net increase (decrease) in cash and cash equivalents	690,439	(145,638)	13,101,924	1,737,202	15,383,927
Cash and cash equivalents at beginning of year	5,754,435	889,087	24,708,320	2,462,195	33,814,037
Cash and cash equivalents at end of year	<u>\$ 6,444,874</u>	<u>\$ 743,449</u>	<u>\$ 37,810,244</u>	<u>\$ 4,199,397</u>	<u>\$ 49,197,964</u>
Cash and cash equivalents classified as:					
Cash and investments	<u>\$ 6,444,874</u>	<u>\$ 743,449</u>	<u>\$ 37,810,244</u>	<u>\$ 4,199,397</u>	<u>\$ 49,197,964</u>
Total cash and cash equivalents	<u>\$ 6,444,874</u>	<u>\$ 743,449</u>	<u>\$ 37,810,244</u>	<u>\$ 4,199,397</u>	<u>\$ 49,197,964</u>

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

**City of Clearwater, Florida**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2022**

	<u>Marine Operations</u>	<u>Aviation Operations</u>	<u>Parking System</u>	<u>Clearwater Harbor Marina</u>	<u>Totals</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 952,284	\$ (196,034)	\$ 3,731,643	\$ (155,314)	\$ 4,332,579
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	27,070	186,807	436,623	333,602	984,102
Change in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in lease receivables	(5,340,650)	-	-	-	(5,340,650)
(Increase) decrease in inventory	(28,542)	-	-	-	(28,542)
(Increase) decrease in net pension asset	593,953	107,991	1,484,882	296,976	2,483,802
(Increase) decrease in deferred outflows	(261,052)	(47,559)	(834,268)	(130,178)	(1,273,057)
Increase (decrease) in accounts and contracts payable	28,231	(272,900)	348,936	311,642	415,909
Increase (decrease) in accrued payroll	(43,517)	(5,040)	(25,648)	(6,280)	(80,485)
Increase (decrease) in deposits	303	-	-	2,751	3,054
Increase (decrease) in other postemployment benefits	(38,780)	(6,295)	(112,672)	(21,801)	(179,548)
Increase (decrease) in net pension liability	15,355	2,792	47,461	7,677	73,285
Increase (decrease) in deferred inflows	5,034,586	(54,116)	(709,776)	(145,398)	4,125,296
Total adjustments	<u>(13,043)</u>	<u>(88,320)</u>	<u>635,538</u>	<u>648,991</u>	<u>1,183,166</u>
Net cash provided by operating activities	<u>\$ 939,241</u>	<u>\$ (284,354)</u>	<u>\$ 4,367,181</u>	<u>\$ 493,677</u>	<u>\$ 5,515,745</u>

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

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## **Internal Service Funds**

Internal service funds are used to account for services and commodities furnished by a designated department to other departments within the City or to other governments on a cost reimbursement basis.

Garage Fund - to account for the cost of automotive and other motorized equipment of the City. The acquisition cost of new or upgraded equipment is financed through user departments and the asset value is simultaneously contributed to the Garage Fund. The cost of replacement of existing equipment is financed by the Garage Fund.

Administrative Services Fund - to account for various support activities including information technology, printing, mailing, and telephone services. The cost for these services is charged to user departments based on the cost of providing units of service.

General Services Fund - to account for various support activities including building maintenance and custodial services for all City departments and facilities. The cost for these services is charged to user departments based on the cost of providing units of service.

Central Insurance Fund - to account for the City's limited self-insurance program wherein all funds are assessed charges based on damage claims incurred and on management's assessment of individual funds' risk exposure. All claims and premiums are paid out of this fund, together with other costs necessary to administer the program. Medical self-insurance costs and employee health clinic operating expenses are also paid from this fund.



**City of Clearwater, Florida**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2022**

	<u>Garage</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 15,703,299	\$ 19,141,231	\$ 14,398,324	\$ 38,430,981	\$ 87,673,835
Accrued interest receivable	19,557	24,555	26,925	71,136	142,173
Other receivables	19,431	7,020	-	62,368	88,819
Due from other funds	-	-	-	345,190	345,190
Due from other governments	-	-	-	8	8
Inventories, at cost	486,481	-	-	-	486,481
Prepaid expenses and other assets	-	200	-	2,910,377	2,910,577
Total current assets	<u>16,228,768</u>	<u>19,173,006</u>	<u>14,425,249</u>	<u>41,820,060</u>	<u>91,647,083</u>
Noncurrent assets:					
Advances to other funds	-	-	-	1,851,509	1,851,509
Capital assets:					
Land and other nondepreciable assets	729,591	-	-	-	729,591
Capital assets, net of accumulated depreciation	23,160,911	2,258,424	218,955	-	25,638,290
Right to use assets, net of accumulated amortization	-	812,134	-	143,092	955,226
Total noncurrent assets	<u>23,890,502</u>	<u>3,070,558</u>	<u>218,955</u>	<u>1,994,601</u>	<u>29,174,616</u>
Total assets	<u>40,119,270</u>	<u>22,243,564</u>	<u>14,644,204</u>	<u>43,814,661</u>	<u>120,821,699</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows - pension	1,315,549	2,744,264	1,089,218	183,894	5,332,925
Deferred outflows - other postemployment benefits	28,446	59,821	26,371	5,004	119,642
Total deferred outflows of resources	<u>1,343,995</u>	<u>2,804,085</u>	<u>1,115,589</u>	<u>188,898</u>	<u>5,452,567</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts and contracts payable	611,471	313,263	310,663	638,336	1,873,733
Accrued payroll	47,878	115,308	36,187	8,098	207,471
Accrued interest payable	61,093	421	118	-	61,632
Current portion of long-term liabilities:					
Compensated absences	95,421	330,540	67,315	11,321	504,597
Financed purchases	3,002,573	335,949	7,532	-	3,346,054
Lease liability	-	517,967	-	82,439	600,406
Due to other funds	3,237,775	34,929	6,939	-	3,279,643
Claims payable	-	-	-	4,079,616	4,079,616
Total current liabilities (payable from current assets)	<u>7,056,211</u>	<u>1,648,377</u>	<u>428,754</u>	<u>4,819,810</u>	<u>13,953,152</u>
Noncurrent liabilities:					
Compensated absences	75,981	263,199	53,600	9,014	401,794
Other postemployment benefits	461,351	970,198	427,689	81,157	1,940,395
Net pension liability	64,909	135,402	53,742	9,073	263,126
Financed purchases	3,153,889	-	1,907	-	3,155,796
Lease liability	-	285,961	-	56,402	342,363
Advances from other funds	8,565,488	52,626	21,236	-	8,639,350
Claims payable	-	-	-	5,662,888	5,662,888
Total noncurrent liabilities	<u>12,321,618</u>	<u>1,707,386</u>	<u>558,174</u>	<u>5,818,534</u>	<u>20,405,712</u>
Total liabilities	<u>19,377,829</u>	<u>3,355,763</u>	<u>986,928</u>	<u>10,638,344</u>	<u>34,358,864</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - pension	101,686	212,119	84,192	14,214	412,211
Deferred inflows - other postemployment benefits	218,595	459,694	202,645	38,453	919,387
Total deferred inflows of resources	<u>320,281</u>	<u>671,813</u>	<u>286,837</u>	<u>52,667</u>	<u>1,331,598</u>
<b>NET POSITION</b>					
Net investment in capital assets	17,734,040	1,930,681	209,516	4,251	19,878,488
Unrestricted	4,031,115	19,089,392	14,276,512	33,308,297	70,705,316
Total net position	<u>\$ 21,765,155</u>	<u>\$ 21,020,073</u>	<u>\$ 14,486,028</u>	<u>\$ 33,312,548</u>	<u>\$ 90,583,804</u>

The notes to the financial statements are an integral part of this statement. 136

**City of Clearwater, Florida**  
**Combining Statement of Revenue, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2022**

	<u>Garage</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
<b>Operating revenues:</b>					
Billings to departments	\$ 16,881,560	\$ 14,078,939	\$ 6,117,743	\$ 27,659,301	\$ 64,737,543
Rentals	26,196	-	-	-	26,196
Other	86,268	7,020	19,010	385,264	497,562
Total operating revenues	<u>16,994,024</u>	<u>14,085,959</u>	<u>6,136,753</u>	<u>28,044,565</u>	<u>65,261,301</u>
<b>Operating expenses:</b>					
Personal services	2,537,243	5,269,053	2,159,723	479,205	10,445,224
Purchases for resale	5,205,565	-	-	-	5,205,565
Operating materials and supplies	2,935,697	174,000	518,188	239,888	3,867,773
Transportation	646	93,807	322,553	-	417,006
Utility service	121,249	-	322,636	3,368	447,253
Depreciation	9,562,585	553,560	41,357	-	10,157,502
Amortization of right to use assets	-	487,792	-	75,299	563,091
Interfund administrative charges	236,280	4,000	-	-	240,280
Other current charges:					
Professional fees	661,254	3,820,751	3,476,548	3,617,878	11,576,431
Communications	21,763	971,173	44,874	12,675	1,050,485
Printing and binding	35	30,736	15	1,658	32,444
Insurance:					
Premiums	25,160	9,590	17,460	4,483,372	4,535,582
Claims incurred	-	-	-	22,520,573	22,520,573
Repairs and maintenance	589,256	387,856	162,663	18,510	1,158,285
Rentals	17,452	113,937	259,768	598	391,755
Miscellaneous	44,513	222,217	27,832	34,528	329,090
Data processing charges	219,550	271,150	152,220	25,340	668,260
Taxes	9,221	-	-	6,996	16,217
Total other current charges	<u>1,588,204</u>	<u>5,827,410</u>	<u>4,141,380</u>	<u>30,722,128</u>	<u>42,279,122</u>
Total operating expenses	<u>22,187,469</u>	<u>12,409,622</u>	<u>7,505,837</u>	<u>31,519,888</u>	<u>73,622,816</u>
Operating income (loss)	<u>(5,193,445)</u>	<u>1,676,337</u>	<u>(1,369,084)</u>	<u>(3,475,323)</u>	<u>(8,361,515)</u>
<b>Nonoperating revenues (expenses)</b>					
Investment earnings (loss):					
Interest	110,519	144,046	155,405	460,888	870,858
Net appreciation (depreciation) in fair value	<u>(1,179,607)</u>	<u>(1,496,608)</u>	<u>(1,643,987)</u>	<u>(4,300,634)</u>	<u>(8,620,836)</u>
Total investment earnings (loss)	<u>(1,069,088)</u>	<u>(1,352,562)</u>	<u>(1,488,582)</u>	<u>(3,839,746)</u>	<u>(7,749,978)</u>
Interest expense	(234,368)	(15,322)	(578)	(1,218)	(251,486)
Gain (loss) on disposal of capital assets	736,187	(12,325)	-	-	723,862
Total nonoperating revenue (expenses)	<u>(567,269)</u>	<u>(1,380,209)</u>	<u>(1,489,160)</u>	<u>(3,840,964)</u>	<u>(7,277,602)</u>
Income (loss) before contributions and transfers	(5,760,714)	296,128	(2,858,244)	(7,316,287)	(15,639,117)
Transfers in	1,760,941	4,450,204	2,215,000	-	8,426,145
Transfers out	-	(13,000)	-	(33,032)	(46,032)
Change in net position	<u>(3,999,773)</u>	<u>4,733,332</u>	<u>(643,244)</u>	<u>(7,349,319)</u>	<u>(7,259,004)</u>
Net position - beginning	25,764,928	16,286,741	15,129,272	40,661,867	97,842,808
Net position - ending	<u>\$ 21,765,155</u>	<u>\$ 21,020,073</u>	<u>\$ 14,486,028</u>	<u>\$ 33,312,548</u>	<u>\$ 90,583,804</u>

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

**City of Clearwater, Florida**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2022**

	<u>Garage</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from other funds	\$ 16,994,024	\$ 14,078,939	\$ 6,136,753	\$ 28,141,896	\$ 65,351,612
Cash payments to suppliers	(9,645,059)	(5,445,875)	(4,612,996)	(31,656,354)	(51,360,284)
Cash payments to employees	(2,517,968)	(5,259,513)	(2,158,198)	(493,093)	(10,428,772)
Cash payments to other funds	(792,971)	(672,295)	(553,734)	(58,640)	(2,077,640)
Net cash provided (used) by operating activities	<u>4,038,026</u>	<u>2,701,256</u>	<u>(1,188,175)</u>	<u>(4,066,191)</u>	<u>1,484,916</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	1,760,941	4,450,204	2,215,000	-	8,426,145
Transfers to other funds	-	(13,000)	-	(33,032)	(46,032)
Receipt of cash on loans to/from other funds	6,284,225	49,969	-	337,264	6,671,458
Payment of cash on loans to/from other funds	(1,680,163)	(88,373)	(6,870)	-	(1,775,406)
Net cash provided (used) by noncapital financing activities	<u>6,365,003</u>	<u>4,398,800</u>	<u>2,208,130</u>	<u>304,232</u>	<u>13,276,165</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on debt	(4,259,677)	(428,999)	(7,383)	-	(4,696,059)
Interest paid	(227,604)	(16,191)	(632)	(1,218)	(245,645)
Acquisition of capital assets	(5,571,978)	(867,518)	(13,635)	(79,550)	(6,532,681)
Proceeds from sale of capital assets	736,187	-	-	-	736,187
Net cash provided (used) by capital and related financing activities	<u>(9,323,072)</u>	<u>(1,312,708)</u>	<u>(21,650)</u>	<u>(80,768)</u>	<u>(10,738,198)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment loss	(1,075,682)	(1,362,921)	(1,500,051)	(3,860,279)	(7,798,933)
Net cash provided (used) by investing activities	<u>(1,075,682)</u>	<u>(1,362,921)</u>	<u>(1,500,051)</u>	<u>(3,860,279)</u>	<u>(7,798,933)</u>
Net increase (decrease) in cash and cash equivalents	4,275	4,424,427	(501,746)	(7,703,006)	(3,776,050)
Cash and cash equivalents at beginning of year	15,699,024	14,716,804	14,900,070	46,133,987	91,449,885
Cash and cash equivalents at end of year	<u>\$ 15,703,299</u>	<u>\$ 19,141,231</u>	<u>\$ 14,398,324</u>	<u>\$ 38,430,981</u>	<u>\$ 87,673,835</u>
Cash and cash equivalents classified as:					
Cash and investments	\$ 15,703,299	\$ 19,141,231	\$ 14,398,324	\$ 38,430,981	\$ 87,673,835
Total cash and cash equivalents	<u>\$ 15,703,299</u>	<u>\$ 19,141,231</u>	<u>\$ 14,398,324</u>	<u>\$ 38,430,981</u>	<u>\$ 87,673,835</u>

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

**City of Clearwater, Florida**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2022**

	<u>Garage</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (5,193,445)	\$ 1,676,337	\$ (1,369,084)	\$ (3,475,323)	\$ (8,361,515)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	9,562,585	553,560	41,357	-	10,157,502
Amortization of right to use assets	-	487,792	-	75,299	563,091
Change in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in accounts receivable	10,409	(7,020)	-	97,339	100,728
(Increase) decrease in inventory	(98,571)	-	-	(8)	(98,579)
(Increase) decrease in prepaid expenses	-	(200)	-	(158,688)	(158,888)
(Increase) decrease in net pension asset	2,510,801	5,615,554	2,159,828	323,974	10,610,157
(Increase) decrease in deferred outflows	(1,113,807)	(2,294,833)	(914,804)	(156,704)	(4,480,148)
Increase (decrease) in accounts and contracts payable	(198,421)	(18,753)	138,027	(590,922)	(670,069)
Increase (decrease) in accrued payroll	(40,098)	(296,395)	(86,773)	(758)	(424,024)
Increase (decrease) in unearned revenue	(63,806)	-	-	-	(63,806)
Increase (decrease) in other postemployment benefits	(92,084)	(193,365)	(85,291)	(23,421)	(394,161)
Increase (decrease) in net pension liability	64,909	135,402	53,742	9,073	263,126
Increase (decrease) in deferred inflows	(1,310,446)	(2,956,823)	(1,125,177)	(166,052)	(5,558,498)
Total adjustments	<u>9,231,471</u>	<u>1,024,919</u>	<u>180,909</u>	<u>(590,868)</u>	<u>9,846,431</u>
Net cash provided (used) by operating activities	<u>\$ 4,038,026</u>	<u>\$ 2,701,256</u>	<u>\$ (1,188,175)</u>	<u>\$ (4,066,191)</u>	<u>\$ 1,484,916</u>

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

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## **Fiduciary Funds**

Fiduciary Funds are used to account for resources that are managed in a trustee capacity or as an agent for other parties or funds.

Employees' Pension Fund - to account for the financial operation and condition of the major employee retirement system.

Firefighters' Relief and Pension Fund - to account for the financial operation and condition of the Firefighters' Relief and Pension Plan, closed to new members in 1962, and containing 12 retired members with no active members. The Plan was fully funded effective with fiscal year 2007.

Police Supplemental Pension Fund - to account for the financial operation and condition of a supplemental pension plan funded by the State for sworn police officers.

Firefighters' Supplemental Pension Fund - to account for the financial operation and condition of a supplemental pension plan funded by the State for firefighters.

Custodial Fund - to account for fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

**City of Clearwater, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2022**

	Defined Benefit Pension Trust Funds		Defined Contribution Pension Trust Funds		Total Pension Trust Funds	Custodial Fund
	Employees' Pension Fund	Firefighters' Relief and Pension Fund	Police Supplemental Pension Fund	Firefighters' Supplemental Pension Fund		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,849,449	\$ 74,007	\$ 11,840	\$ -	\$ 7,935,296	\$ 821,545
Receivables:						
Interest and dividends	3,376,924	40,052	19,983	30,321	3,467,280	1,050
Unsettled investment sales	7,269,146	-	-	-	7,269,146	-
Securities lending earnings	20,634	-	-	-	20,634	-
Due from others	-	-	-	-	-	50,854
Total receivables	<u>10,666,704</u>	<u>40,052</u>	<u>19,983</u>	<u>30,321</u>	<u>10,757,060</u>	<u>51,904</u>
Managed investment accounts, at fair value:						
Cash and cash equivalents	14,142,834	-	2,021,635	1,548,989	17,713,458	-
Government bonds	55,772,076	1,787,273	-	657,215	58,216,564	-
Agency bonds	3,480,551	1,011,384	-	-	4,491,935	-
Municipal bonds	2,585,601	-	-	133,526	2,719,127	-
Domestic corporate bonds	115,954,608	-	-	1,186,124	117,140,732	-
International equity securities	104,467,563	-	-	375,127	104,842,690	-
Domestic stocks	245,887,012	-	-	3,248,331	249,135,343	-
Mortgage backed bonds	101,673,993	-	-	1,228,692	102,902,685	-
Government issued commercial mortgage backed bonds	66,000	-	-	-	66,000	-
Asset backed securities	9,424,864	-	-	-	9,424,864	-
Other/rights/warrants	1,606	-	-	-	1,606	-
Domestic equity mutual funds	192,726,885	-	10,185,334	5,380,276	208,292,495	-
International equity mutual funds	37,031,154	-	2,454,475	903,918	40,389,547	-
Infrastructure	54,511,675	-	-	-	54,511,675	-
Real estate	134,198,683	-	-	4,682,598	138,881,281	-
Total managed investment accounts	<u>1,071,925,105</u>	<u>2,798,657</u>	<u>14,661,444</u>	<u>19,344,796</u>	<u>1,108,730,002</u>	<u>-</u>
Securities lending collateral	11,755,307	-	-	-	11,755,307	-
Total assets	<u>1,102,196,565</u>	<u>2,912,716</u>	<u>14,693,267</u>	<u>19,375,117</u>	<u>1,139,177,665</u>	<u>873,449</u>
<b>LIABILITIES</b>						
Accounts payable	930,580	-	57	-	930,637	16,666
Unsettled investment purchases	6,736,968	-	-	-	6,736,968	-
Other payables	34,977	-	-	-	34,977	-
Obligations under securities lending	11,755,307	-	-	-	11,755,307	-
Total liabilities	<u>19,457,832</u>	<u>-</u>	<u>57</u>	<u>-</u>	<u>19,457,889</u>	<u>16,666</u>
<b>NET POSITION</b>						
Restricted for:						
Pensions	1,082,738,733	2,912,716	14,693,210	19,375,117	1,119,719,776	-
Individuals, organizations and other governments	-	-	-	-	-	856,783
Total net position	<u>\$ 1,082,738,733</u>	<u>\$ 2,912,716</u>	<u>\$ 14,693,210</u>	<u>\$ 19,375,117</u>	<u>\$ 1,119,719,776</u>	<u>\$ 856,783</u>

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

**City of Clearwater, Florida**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2022**

	Defined Benefit Pension Trust Funds		Defined Contribution Pension Trust Funds		Total Pension Trust Funds	Custodial Fund
	Employees' Pension Fund	Firefighters' Relief and Pension Fund	Police Supplemental Pension Fund	Firefighters' Supplemental Pension Fund		
<b>ADDITIONS</b>						
<b>Contributions:</b>						
Employer	\$ 11,912,374	\$ -	\$ -	\$ -	\$ 11,912,374	\$ -
Employer - state tax	12,000	-	1,248,522	1,393,032	2,653,554	-
Employees	8,591,715	-	-	-	8,591,715	-
Individuals, organizations and other governments	-	-	-	-	-	725,285
<b>Total contributions</b>	<b>20,516,089</b>	<b>-</b>	<b>1,248,522</b>	<b>1,393,032</b>	<b>23,157,643</b>	<b>725,285</b>
<b>Investment earnings (loss):</b>						
Net increase (decrease) in fair value of investments	(215,497,263)	(196,993)	(5,311,370)	(3,790,914)	(224,796,540)	-
Interest, dividends and other	17,692,661	98,863	244,943	1,186,183	19,222,650	(56,418)
Securities lending income	504,040	-	-	-	504,040	-
<b>Total investment earnings (loss)</b>	<b>(197,300,562)</b>	<b>(98,130)</b>	<b>(5,066,427)</b>	<b>(2,604,731)</b>	<b>(205,069,850)</b>	<b>(56,418)</b>
Less investment costs:						
Investment management / custodian fees	(6,697,985)	-	(26,884)	(110,143)	(6,835,012)	-
Securities lending costs	(176,287)	-	-	-	(176,287)	-
<b>Net investment earnings (loss)</b>	<b>(204,174,834)</b>	<b>(98,130)</b>	<b>(5,093,311)</b>	<b>(2,714,874)</b>	<b>(212,081,149)</b>	<b>(56,418)</b>
Miscellaneous	-	-	-	-	-	-
<b>Total additions</b>	<b>(183,658,745)</b>	<b>(98,130)</b>	<b>(3,844,789)</b>	<b>(1,321,842)</b>	<b>(188,923,506)</b>	<b>668,867</b>
<b>DEDUCTIONS</b>						
Benefits	57,321,813	227,768	1,546,026	2,242,629	61,338,236	-
Refunds and transfers to other systems	1,772,430	-	-	-	1,772,430	-
Administrative expenses	322,664	8,870	23,948	43,078	398,560	-
Payments to individuals, organizations and other governments	-	-	-	-	-	574,161
<b>Total deductions and administrative expenses</b>	<b>59,416,907</b>	<b>236,638</b>	<b>1,569,974</b>	<b>2,285,707</b>	<b>63,509,226</b>	<b>574,161</b>
<b>Net increase (decrease) in fiduciary net position</b>	<b>(243,075,652)</b>	<b>(334,768)</b>	<b>(5,414,763)</b>	<b>(3,607,549)</b>	<b>(252,432,732)</b>	<b>94,706</b>
Fiduciary net position - beginning	1,325,814,385	3,247,484	20,107,973	22,982,666	1,372,152,508	762,077
Fiduciary net position - ending	<u>\$ 1,082,738,733</u>	<u>\$ 2,912,716</u>	<u>\$ 14,693,210</u>	<u>\$ 19,375,117</u>	<u>\$ 1,119,719,776</u>	<u>\$ 856,783</u>

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



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CITY OF CLEARWATER, FLORIDA

STATISTICAL SECTION

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

Financial Trends

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

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

Revenue Capacity

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

Schedule 5	Assessed Value and Estimated Actual Value of Taxable Property
Schedule 6	Direct and Overlapping Property Tax Rates
Schedule 7	Property Tax Levies and Collections
Schedule 8a	Principal Real Property Taxpayers
Schedule 8b	Principal Personal Property Taxpayers

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 9	Ratios of Outstanding Debt by Type
Schedule 10	Ratios of General Bonded Debt Outstanding
Schedule 11	Direct and Overlapping Governmental Activities Debt
Schedule 12	Legal Debt Margin Information
Schedule 13	Pledged-Revenue Coverage

CITY OF CLEARWATER, FLORIDA

STATISTICAL SECTION (CONTINUED)

Economic and Demographic Information

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

Schedule 14	Demographic and Economic Statistics
Schedule 15	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 16	Full-time Equivalent City Government Employees by Function/Program
Schedule 17	Operating Indicators by Function/Program
Schedule 18	Capital Assets Statistics by Function/Program

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

**City of Clearwater, Florida**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting, in thousands of dollars)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b><u>Primary Government</u></b>										
Governmental activities										
Net investment in capital assets	\$ 252,661	\$ 261,886	\$ 262,934	\$ 263,810	\$ 271,834	\$ 256,608	\$ 267,703	\$ 271,011	\$ 283,538	\$ 296,599
Restricted	60,454	56,044	57,003	52,936	119,003	145,996	129,078	136,164	295,044	53,555
Unrestricted	82,369	153,334	121,033	128,785	72,595	57,072	102,030	132,181	48,583	291,427
Total governmental activities net position	<u>\$ 395,484</u>	<u>\$ 471,264</u>	<u>\$ 440,970</u>	<u>\$ 445,531</u>	<u>\$ 463,432</u>	<u>\$ 459,676</u>	<u>\$ 498,811</u>	<u>\$ 539,356</u>	<u>\$ 627,165</u>	<u>\$ 641,581</u>
Business-type activities										
Net investment in capital assets	\$ 180,324	\$ 214,175	\$ 226,571	\$ 231,591	\$ 254,503	\$ 250,410	\$ 284,905 <sup>a</sup>	\$ 292,925	\$ 285,264	\$ 284,557
Restricted	53,237	49,530	45,503	36,803	47,946	54,034	36,271	36,576	48,861	11,608
Unrestricted	153,761	163,876	164,135	194,997	183,726	194,547	225,022 <sup>a</sup>	260,807	291,320	330,029
Total business-type activities net position	<u>\$ 387,322</u>	<u>\$ 427,581</u>	<u>\$ 436,209</u>	<u>\$ 463,391</u>	<u>\$ 486,175</u>	<u>\$ 498,991</u>	<u>\$ 546,198</u>	<u>\$ 590,308</u>	<u>\$ 625,445</u>	<u>\$ 626,194</u>
Primary government										
Net investment in capital assets	\$ 432,985	\$ 476,061	\$ 489,505	\$ 495,401	\$ 526,337	\$ 507,018	\$ 552,608	\$ 563,936	\$ 568,802	\$ 581,156
Restricted	113,691	105,574	102,506	89,739	166,949	200,030	165,349	172,740	343,905	65,163
Unrestricted	236,130	317,210	285,168	323,782	256,321	251,619	327,052	392,988	339,903	621,456
Total primary government net position	<u>\$ 782,806</u>	<u>\$ 898,845</u>	<u>\$ 877,179</u>	<u>\$ 908,922</u>	<u>\$ 949,607</u>	<u>\$ 958,667</u>	<u>\$ 1,045,009</u>	<u>\$ 1,129,664</u>	<u>\$ 1,252,610</u>	<u>\$ 1,267,775</u>

## Note:

Fiscal years prior to 2015 are not restated for GASB-68.

Fiscal years prior to 2018 are not restated for GASB-75.

<sup>a</sup> Reclassified to correct the calculation of Net Investment in Capital Assets in 2019.

**City of Clearwater, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting, in thousands of dollars)**

Page 1 of 3

<b>Expenses</b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
Governmental activities:										
General government	\$ 13,496	\$ 15,018	\$ 16,818	\$ 13,488	\$ 14,876	\$ 18,323	\$ 15,982	\$ 13,110	\$ 12,020	\$ 14,810
Public safety	68,057	70,126	99,056	71,718	66,795	67,737	71,645	72,720	37,949	96,123
Physical environment	3,451	3,416	3,273	4,142	3,993	4,055	551	5,934	3,077	4,245
Transportation	12,954	11,129	19,366	14,532	14,339	17,020	15,957	12,424	12,247	18,497
Economic environment	3,035	2,517	4,895	4,019	5,305	6,205	7,671	7,298	4,545	4,861
Human services	104	137	249	526	455	462	574	598	505	746
Culture and recreation	32,213	33,051	40,783	36,894	36,497	50,485	45,595	36,528	38,751	47,192
Interest on long-term debt	698	727	689	740	748	745	808	617	528	1,215
Total governmental activities expenses	<u>134,008</u>	<u>136,121</u>	<u>185,129</u>	<u>146,059</u>	<u>143,008</u>	<u>165,032</u>	<u>158,783</u>	<u>149,229</u>	<u>109,622</u>	<u>187,689</u>
Business-type activities:										
Water and sewer utility	57,774	64,810	69,550	64,866	73,253	82,197	68,458	66,362	72,634	88,561
Gas utility	29,747	31,639	33,352	29,195	30,716	35,569	35,553	32,671	37,233	43,643
Solid waste utility	17,042	17,572	22,486	17,989	17,626	17,053	19,328	18,580	22,062	22,090
Stormwater utility	12,284	16,476	16,110	13,664	13,148	14,550	11,730	12,308	13,384	11,875
Recycling	4,056	3,094	2,455	2,958	2,864	3,042	1,594	2,675	3,282	3,164
Marine	4,214	4,378	4,182	3,476	3,781	4,119	4,212	3,677	4,548	6,187
Aviation	404	345	399	415	470	640	502	486	518	538
Parking system	3,730	3,637	4,724	4,097	4,379	4,817	5,054	5,732	5,832	5,031
Harborview Center	520	522	-	-	-	-	-	-	-	-
Clearwater Harbor Marina	676	779	911	848	823	895	919	947	1,125	1,141
Total business-type activities expenses	<u>130,447</u>	<u>143,252</u>	<u>154,169</u>	<u>137,508</u>	<u>147,060</u>	<u>162,882</u>	<u>147,350</u>	<u>143,438</u>	<u>160,618</u>	<u>182,230</u>
Total primary government expenses	<u>\$ 264,455</u>	<u>\$ 279,373</u>	<u>\$ 339,298</u>	<u>\$ 283,567</u>	<u>\$ 290,068</u>	<u>\$ 327,914</u>	<u>\$ 306,133</u>	<u>\$ 292,667</u>	<u>\$ 270,240</u>	<u>\$ 369,919</u>

## Notes:

The Harborview Center Fund was closed in FY 2014 and its operations transferred to the General Fund during the year ended September 30, 2014.

Fiscal years prior to 2015 are not restated for GASB-68.

Fiscal years prior to 2018 are not restated for GASB-75.

Fiscal year 2021 decrease in governmental activities expenses partially due to significant increase in net pension asset and related decrease in pension expense.

Fiscal year 2022 increase in governmental activities expense partially due to elimination of net pension asset and related increase in pension expense, due to investment market downturn.

**City of Clearwater, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting, in thousands of dollars)**

Page 2 of 3

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Program revenues</b>										
Charges for services:										
General government	\$ 19,920	\$ 22,726	\$ 23,668	\$ 23,030	\$ 23,380	\$ 24,391	\$ 26,013	\$ 25,869	\$ 25,752	\$ 26,543
Public safety	10,654	11,040	10,593	11,952	11,788	11,318	11,769	12,739	13,858	13,695
Physical environment	174	150	196	137	67	237	120	65	83	33
Transportation	738	454	327	150	157	127	182	175	157	160
Economic environment	121	132	109	105	105	312	165	149	124	1,323
Culture and recreation	5,973	6,855	7,103	7,751	8,336	8,384	8,892	6,401	6,421	9,073
Operating grants and contributions	8,114	6,305	6,893	6,236	7,012	7,456	8,630	6,925	12,540	31,435
Capital grants and contributions	437	2,391	2,326	2,642	3,894	7,146	6,257	2,519	2,595	1,821
<b>Total governmental activities program revenues</b>	<u>46,131</u>	<u>50,053</u>	<u>51,215</u>	<u>52,003</u>	<u>54,739</u>	<u>59,371</u>	<u>62,028</u>	<u>54,842</u>	<u>61,530</u>	<u>84,083</u>
<b>Business-type activities:</b>										
Charges for services:										
Water and sewer utility	65,292	67,141	70,848	75,203	81,514	83,994	87,242	91,069	96,837	102,430
Gas utility	37,693	41,347	41,143	38,598	40,602	45,120	45,762	42,785	43,034	47,355
Solid waste utility	19,504	19,966	20,401	21,602	22,492	23,234	24,504	24,646	26,501	28,028
Stormwater utility	16,378	16,789	17,162	17,854	18,512	18,397	18,503	17,248	17,435	17,300
Recycling	2,453	2,370	2,261	2,390	2,546	2,316	2,444	2,710	3,032	3,251
Marine	4,331	4,643	4,352	4,054	4,444	5,065	5,284	4,885	5,896	7,090
Aviation	261	268	283	291	311	317	323	333	314	335
Parking system	4,994	5,159	6,215	6,638	7,027	6,348	7,128	7,653	10,721	10,963
Harborview Center	48	50	-	-	-	-	-	-	-	-
Clearwater Harbor Marina	559	619	664	717	799	804	850	872	893	971
Operating grants and contributions	584	140	50	208	83	83	664	166	83	84
Capital grants and contributions	6,250	13,590	4,662	3,487	3,564	3,785	3,973	1,764	2,546	5,183
<b>Total business-type activities program revenues</b>	<u>158,347</u>	<u>172,082</u>	<u>168,041</u>	<u>171,042</u>	<u>181,894</u>	<u>189,463</u>	<u>196,677</u>	<u>194,131</u>	<u>207,292</u>	<u>222,990</u>
<b>Total primary government program revenues</b>	<u>\$ 204,478</u>	<u>\$ 222,135</u>	<u>\$ 219,256</u>	<u>\$ 223,045</u>	<u>\$ 236,633</u>	<u>\$ 248,834</u>	<u>\$ 258,705</u>	<u>\$ 248,973</u>	<u>\$ 268,822</u>	<u>\$307,073</u>

## Notes:

The Harborview Center Fund was closed in FY 2014 and its operations transferred to the General Fund during the year ended September 30, 2014

**City of Clearwater, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting, in thousands of dollars)**

Page 3 of 3

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Net (Expenses) / Revenue</b>										
Governmental activities	\$ (87,049)	\$ (85,142)	\$ (132,905)	\$ (92,924)	\$ (87,041)	\$ (104,252)	\$ (94,877)	\$ (92,294)	\$ (48,092)	\$ (104,090)
Business-type activities	27,900	28,830	13,872	33,534	34,834	26,581	49,327	50,693	46,674	40,503
Total primary government net (expense) / revenue	<u>\$ (59,149)</u>	<u>\$ (56,312)</u>	<u>\$ (119,033)</u>	<u>\$ (59,390)</u>	<u>\$ (52,207)</u>	<u>\$ (77,671)</u>	<u>\$ (45,550)</u>	<u>\$ (41,601)</u>	<u>\$ (1,418)</u>	<u>\$ (63,587)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 37,360	\$ 38,574	\$ 40,925	\$ 43,580	\$ 46,853	\$ 50,610	\$ 64,050	\$ 68,614	\$ 73,093	\$ 76,821
Sales taxes	15,489	15,722	16,833	17,595	18,009	19,015	19,839	19,311	22,842	26,167
Utility taxes	13,473	14,309	14,095	14,518	14,835	15,544	16,449	17,166	17,746	18,467
Communications services taxes	5,470	5,061	4,919	4,618	4,512	4,721	4,371	4,369	4,175	4,190
Local business tax <sup>b</sup>	2,112	2,111	2,029	662 <sup>a</sup>	1,913	1,956	2,077	2,028	2,127	2,067
Local option gas tax <sup>b</sup>	1,444	1,443	1,490	1,532	1,546	1,536	1,526	1,382	1,439	1,461
Intergovernmental:										
State revenue sharing <sup>b</sup>	3,103	3,245	3,441	3,520	3,707	3,826	3,969	3,694	4,274	5,339
Investment earnings	(1,109)	2,596	3,279	2,285	698	(136)	8,617	4,550	(642)	(25,822)
Miscellaneous	134	28	26	108	36	100	182	94	304	114
Extraordinary item	-	-	6,480	-	-	-	-	-	-	-
Transfers	9,505	13,410	9,330	9,069	12,831	10,341	12,932	11,631	10,543	9,217
Total governmental activities	<u>86,981</u>	<u>96,499</u>	<u>102,847</u>	<u>97,487</u>	<u>104,940</u>	<u>107,513</u>	<u>134,012</u>	<u>132,839</u>	<u>135,901</u>	<u>118,021</u>
Business-type activities:										
Investment earnings	(1,287)	3,407	4,086	2,715	783	(350)	10,811	5,047	(994)	(30,793)
Transfers	(9,505)	(13,410)	(9,330)	(9,069)	(12,831)	(10,341)	(12,932)	(11,631)	(10,543)	(9,217)
Total business-type activities	<u>(10,792)</u>	<u>(10,003)</u>	<u>(5,244)</u>	<u>(6,354)</u>	<u>(12,048)</u>	<u>(10,691)</u>	<u>(2,121)</u>	<u>(6,584)</u>	<u>(11,537)</u>	<u>(40,010)</u>
Total primary government	<u>\$ 76,189</u>	<u>\$ 86,496</u>	<u>\$ 97,603</u>	<u>\$ 91,133</u>	<u>\$ 92,892</u>	<u>\$ 96,822</u>	<u>\$ 131,891</u>	<u>\$ 126,255</u>	<u>\$ 124,364</u>	<u>\$ 78,011</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (68)	\$ 11,357	\$ (30,058)	\$ 4,563	\$ 17,899	\$ 3,261	\$ 39,135	\$ 40,545	\$ 87,809	\$ 14,416
Business-type activities	17,108	18,827	8,628	27,180	22,786	15,890	47,206	44,109	35,137	749
Total primary government change in net position	<u>\$ 17,040</u>	<u>\$ 30,184</u>	<u>\$ (21,430)</u>	<u>\$ 31,743</u>	<u>\$ 40,685</u>	<u>\$ 19,151</u>	<u>\$ 86,341</u>	<u>\$ 84,654</u>	<u>\$ 122,946</u>	<u>\$ 15,165</u>

## Notes:

<sup>a</sup> Reduction in Local Business Tax in 2016 is due to the deferral of receipts for following fiscal year renewals received during July, August and September.

<sup>b</sup> Amounts previously reported as "Other Taxes" in fiscal years 2013-2019 have been separately itemized.

Fiscal 2022 decrease in investment earnings due to a large unrealized current year loss on investments resulting from a significant increase in interest rates during fiscal 2022.

**City of Clearwater, Florida**  
**Program Revenues by Function/Program**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands of dollars)

<b>Function/Program</b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
<b>Governmental activities:</b>										
General government	\$ 19,920	\$ 22,728	\$ 23,668	\$ 23,030	\$ 23,432	\$ 24,398	\$ 26,298	\$ 25,869	\$ 25,877	\$ 49,027
Public safety	13,551	14,192	13,201	15,439	14,778	14,455	16,363	15,547	19,693	16,484
Physical environment	326	447	1,311	986	1,538	1,729	1,690	415	329	394
Transportation	1,284	885	1,024	927	1,312	2,889	1,759	1,007	1,397	1,665
Economic environment	2,988	1,828	1,713	1,426	2,014	1,725	1,315	1,327	4,386	4,781
Human services	147	-	350	333	368	431	400	421	347	391
Culture and recreation	7,915	9,973	9,948	9,862	11,297	13,744	14,203	10,256	9,501	11,341
<b>Subtotal governmental activities</b>	<b><u>46,131</u></b>	<b><u>50,053</u></b>	<b><u>51,215</u></b>	<b><u>52,003</u></b>	<b><u>54,739</u></b>	<b><u>59,371</u></b>	<b><u>62,028</u></b>	<b><u>54,842</u></b>	<b><u>61,530</u></b>	<b><u>84,083</u></b>
<b>Business-type activities:</b>										
Water and sewer utility	69,732	78,478	74,146	77,312	82,531	86,706	89,115	92,057	98,541	107,296
Gas utility	38,143	41,347	41,143	38,598	40,602	45,120	45,762	42,785	43,034	47,355
Solid waste utility	19,504	19,966	20,401	21,727	22,492	23,234	25,166	24,646	26,501	28,028
Stormwater utility	16,869	18,821	17,805	19,029	21,053	19,358	20,575	17,907	17,519	17,300
Recycling	2,536	2,453	2,261	2,473	2,629	2,399	2,444	2,876	3,115	3,335
Marine	4,334	4,658	4,357	4,055	4,447	5,070	5,286	4,885	5,896	7,090
Aviation	1,491	480	999	377	314	424	351	450	1,072	652
Parking system	4,994	5,159	6,215	6,704	7,027	6,348	7,128	7,653	10,721	10,963
Harborview Center	48	50	-	-	-	-	-	-	-	-
Clearwater Harbor Marina	696	670	714	767	799	804	850	872	893	971
<b>Subtotal business-type activities</b>	<b><u>158,347</u></b>	<b><u>172,082</u></b>	<b><u>168,041</u></b>	<b><u>171,042</u></b>	<b><u>181,894</u></b>	<b><u>189,463</u></b>	<b><u>196,677</u></b>	<b><u>194,131</u></b>	<b><u>207,292</u></b>	<b><u>222,990</u></b>
<b>Total primary government</b>	<b><u>\$ 204,478</u></b>	<b><u>\$ 222,135</u></b>	<b><u>\$ 219,256</u></b>	<b><u>\$ 223,045</u></b>	<b><u>\$ 236,633</u></b>	<b><u>\$ 248,834</u></b>	<b><u>\$ 258,705</u></b>	<b><u>\$ 248,973</u></b>	<b><u>\$ 268,822</u></b>	<b><u>\$ 307,073</u></b>

## Notes:

The Harborview Center Fund was closed in FY 2014 and its operations transferred to the General Fund during the year ended September 30, 2014.



**City of Clearwater, Florida**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting, in thousands of dollars)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund:										
Nonspendable	\$ 37	\$ 33	\$ 40	\$ 59	\$ 62	\$ 76	\$ 49	\$ 64	\$ 46	\$ 84
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	588	894	447	352	232	436	452	338	630	737
Unassigned	21,664	23,488	31,540	33,243	28,276	27,176	38,168	48,933	67,749	58,465
<b>Total General Fund</b>	<b>\$ 22,289</b>	<b>\$ 24,415</b>	<b>\$ 32,027</b>	<b>\$ 33,654</b>	<b>\$ 28,570</b>	<b>\$ 27,688</b>	<b>\$ 38,669</b>	<b>\$ 49,335</b>	<b>\$ 68,425</b>	<b>\$ 59,286</b>
All Other Governmental Funds:										
Nonspendable	\$ 96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 192	\$ -	\$ -
Restricted	60,493	56,043	53,900	52,936	58,681	67,328	76,094	72,163	76,215	88,455
Committed	27,322	19,374	20,167	22,360	22,132	19,829	19,661	25,539	24,597	45,806
Assigned	5,801	6,689	7,815	7,475	7,094	3,043	5,828	6,921	9,400	609
Unassigned	(3,917)	(6,347)	(2,553)	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 89,795</b>	<b>\$ 75,759</b>	<b>\$ 79,329</b>	<b>\$ 82,771</b>	<b>\$ 87,907</b>	<b>\$ 90,200</b>	<b>\$101,593</b>	<b>\$ 104,815</b>	<b>\$ 110,212</b>	<b>\$134,870</b>

**Schedule 4**  
**City of Clearwater, Florida**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting, in thousands of dollars)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Revenues</b>										
Total Governmental Funds:										
Property taxes	\$ 37,413	\$ 38,597	\$ 40,919	\$ 43,614	\$ 46,852	\$ 50,710	\$ 64,050 <sup>b</sup>	\$ 68,522	\$ 73,096	\$ 76,856
Sales taxes	8,868	9,465	10,188	10,715	11,014	11,670	12,278	12,087	14,296	16,586
Utility taxes	13,473	14,309	14,094	14,518	14,835	15,544	16,449	17,166	17,746	18,467
Communications services taxes	5,470	5,061	4,919	4,618	4,512	4,721	4,371	4,368	4,175	4,190
Other taxes	3,556	3,554	3,519	2,194	3,459	3,493	3,603	3,409	3,566	3,527
Franchise fees	9,164	9,877	9,873	9,311	9,394	9,992	10,643	10,312	10,355	10,787
Licenses, permits, and fees	2,187	3,292	4,408	3,339	3,893	3,748	3,995	4,439	5,265	6,419
Intergovernmental revenues	26,842	26,354	27,573	28,293	30,236	34,277	34,770	29,730	36,442	56,637
Charges for services	14,484	15,574	15,830	16,536	17,304	17,381	17,719	15,461	17,106	18,265
Fines and forfeitures	1,808	1,480	1,638	2,116	1,727	2,165	2,605	2,321	2,308	2,387
Investment earnings (loss)	(668) <sup>a</sup>	1,717	2,160	1,486	460	194	5,292 <sup>c</sup>	2,963	(387) <sup>d</sup>	(18,025) <sup>e</sup>
Miscellaneous	2,310	2,734	3,886	3,714	4,051	4,499	4,289	3,592	3,185	4,034
Total revenues	<u>124,907</u>	<u>132,014</u>	<u>139,007</u>	<u>140,454</u>	<u>147,737</u>	<u>158,394</u>	<u>180,064</u>	<u>174,370</u>	<u>187,153</u>	<u>200,130</u>
<b>Expenditures</b>										
Total Governmental Funds:										
Current:										
General government	12,520	14,391	13,159	12,917	16,277	17,250	17,521	12,648	13,248	14,514
Public safety	66,262	66,771	66,886	69,575	71,752	74,486	74,164	78,002	81,172	87,269
Physical environment	3,376	3,400	3,158	3,594	4,185	4,403	3,488	3,938	3,644	4,003
Transportation	7,522	7,787	9,925	9,554	9,626	9,629	9,956	8,453	8,427	14,019
Economic environment	3,256	2,544	3,993	3,473	4,826	4,106	4,831	6,602	4,711	4,758
Human services	104	137	223	525	466	490	594	634	595	728
Culture and recreation	26,567	27,557	28,339	31,279	33,868	43,030	40,080	34,971	35,218	38,899
Debt service:										
Principal	1,049	947	928	979	1,088	1,271	1,486	1,508	1,617	1,347
Interest & issuance costs	538	542	501	459	414	380	348	308	260	704
Capital outlay	13,318	16,098	12,132	12,062	13,015	8,921	12,068	15,916	19,029	51,822
Total expenditures	<u>134,512</u>	<u>140,174</u>	<u>139,244</u>	<u>144,417</u>	<u>155,517</u>	<u>163,966</u>	<u>164,536</u>	<u>162,980</u>	<u>167,921</u>	<u>218,063</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,605)</u>	<u>(8,160)</u>	<u>(237)</u>	<u>(3,963)</u>	<u>(7,780)</u>	<u>(5,572)</u>	<u>15,528</u>	<u>11,390</u>	<u>19,232</u>	<u>(17,933)</u>
<b>Other Financing Sources (Uses)</b>										
Total Governmental Funds:										
Transfers in	35,813	34,453	39,386	32,824	45,413	49,202	45,697	47,307	45,071	103,139
Transfers out	(26,673)	(25,819)	(31,190)	(25,074)	(38,658)	(43,895)	(40,396)	(42,979)	(40,354)	(102,303)
Proceeds from sale of capital assets	-	-	-	314	-	-	1,545	1,746	537	635
Proceeds from lease obligations	-	-	-	-	-	-	-	-	-	755 <sup>f</sup>
Other long term debt issued	-	-	82	968	1,077	1,677	-	964	-	31,226
Total other financing sources (uses)	<u>9,140</u>	<u>8,634</u>	<u>8,278</u>	<u>9,032</u>	<u>7,832</u>	<u>6,984</u>	<u>6,846</u>	<u>7,038</u>	<u>5,254</u>	<u>33,452</u>
<b>Extraordinary Item:</b>										
BP Oil settlement proceeds	-	-	6,480	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<u>\$ (465)</u>	<u>\$ 474</u>	<u>\$ 14,521</u>	<u>\$ 5,069</u>	<u>\$ 52</u>	<u>\$ 1,412</u>	<u>\$ 22,374</u>	<u>\$ 18,428</u>	<u>\$ 24,486</u>	<u>\$ 15,519</u>
Debt service as a percentage of noncapital expenditures	1.3%	1.3%	1.1%	1.1%	1.1%	1.1%	1.3%	1.2%	1.3%	1.2%

Notes:

Fiscal years prior to 2015 are not restated for GASB-68.

Fiscal years prior to 2018 are not restated for GASB-75.

<sup>a</sup> The decrease in 2013 investment earnings was due to a low interest rate environment along with an unrealized loss in market value at September 30, 2013.

<sup>b</sup> The increase in 2019 investment earnings was due to an unrealized gain in market value as of September 30, 2019 as well as an increase in the average balance of cash and investments.

<sup>c</sup> The increase in 2019 property taxes was due to an increase in the millage rate from 5.155 to 5.955 as well as an increase in property values.

<sup>d</sup> The decrease in 2021 investment earnings was due to a decrease interest rates as well as an unrealized loss in market value as of September 30, 2021.

<sup>e</sup> The decrease in 2022 investment earnings was due to an unrealized loss in market value as of September 30, 2022 due to rising interest rates.

<sup>f</sup> GASB-87 implemented in fiscal year 2022.

**City of Clearwater, Florida**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

Fiscal Year	Assessed Value <sup>a</sup>						Less:		Total Taxable Assessed Value	Total Direct Tax Rate <sup>c</sup>	Estimated Actual Taxable Value	Assessed Value as % of Actual Value
	Residential Property	Commercial Property	Industrial Property	Government and Institutional Property	Personal Property	Other Property	Homestead Assessment Cap Differential <sup>b</sup>	Less: Tax Exempt Property				
2013	\$ 6,496,278	\$ 2,043,952	\$ 140,377	\$ 1,017,944	\$ 593,746	\$ 114,615	\$ 290,989	\$ 2,623,699	\$ 7,492,224	5.1550	\$ 8,814,381	85.0%
2014	6,863,874	2,077,078	149,298	1,057,915	601,743	113,552	485,295	2,640,339	7,737,826	5.1550	9,103,325	85.0%
2015	7,713,777	2,145,212	156,487	1,117,973	631,798	113,591	959,433	2,714,945	8,204,460	5.1550	9,652,306	85.0%
2016	8,606,077	2,248,376	161,628	1,167,103	659,302	116,457	1,447,451	2,762,807	8,748,685	5.1550	10,292,571	85.0%
2017	9,309,714	2,416,458	181,646	1,170,702	653,678	116,714	1,655,985	2,792,826	9,400,101	5.1550	11,058,942	85.0%
2018	10,027,947	2,634,890	191,916	1,199,559	753,946	112,055	1,835,694	2,903,688	10,180,931	5.1550	11,977,566	85.0%
2019	10,929,070	2,924,352	193,383	1,229,391	1,097,973	130,025	2,022,246	3,322,023	11,159,925	5.9550	13,129,324	85.0%
2020	11,645,166	3,133,808	201,106	1,289,515	1,043,462	142,185	2,150,286	3,392,403	11,912,553	5.9550	14,014,768	85.0%
2021	12,416,788	3,258,784	220,657	1,399,614	1,119,370	161,319	2,244,667	3,613,906	12,717,959	5.9550	14,962,305	85.0%
2022	13,737,120	3,209,249	245,906	1,572,209	933,816	172,180	2,864,425	3,604,655	13,401,400	5.9550	15,766,353	85.0%

<sup>a</sup> Properties are assessed at approximately 85% of market value to reflect cost of sales, personal property included in market value, etc.

<sup>b</sup> Chapter 193.155, Florida Statutes, provides for an annual cap on assessment increases for "Homestead properties" (properties qualifying for Homestead exemption). The cap is the lower of 3% of the assessed value of the property or the percentage change in the Consumer Price Index for All Urban Consumers.

<sup>c</sup> Rate is per \$1,000 of assessed value

**City of Clearwater, Florida**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(rate per \$1,000 of assessed value)**

Fiscal Year	City Direct Rates		Overlapping Rates					Downtown Development Board <sup>a</sup>
	Operating	Total Direct	Pinellas County	Pinellas County Schools	Pinellas Transit District	Emergency Medical Services	Other Districts	
2013	5.1550	5.1550	5.0727	8.3020	0.7305	0.9158	1.3034	0.9651
2014	5.1550	5.1550	5.3377	8.0600	0.7305	0.9158	1.2959	0.9651
2015	5.1550	5.1550	5.3377	7.8410	0.7305	0.9158	1.2799	0.9651
2016	5.1550	5.1550	5.3377	7.7700	0.7305	0.9158	1.2629	0.9651
2017	5.1550	5.1550	5.3377	7.3180	0.7500	0.9158	1.2448	0.9651
2018	5.1550	5.1550	5.3590	7.0090	0.7500	0.9158	1.2262	0.9700
2019	5.9550	5.9550	5.3590	6.7270	0.7500	0.9158	1.2086	0.9700
2020	5.9550	5.9550	5.3950	6.5840	0.7500	0.9158	1.1932	0.9700
2021	5.9550	5.9550	5.3590	6.4270	0.7500	0.9158	1.1800	0.9700
2022	5.9550	5.9550	5.2092	6.3250	0.7500	0.9158	1.1666 <sup>b</sup>	0.9700

Source: Pinellas County Tax Collector

<sup>a</sup> A separate taxing district established by referendum which affects only downtown properties.

<sup>b</sup> "Other" includes Pinellas County Planning Council 0.0150; Juvenile Welfare Board 0.8981; SW Florida Water Management District 0.2535.

Schedule 7

**City of Clearwater, Florida  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 38,622,438	\$ 37,298,959	96.57%	\$ 67,224	\$ 37,366,183	96.75%
2014	39,888,516	38,521,211	96.57%	63,407	38,584,618	96.73%
2015	42,294,009	40,832,366	96.54%	61,452	40,893,818	96.69%
2016	45,099,493	43,545,722	96.55%	52,251	43,597,973	96.67%
2017	48,457,539	46,762,216	96.50%	43,656	46,805,872	96.59%
2018	52,482,716	50,620,131	96.45%	35,124	50,655,255	96.52%
2019	66,457,374	64,014,536	96.32%	101,843	64,116,379	96.48%
2020	70,939,266	68,396,543	96.42%	44,389	68,440,932	96.48%
2021	75,735,461	73,035,751	96.44%	33,899	73,069,650	96.48%
2022	79,805,351	76,777,645	96.21%	-	76,777,645	96.21%

**Note 1:** 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. Penalties are assessed beginning in April.

**City of Clearwater, Florida  
Principal Real Property Taxpayers  
Current Year and Nine Years Ago**

<b>Taxpayer</b>	<b>2022</b>			<b>2013</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
<b><u>REAL PROPERTY</u></b>						
BELLWETHER PROP FLA	\$ 135,068,500	1	1.05%	\$134,375,938	1	1.90%
WYNDHAM VACATION RESORTS INC	124,415,000	2	0.97%			
B W C W HOSPITALITY LLC	97,663,243	3	0.76%			
JOHN S TAYLOR PROPERTIES LLC	90,075,000	4	0.70%	43,830,000	3	0.62%
US HWY 19N FL PARTNERS LLC	88,500,000	5	0.69%			
P E P F SOLARIS KEY LLC	77,770,000	6	0.60%			
BAYSIDE ARBORS XII LLC	76,158,925	7	0.59%			
K & P CLEARWATER ESTATE LLC	73,000,000	8	0.57%			
G R F P LLC	68,000,000	9	0.53%			
CL CLEARWATER LP	68,000,000	10	0.53%			
CRYSTAL BEACH CAPITAL LLC				67,848,466	2	0.96%
STANDARD GRAND RESERVE LLC				39,100,000	4	0.55%
CENTRO NP CLEARWATER MALL LLC				37,420,911	5	0.53%
SAND KEY ASSOC LTD PARTNERSHIP				36,550,000	6	0.52%
SANDPEARL RESORT LLC				34,814,392	7	0.49%
ZOM BAYSIDE ARBORS LTD				34,218,925	8	0.48%
N W P CLEARWATER HOLDINGS LLC				30,500,000	9	0.43%
WEINGARTEN NOSTAT INC				26,398,500	10	0.37%
Total	<u>\$ 898,650,668</u>		<u>6.99%</u>	<u>\$ 485,057,132</u>		<u>6.85%</u>

Source: Pinellas County Property Appraiser

Schedule 8b

**City of Clearwater, Florida  
Principal Personal Property Taxpayers  
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>2022</u>			<u>2013</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
<b><u>PERSONAL PROPERTY</u></b>						
DUKE ENERGY FLORIDA (1)	\$ 112,976,156	1	21.42%	\$ 68,759,251	1	17.09%
FRONTIER FLORIDA LLC (2)	22,547,167	2	4.27%	36,745,546	2	9.13%
INSTRUMENT TRANSFORMERS INC	14,468,843	3	2.74%	6,263,531	7	1.56%
SPECTRUM SUNSHINE STATE LLC (3)	13,800,170	4	2.62%	13,595,187	3	3.38%
BAUSCH & LOMB INC	13,238,564	5	2.51%			
PUBLIX SUPER MARKET	9,657,455	6	1.83%	9,264,328	4	2.30%
MONIN INC	7,368,013	7	1.40%	4,530,651	10	1.13%
FLORIDA GAS TRANSMISSION	7,359,846	8	1.40%	8,056,278	5	2.00%
WYNDHAM GRAND CLEARWATER BEACH	7,285,937	9	1.38%			
WOW! INTERNET, CABLE & PHONE	6,370,212	10	1.21%			
HYATT REGENCY CLEARWATER BEACH				6,627,992	6	1.65%
MODEL SCREW PRODUCTS INC				5,535,807	8	1.38%
HILTON CLEARWATER BEACH RESORT				4,668,743	9	1.16%
Total	<u>\$ 215,072,363</u>		<u>40.78%</u>	<u>\$ 164,047,314</u>		<u>40.78%</u>

**Notes:**

- (1) Duke Energy was listed as Florida Power Corp. in 2013.
- (2) Frontier Florida LLC was listed as Verizon Florida LLC in 2013.
- (3) Spectrum Sunshine State LLC was listed as Bright House Networks LLC in 2013.

**Source:** Pinellas County Property Appraiser

**City of Clearwater, Florida**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(amounts in thousands, except per capita)**

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Spring Training Facility Intergovernmental Revenue Bonds	Non-Ad Valorem Revenue Bonds	Capital Leases	Water/Sewer Revenue Bonds	Gas Revenue Bonds	Stormwater Revenue Bonds	Capital Leases			
2013	\$ 9,686	\$ -	\$ 8,249	\$ 170,934	\$ 14,367	\$ 37,498	\$ 512	\$ 241,246	5.07%	2,212
2014	9,053	-	9,260	164,714	13,554	36,249	296	233,126	4.61%	2,132
2015	8,397	-	14,033	159,642	12,566	34,791	279	229,708	4.31%	2,075
2016	7,717	-	18,035	152,866	11,563	33,257	437	223,875	4.08%	1,992
2017	7,014	-	21,241	150,862	10,555	31,680	1,141	222,493	3.81%	1,956
2018	6,273	-	25,211	143,377	9,905	30,057	1,150	215,973	3.49%	1,868
2019	5,498	-	17,470	135,694	9,245	28,377	838	197,122	3.02%	1,691
2020	4,681	-	19,901	130,676	8,570	22,776	1,338	187,942	2.70%	1,592
2021	3,826	-	12,787	126,027	7,875	21,354	893	172,762	2.22%	1,467
2022	3,521	31,210	7,380	121,070	7,165	12,561	533	183,440	*	1,539

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

(a) See Schedule 14 for personal income and population data.

\* Data not available.



**Schedule 10**

**City of Clearwater, Florida  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(amounts in thousands, except per capita)**

General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	Non-Ad Valorem Revenue Bonds	Total	Percentage of Actual Taxable Value of Property (a)	Per Capita (b)
2013	\$ -	\$ -	\$ -	-	\$ -
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	30,000	30,000	0.22%	252

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

**(a)** See Schedule 5 for property value data.

**(b)** Population data can be found in Schedule 14.

**City of Clearwater, Florida**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2022**  
**(amounts in thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>	\$ -	n/a	\$ -
<b>Other debt</b>			
Pinellas County Government Notes	6,318	13.7%	864
Pinellas County Government Capital Leases	35,906	13.7%	4,912
Pinellas County School District Certificates of Participation	131,137	13.7%	17,940
Pinellas County School District Capital Leases	9,315	13.7%	<u>1,274</u>
Subtotal, overlapping debt			24,990
<b>City direct debt</b>			<u>42,111</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 67,101</u></u>

**Sources:** Assessed value data used to estimate applicable percentages provided by Pinellas County Property Appraiser. Debt outstanding data is provided by each respective governmental unit.

Pinellas County Government debt is reported as of September 30, Pinellas County School Board debt is reported as of June 30.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Clearwater. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

<sup>a</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

**Schedule 12**

**City of Clearwater, Florida  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(amounts in thousands)**

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as Percentage of Debt Limit</u>
2013	\$ 1,904,237	\$ 215,753	\$ 1,688,484	11.33%
2014	1,955,083	208,318	1,746,765	10.66%
2015	2,057,302	204,926	1,852,376	9.96%
2016	2,170,214	199,317	1,970,897	9.18%
2017	2,307,618	199,611	2,108,007	8.65%
2018	2,466,049	193,379	2,272,670	7.84%
2019	2,676,718	182,710	2,494,008	6.83%
2020	2,852,238	170,515	2,681,723	5.98%
2021	3,042,407	155,808	2,886,599	5.12%
2022	3,214,295	169,392	3,044,903	5.27%

**Legal Debt Margin Calculation for Fiscal Year 2022**

Assessed valuation of all real property		\$	16,071,474
Debt Limit (20% of assessed valuation per City Charter)			3,214,295
Debt applicable to limit:			
Bonds payable	\$	167,380	
Financed purchases		7,913	
Less: Amount set aside for repayment of bonded debt		(5,901)	
			<u>169,392</u>
Legal debt margin		\$	<u><u>3,044,903</u></u>

**Note:** Per City Charter, the City's indebtedness, to include revenue, refunding, and improvement bonds shall not exceed 20 percent of the current assessed valuation of all real property located in the City.

**City of Clearwater, Florida**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**(amounts in thousands)**

Page 1 of 2

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
<b>Spring Training Facility Revenue Bonds <sup>(a)</sup></b>						
2013	\$ 1,084	\$ -	\$ 1,084	\$ 590	\$ 485	1.01
2014	1,097	-	1,097	610	463	1.02
2015	1,100	-	1,100	635	439	1.02
2016	1,095	-	1,095	660	413	1.02
2017	1,090	-	1,090	685	380	1.02
2018	1,084	-	1,084	725	343	1.01
2019	1,121	-	1,121	760	303	1.05
2020	1,101	-	1,101	805	261	1.03
2021	743	-	743	845	220	0.70
2022	459	-	459	295	195	0.94

**Non-Ad Valorem Revenue Bonds**

There are no pledged revenues for the Non-Ad Valorem Revenue Bonds. The City covenanted and agreed to budget and appropriate amounts from Non-Ad Valorem Revenues sufficient to pay principal and interest when due. Such covenant to budget and appropriate does not create any lien or pledge of such Non-Ad Valorem Revenues.

**(a)** Pledged revenues for the Spring Training Facility Revenue Bonds include payments received from the State of Florida pursuant to Section 212.20, Florida Statutes, and payments from Pinellas County through February 2021, pursuant to an inter-local agreement dated December 1, 2000, along with related interest earnings.

**City of Clearwater, Florida**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**(amounts in thousands)**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage	Maximum Coverage <sup>(a)</sup>
				Principal	Interest		
<b>Water &amp; Sewer Utility Revenue Bonds</b>							
2013	\$ 64,665	\$ 37,001	\$ 27,664	\$ 5,465	\$ 8,333	2.00	
2014	68,601	44,732	23,869	5,680	8,099	1.73	
2015	72,303	47,680	24,623	5,885	7,675	1.82	
2016	76,164	42,131	34,033	6,375	7,260	2.50	
2017	81,897	50,177	31,720	6,660	5,974	2.51	
2018	83,739	46,484	37,255	6,985	5,181	3.06	
2019	91,903	50,060	41,843	7,300	5,043	3.39	
2020	93,603	53,539	40,064	4,190	4,723	4.50	
2021	96,355	53,490	42,865	3,735	4,812	5.02	
2022	85,443	69,729	15,714	4,120	4,625	1.80	
<b>Gas Utility Revenue Bonds</b>							
2013	\$ 37,922	\$ 27,159	\$ 10,763	\$ 825	\$ 502	8.11	5.01
2014	41,963	29,173	12,790	925	384	9.77	6.11
2015	41,961	30,407	11,554	980	358	8.64	5.52
2016	39,142	26,591	12,551	995	328	9.49	5.99
2017	40,773	27,927	12,846	1,000	297	9.90	6.13
2018	45,119	30,307	14,812	650	266	16.17	7.07
2019	47,496	32,353	15,143	660	250	16.64	7.23
2020	43,382	28,972	14,410	675	234	15.85	6.88
2021	42,914	32,576	10,338	695	217	11.34	4.94
2022	44,759	38,932	5,827	710	199	6.41	2.78
<b>Stormwater Utility Revenue Bonds</b>							
2013	\$ 16,230	\$ 8,217	\$ 8,013	\$ 1,100	\$ 1,421	3.18	
2014	17,256	12,553	4,703	1,300	1,186	1.89	
2015	18,123	11,529	6,594	1,375	1,084	2.68	
2016	18,360	9,537	8,823	1,455	1,079	3.48	
2017	18,685	9,042	9,643	1,500	1,039	3.80	
2018	18,451	7,844	10,607	1,550	991	4.17	
2019	21,181	7,672	13,509	1,610	937	5.30	
2020	17,947	8,052	9,895	5,535 <sup>(b)</sup>	840	1.55	
2021	17,084	8,579	8,505	1,360	743	4.04	
2022	13,547	7,244	6,303	8,735 <sup>(c)</sup>	583	0.68	

<sup>(a)</sup> Maximum debt service coverage is presented for continuing disclosure on the Gas System Revenue Bonds and is based upon the maximum annual debt service for outstanding bonds and parity bonds.

<sup>(b)</sup> Principal payment in 2020 includes an additional principal payment in the amount of \$4,205,000 on November 1, 2019 to redeem all outstanding principal on the 2014 Stormwater Revenue Refunding Bond, a direct placement bank loan.

<sup>(c)</sup> Principal payment in 2022 includes an additional principal payment in the amount of \$7,885,000 on November 1, 2021 to redeem all outstanding principal on the 2013 Stormwater Revenue Refunding Bond, a direct placement bank loan.

**City of Clearwater, Florida  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Year</b>	<b>Population (a)</b>	<b>Personal Income</b> (thousands of dollars)	<b>Per Capita Personal Income (b)</b>	<b>Median Age (c)</b>	<b>School Enrollment (d)</b>	<b>Unemployment Rate (e)</b>
2013	109,065	\$ 4,757,306	\$ 43,619	46.6	14,010	6.6%
2014	109,340	5,053,913	46,222	46.9	14,160	5.9%
2015	110,679	5,333,842	48,192	47.1	14,132	5.0%
2016	112,387	5,493,252	48,878	47.4	14,000	4.7%
2017	113,723	5,845,931	51,405	47.6	13,652	3.9%
2018	115,589	6,193,027	53,578	47.8	13,207	3.3%
2019	116,585	6,528,993	56,002	48.1	12,523	2.9%
2020	118,017	6,972,208	59,078	48.4	12,013	5.7%
2021	117,800	7,767,261	65,936	*	11,897	4.3%
2022	119,208	*	*	*	11,735	2.5%

**(a)** Population data for the City of Clearwater is from the University of Florida, Bureau of Economic and Business Research, published April 1st of each year.

**(b)** Per capita personal income data for Pinellas County for 2013-2021 is from the Florida Office of Economic and Demographic Research.

**(c)** Median age data for Pinellas County for 2013-20120 is from the U.S. Census Bureau.

**(d)** School enrollment data for public schools located within the City of Clearwater is from the Pinellas County School District.

**(e)** Unemployment data for the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area for September of each year is from the Bureau of Labor Statistics.

**Note:** Data is the latest published annual data available for an unspecified point in each year, not specifically September 30.

\* Data not available.

**Schedule 15**

**City of Clearwater, Florida  
Principal Employers<sup>a</sup>  
Current Year and Nine Years Ago**

Employer	2022 <sup>b</sup>			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Baycare (includes all hospitals and subsidiaries)	14,300	1	2.77%			
Pinellas County School Board	14,000	2	2.71%	15,967	1	3.36%
Publix	7,300	3	1.41%			
Raymond James Financial	6,000	4	1.16%	2,600	6	0.55%
Pinellas County Government <sup>c</sup>	5,700	5	1.10%			
Walmart	4,000	6	0.77%			
Bay Pines VA Healthcare System	3,700	7	0.72%	4,364	2	0.92%
City of St. Petersburg	3,500	8	0.68%	3,120	3	0.66%
All Children's Hospital	3,300	9	0.64%	2,900	4	0.61%
St. Petersburg College	2,500	10	0.48%	2,697	5	0.57%
Pinellas County Sheriff				2,596	7	0.55%
Morton Plant Hospital				2,550	8	0.54%
Mease Hospital				2,100	9	0.44%
Bayfront Medical Center				2,000	10	0.42%
Home Shopping Network				2,000	10	0.42%
<b>Total Employment</b>	<b>516,468</b>			<b>474,980</b>		

<sup>a</sup> Data is for Pinellas County. City data is not available.

<sup>b</sup> Source: Florida Research and Economic Database and Pinellas County Department of Economic Development.

<sup>c</sup> Includes employees in the Pinellas County Unified Personnel System and the Sheriff's Office.

**City of Clearwater, Florida**  
**Full-time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General government	290.3	282.3	281.8	287.3	295.9	298.8	301.3	301.3	301.8	307.8
Public safety:										
Fire	201.0	201.0	201.0	201.0	204.0	204.0	205.0	204.0	204.0	204.0
Police	364.3	364.5	364.0	362.5	367.5	373.3	373.3	374.3	375.3	375.3
Physical environment	34.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Transportation	21.0	34.0	34.0	34.0	35.0	35.0	35.0	36.0	36.0	36.0
Economic environment	9.0	10.0	10.0	12.0	10.4	11.0	11.0	11.0	11.0	12.0
Culture and recreation:										
Library	73.6	73.6	74.4	81.4	82.3	85.1	84.0	84.0	83.6	83.3
Parks & Rec	197.2	202.5	204.6	209.7	219.0	241.4	240.9	240.9	243.4	245.4
Water & Sewer Utility	167.0	176.0	184.0	187.0	188.0	196.0	196.0	196.0	196.0	196.0
Gas Utility	83.0	83.0	87.0	92.0	104.0	110.0	110.0	110.0	110.0	110.0
Solid Waste Utility	112.2	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	112.5
Stormwater Utility	50.0	49.0	49.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0
Recycling	22.3	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	21.0
Marine	23.0	24.6	24.6	27.7	28.3	18.6	18.9	18.9	15.6	15.6
Clearwater Harbor Marina	5.6	5.6	5.6	6.7	6.7	6.7	6.3	6.5	8.8	8.8
Aviation	1.4	1.4	1.4	1.4	1.4	1.4	1.6	1.6	2.6	2.6
Parking System	30.6	33.7	33.7	35.8	41.3	44.8	44.8	45.6	45.4	45.4
Total	<u>1,685.5</u>	<u>1,695.7</u>	<u>1,709.6</u>	<u>1,745.0</u>	<u>1,790.3</u>	<u>1,832.6</u>	<u>1,834.6</u>	<u>1,836.6</u>	<u>1,840.0</u>	<u>1,848.7</u>

**Source:** City of Clearwater Office of Management and Budget



**City of Clearwater, Florida**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Function/Program</b>											
General government:											
Planning	Commercial building permits issued	2,065	1,988	1,854	1,706	1,757	1,902	2,425	1,931	1,886	1,939
	Residential building permits issued	4,985	5,756	6,546	6,987	9,134	8,702	8,856	8,536	9,141	9,096
Public safety:											
Police	Average officer training hours	83	85	120	115	150	194	170	82	121	145
	Total volunteer training hours	412	286	246	1034	58	679	209	144	34	107
Fire	Percentage of fire responses under 7.5 minutes	91%	93%	93%	91%	89%	89%	89%	82%	79%	82%
Physical environment	Square feet of sidewalks repaired/constructed	28,036	23,651	35,611	36,694	48,075	39,335	41,268	33,658	28,250	20,843
Transportation	Miles of roadway resurfaced	0	8.2	0	15.89	6.2	16.88	17.66	12	11.4	2.47
Economic environment	Code enforcement cases brought to compliance	4,905	4,431	4,458	4,736	4,771	4,642	4,561	5,187	4,947	3,733
Human services	City employees that mentor in area schools	20	6	5	16	13	17	20	0	19	9
Culture and recreation:											
Library system	Library visits	836,919	600,148	636,006	562,387	522,014	582,315	625,411	389,063	280,977	372,527
	Circulation	1,099,988	1,019,984	987,430	869,469	891,597	857,232	865,987	742,493	694,440	692,288
Parks and recreation	Recreation center visitations	719,393	517,378	696,094	714,657	689,750	708,562	718,261	386,282	307,880	498,551
	Athletic program visitations	1,108,644	989,570	1,066,767	1,093,090	1,104,126	916,355	1,054,200	859,860	877,982	978,996
Water and Sewer Utility:											
	Water customers	43,500	43,704	44,236	44,743	45,275	45,486	45,587	45,760	46,087	46,203
	Volume of water pumped (million gallons/day)	11.0	12.1	12.1	11.7	11.9	11.4	11.2	11.9	11.7	11.9
	Sewer customers	33,405	33,564	33,390	33,763	33,947	34,111	34,183	34,442	34,654	34,712
	Miles of sewers cleaned	229	197	172	160	251	161	109	138	136	94
Gas Utility:											
	Number of customers	20,313	20,719	21,277	21,973	23,031	24,620	26,438	28,243	30,001	31,548
Solid Waste Utility:											
	Solid waste tonnage collected and disposed	116,830	113,218	117,214	124,917	123,425	122,890	127,008	118,461	124,233	122,566
Stormwater Utility:											
	Number of equivalent residential units	98,195	100,629	101,663	102,798	103,742	104,105	104,621	105,161	105,581	105,589
Recycling Utility:											
	Marketable tons recycled	8,143	11,716	12,079	13,467	13,438	11,503	4,169	3,275	3,843	3,623

\* **Note:** No operating indicators are available for marine, aviation, parking and Clearwater Harbor Marina functions.

**City of Clearwater, Florida**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public safety:										
Fire										
Stations	8	8	8	8	8	8	8	8	8	8
Police										
Stations	6	6	7	7	7	6	6	6	6	6
Transportation:										
Paved streets (miles)	316	320	321	322	322	324	327	327	324	329
Culture and recreation:										
Library system										
Volumes in collection (thousands)	581	582	564	519	528	469	473	439	428	455
Parks and recreation										
Parks acreage	1427	1453	1455	1457	1457	1457	1457	1457	1875	1875
Recreational paths (miles)	16	18	22	22	22	22	22	22	19	19
Playgrounds	27	27	27	27	26	26	26	26	27	27
Baseball and softball fields	34	32	32	32	32	32	32	32	34	34
Soccer and football fields	18	20	20	20	21	21	21	21	18	16
Recreation centers	5	5	5	5	5	6	6	6	6	6
Water & Sewer Utility :										
Water mains (miles)	590.2	596.97	588.57	587.75	584.6	582.63	586.14	595.72	586.42	587.69
Sanitary sewer mains (miles)	363.81	364.24	364.27	368.98	370.2	370.0	370.44	372.14	372.15	372.3
Daily treatment capacity (millions of gallons)	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5
Gas Utility :										
Gas mains (miles)	849	862	884	908	930	965	994	1,021	1,056	1,075
Stormwater Utility:										
Stormwater mains (miles)	150.17	151.41	152.63	153.74	153.99	154.59	154.12	155.47	156.49	157.55
Marine:										
Boat slips	189	189	189	189	189	189	190	198	198	198
Clearwater Harbor Marina:										
Boat slips	126	126	126	126	126	126	126	127	127	127
Aviation:										
Airpark spaces	177	177	177	177	177	177	177	174	174	174
Parking system:										
Parking spaces	2319	2232	2312	2302	2345	2462	3073	3108	3004	2580 <sup>a</sup>

<sup>a</sup> Reduction in spaces due to closure of lots 10 and 11, as well as the sale of spaces in the North Beach Parking Garage.

**Sources:** Various city departments

**Note:** No capital asset indicators are available for the general government, physical environment, economic environment human services, solid waste and recycling functions

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## **Other Information**

**City of Clearwater, Florida  
Continuing Disclosure – Gas System Revenue Bonds  
Series 2013 and 2014**

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**The System:**

**Rates, Fees and Charges**

Clearwater Gas System (CGS) is not subject to regulation by any State agency in establishing or revising its rates. The rate structure for customers receiving firm natural gas service consists of three distinct groups of charges:

- (1) the Purchased Gas Adjustment (PGA) rate;
- (2) rate riders including the Energy Conservation Adjustment (ECA), the Usage and Inflation Adjustment (UIA), and the regulatory imposition adjustment (RIA); and
- (3) the base rates.

The PGA rate is the mechanism by which CGS recovers the cost of natural gas it purchases and distributes to its customers. The ECA is designed to recover costs associated with energy conservation and demand management. The UIA is designed to mitigate operational and financial risk associated with fluctuations in demand and inflationary cost increases. The RIA is designed to recover the cost of regulatory imposed programs. The base rates (customer and commodity charges) effectively recover all other costs of distributing natural gas to customers.

The current rate structure in effect at September 30, 2022 is based on a Natural Gas Rate Study completed in December 2020, and was adopted by Ordinance 9433-21 to be effective for all gas bills and services rendered on or after March 1, 2021. The Residential Customer Charge was increased by \$2 per month effective March 1, 2021 and then an additional \$2 per month effective March 1, 2022. The Commercial Non-Fuel energy charge decreased by \$0.04 per therm effective March 1, 2021. These changes were not revenue neutral in the first year and reduced reserve levels by approximately \$559,000; however, reserves are projected to remain above the minimum 180-day reserve requirement throughout the five-year forecast period included in the rate study.

Where competitive fuel sources or transportation service are available to the customer, the City Council has authorized the City Manager to enter into contract gas service rates at special rates and/or conditions as required to obtain/retain the customer load. Such contract service must meet the normal construction feasibility formula to insure profitable payback to CGS. In addition to the above rate changes, all customers served under contract rates as of February 28, 2021 were allowed to remain on their existing contracts until the next expiration date, at which time the contract was automatically discontinued and the customer was moved to the applicable standard rate unless a new contract was executed. This resulted in a reduction of contract customers from 181 (impacting 6.0% of revenues) at September 30, 2021 to 34 (impacting 1.0% of revenues) as of September 30, 2022.

**CLEARWATER GAS SYSTEM**  
**NATURAL GAS RATE BILLING FACTORS**  
 FOR JULY 1, 2022 - SEPTEMBER 30, 2022 BASED ON APPROVED GAS ADJUSTMENT FACTORS

	Firm Natural Gas Rate Schedules											SL w/M&Relight	NGV (Non-Res)	NSS (Non-Res)	Interr.	Contract
	RS	SMF	MMF	LMF	SGS	MGS	LGS	RAC	GAC	LAC	SL				NG Rate IS	NG Rate CNS
Applicable Annual Therm Range or Other Rate Determinant	NA (1 - 3 Units)	NA (4 + Units)	NA (4 + Units)	NA (4 + Units)	0 - 17,999	18,000- 99,999	100,000 & up	NA (1 - 3 Units)	NA (0 - 149 tons)	NA (150 tons & +)	NA	NA	NA	NA	100,000 & up	NA
Monthly Customer Charge (For Central Pasco Territory)	\$16.00 (\$24.00)	\$25.00 (\$40.00)	\$40.00 (\$70.00)	\$95.00 (\$160.00)	\$25.00 (\$40.00)	\$40.00 (\$70.00)	\$95.00 (\$160.00)	Rate Suspended Reserved for Future Use	Rate Suspended Reserved for Future Use	Rate Suspended Reserved for Future Use	\$20.00 (\$30.00)	\$20.00 (\$30.00)	By Contract (By Contract)	\$50.00 (\$75.00)	\$250.00 (\$400.00)	By Contract (By Contract)
<b>Non-Fuel Energy Charge/Therm</b>																
Non-Fuel Energy Charge	\$0.44	\$0.44	\$0.44	\$0.44	\$0.38	\$0.34	\$0.30	NA	NA	NA	\$0.20	\$0.35	By Contract	\$0.38	\$0.24	By Contract
Energy Conservation Adj. (ECA)	0.16	0.16	0.16	0.16	0.16	0.16	0.16	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regulatory Imposition Adj. (RIA)	0.01	0.01	0.01	0.01	0.01	0.01	0.01	NA	NA	NA	NA	NA	NA	NA	NA	NA
Usage & Inflation Adj. (UIA)	-0.01	-0.01	-0.01	-0.01	0.05	0.05	0.05	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total Non-Fuel Energy Charge</b>	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.56	\$0.52	NA	NA	NA	\$0.20	\$0.35	By Contract	\$0.38	\$0.24	By Contract
Purchased Gas Adjustment (PGA)	0.93	0.93	0.93	0.93	0.93	0.93	0.93	NA	NA	NA	0.93	0.93	By Contract	0.93	0.84	0.84
<b>Total Energy Charge/Therm</b>	1.53	1.53	1.53	1.53	1.53	1.49	1.45	NA	NA	NA	1.13	1.28	By Contract	1.31	1.08	0.84
Minimum Monthly Bill (For Central Pasco Territory)	\$16.00 (\$24.00)	\$25.00 (\$40.00)	\$40.00 (\$70.00)	\$95.00 (\$160.00)	\$25.00 (\$40.00)	\$40.00 (\$70.00)	\$95.00 (\$160.00)	NA	NA	NA	\$20.00 (\$30.00)	\$20.00 (\$30.00)	By Contract (By Contract)	\$50.00 (\$75.00)	\$250.00 (\$400.00)	+ Non-Fuel Customer Charge + Non-Fuel Therm Rate for Contract # of Therms
Compares to LP/Gallon Rate of with 6.0% Franchise	\$ 1.40 \$ 1.48	\$ 1.40 \$ 1.48	\$ 1.40 \$ 1.48	\$ 1.40 \$ 1.48	\$ 1.40 \$ 1.48	\$ 1.36 \$ 1.45	\$ 1.33 \$ 1.41	NA	NA	NA	\$ 1.03 \$ 1.10	\$ 1.17 \$ 1.24	NA	\$ 1.20 \$ 1.27	\$ 0.99 \$ 1.05	
<b>Utility Tax Note:</b>																
Fuel Rate per Therm 10/01/1973	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	NA	NA	NA	\$0.069	\$0.069	\$0.069	\$0.069	\$0.055	\$0.069
Non-Utility Taxable Fuel/Therm	\$0.861	\$0.861	\$0.861	\$0.861	\$0.861	\$0.861	\$0.861	NA	NA	NA	\$0.861	\$0.861	(\$0.069)	\$0.861	\$0.785	\$0.771
<b>BTU FACTOR = THERMS/100 CUBIC FEET (CCF)</b>																
	10/2021	11/2021	12/2021	01/2022	02/2022	03/2022	04/2022	05/2022	06/2022	07/2022	08/2022	09/2022	FY 21/22 Avg.			
Firm Service Rates	1.045	1.046	1.046	1.044	1.045	1.045	1.043	1.041	1.041	1.042						1.0438
Interruptible Service Rates	1.025	1.025	1.025	1.024	1.024	1.024	1.022	1.021	1.02	1.021						1.0231

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**City of Clearwater, Florida**  
**Continuing Disclosure - Gas System Revenue Bonds**  
**Series 2013 and 2014**

**GAS SUPPLY**

On August 1, 1990, the Federal Energy Regulatory Commission (FERC) deregulated the natural gas pipeline industry. This allows other natural gas suppliers and local distribution companies, like the City of Clearwater, to transport gas over the Florida Gas Transmission (FGT) pipelines as opposed to purchasing natural gas supply from only FGT.

The two natural gas transmission companies that serve within the State of Florida are Florida Gas Transmission (FGT) and Gulfstream. Currently FGT is the sole provider of transportation service to the City. Florida Gas Transmission is a natural gas pipeline which brings gas from Texas, Louisiana, Mississippi, and Alabama into Florida. The pipeline is owned 50% by Energy Transfer Partners (Owner/Operator) and 50% by Kinder Morgan Partnership, each respectively representing units in Citrus Corporation.

The City joined Florida Gas Utility (FGU) in October 2000 by Resolution 00-35. FGU is responsible for the purchase & management of the City's natural gas supply. An updated All Requirements Gas Service Agreement, which was approved by Resolution 02-02 in January 2002, required the City to purchase 100% of its supply through FGU. FGU was formed through an Interlocal Agreement among its members. The Interlocal Agreement became effective on September 1, 1989 and consisted of five municipal utilities. Over the next several years, additional electric and gas distribution utilities joined FGU, bringing its current membership to 25.

In addition, the City has entered into a Gas Supply & Transportation Agreement with Peoples Gas System (PGS), dated 12/02/04, to purchase natural gas to serve customers located in our Central Pasco territory, generally east of the Suncoast Parkway in Pasco County. The City received a letter from FGU Council, dated 8/31/04, granting the City permission to utilize TECO Peoples Gas as a third party gas supplier since FGU is unable and unwilling to provide gas to the City within the meaning of the provisions of Section 3 (a)(i) and (ii) of the All Requirements Gas Service Agreement between the City and FGU.

The City has two Firm Transportation Service agreements (FTS-1 & FTS-2) with FGT in order to deliver natural gas to the City's four gate stations. FGU is currently managing the City's Phase II (FTS-1) and Phase III (FTS-2) transportation capacity on a daily basis. Table 1 shows the breakdown of the City's annual gas supply entitlements with FGT. The total annual entitlement is 3,212,226 decatherms of natural gas transportation.

**Table 1** Breakdown of Transportation Capacity

Contract Period	Phase II (FTS-1)	Phase III (FTS-2)	Total
	MMBtu Per Day 2/01/17 - 1/31/27	MMBtu Per Day 2/1/14 - 2/28/25	MMBtu Per Day
October	170,438	41,788	212,226
Nov-Mar	1,543,069	268,931	1,812,000
April	216,570	53,430	270,000
May-Sept	711,756	206,244	918,000
Total Annual	2,641,833	570,393	3,212,226

**City of Clearwater, Florida**  
**Continuing Disclosure – Gas System Revenue Bonds**  
**Series 2013 and 2014**

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**Service Area**

The Clearwater Gas System (CGS) is owned and operated as an enterprise utility by the City of Clearwater. CGS operates over 1,075 miles of underground gas main and handles the supply and distribution of both natural and propane (LP) gas throughout northern Pinellas County and western Pasco County. As a “full service” gas utility, CGS provides gas appliance sales, installation of inside customer gas piping, domestic and commercial gas equipment service, construction and maintenance of underground gas mains and service lines, and 24-hour response to any gas emergency within the service area. The Florida Public Service Commission and the Federal Department of Transportation regulate CGS for safety.

CGS has been serving customers in the Clearwater area for nearly 100 years (since 1924) when operations began with a manufactured gas plant operation from coal and coke. In 1959, when natural gas transmission lines were finally extended to the Florida peninsula, CGS discontinued manufacturing gas and began receiving piped natural gas from Florida Gas Transmission.

Clearwater Gas System serves over 31,000 customers in a 330 square mile service territory, which includes 20 municipalities as well as the unincorporated areas of northern Pinellas County and western Pasco County. The Pinellas County service territory is 158 square miles and extends generally from Ulmerton and Walsingham Roads on the south to the Pasco County line on the north and from the Gulf of Mexico on the West to the Hillsborough County line on the east. This includes all of the Pinellas beach communities south to Redington Beach. The Pasco County service territory is 172 square miles and extends from the Gulf of Mexico on the West inland about 20 miles to just east of State Road 41 and Land O’ Lakes and from the Pinellas and Hillsborough County lines on the South to generally State Road 52 on the north. The CGS service territory extends 42.3 miles from the southwestern-most to the northwestern-most points.

Clearwater Gas System prides itself in being a competitive and public service-minded utility, providing safe, economical and environmentally-friendly gas, which is made in America, available in our communities for all of the homes and businesses in our service area, with special focus on the residential customers who make up over 91% of our customer base.



**City of Clearwater, Florida**  
**Continuing Disclosure - Gas System Revenue Bonds**  
**Series 2013 and 2014**

As of September 30, 2022 the System's active natural gas customers were located as shown in the following table:

<u>Location</u>	<u>Meters</u>	<u>Percentage</u>
Belleair	616	2.09%
Belleair Beach	278	0.94%
Belleair Bluffs	54	0.18%
Belleair Shores	33	0.11%
Clearwater	7,700	26.08%
Dunedin	1,650	5.59%
Indian Rocks Beach	223	0.76%
Indian Shores	160	0.54%
Largo	1,202	4.07%
Madeira Beach	1	0.00%
New Port Richey	81	0.27%
North Redington Beach	93	0.32%
Oldsmar	163	0.55%
Port Richey	17	0.06%
Redington Beach	241	0.82%
Redington Shores	110	0.37%
Safety Harbor	760	2.57%
Tarpon Springs	1,644	5.57%
Unincorporated Areas Pasco	6,861	23.24%
Central Pasco	4,037	13.68%
Unincorporated Areas Pinellas	3,597	12.18%
Total	<u>29,521</u>	<u>100.00%</u>

The following table shows the five largest interruptible customers by peak monthly consumption and the percent of the System's revenues derived from such customers during the 12 months ending September 30, 2022:

<u>Customer Name</u>	<u>Peak Monthly Therms</u>	<u>% of Gross Revenues</u>
New Port Richey Hospital Inc	76,445.9	2.11%
Ajax Paving Industries	163,078.3	1.67%
MI Meats	75,225.1	1.62%
Mease Hospital	102,474.8	1.60%
Morton Plant Hospital	91,521.0	1.55%

The following table shows the breakdown of the System's customers by category as well as the volume of gas sold and the sales revenues generated by each category for the year ended September 30, 2022:

	<u>Average No. Customers</u>	<u>Gas Volume</u>	<u>Gas Sales</u>
Interruptible (including CNG Station)	20	29.80%	15.10%
Residential	26,911	19.38%	33.08%
Commercial (excluding CNG Station)	2,585	50.82%	51.82%
	<u>Therms</u>	<u>Revenues</u>	
Interruptible (including CNG Station)	7,894,269.2	\$ 5,732,743	
Residential	5,132,442.4	12,558,415	
Commercial (excluding CNG Station)	13,459,900.7	19,672,643	
Totals	<u>26,486,612.3</u>	<u>\$ 37,963,801</u>	

**City of Clearwater, Florida**  
**Continuing Disclosure – Water and Sewer Revenue Refunding Bonds**  
**Series 2017, 2017B and 2020**

**Historical Financial Information**

**Water System:**

**Source and Volume of Water Pumped**

(in million gallons per day, averaged over the fiscal year)

FY	City Wells	County	Total
2018	6.4	5.0	11.4
2019	6.9	4.3	11.2
2020	7.7	4.2	11.9
2021	6.7	5.0	11.7
2022	6.8	5.1	11.9

**Historical Growth in Number of Water Customers**

(all figures are as of September of the year indicated)

FY	Potable Water Service Customers	Reclaimed Water Service Customers	Total Water Service Customers
2018	37,773	7,713	45,486
2019	37,848	7,739	45,587
2020	37,951	7,809	45,760
2021	38,244	7,843	46,087
2022	38,320	7,883	46,203

**Ten Largest Water Customers**  
**Fiscal Year Ending September 30, 2022**

Name of User	Water Used (in 100 Cubic Feet)	Revenues Produced
1. CITY OF CLEARWATER	83,874	\$ 1,385,041
2. CHURCH OF SCIENTOLOGY	139,280	1,191,853
3. MORTON PLANT HOSPITAL	109,998	1,155,964
4. INFINITY THE STANDARD	88,121	798,582
5. PINELLAS COUNTY SCHOOLS	39,853	525,197
6. THE SANDPEARL RESORT	48,635	374,199
7. PINELLAS COUNTY GOVERNMENT	17,594	320,364
8. CLEARWATER ACQUISITIONS I	36,157	296,291
9. K&P CLEARWATER ESTATE (Wyndham)	28,172	277,763
10. SPT WAH WELLINGTON, LLC	33,117	263,112
	<u>624,801</u>	<u>\$ 6,588,366</u>

**Reclaimed Water System:**

Year	Average Daily Flow MGD
2018	5.5
2019	5.7
2020	6.1
2021	5.5
2022	5.8

**City of Clearwater, Florida**  
**Continuing Disclosure – Water and Sewer Revenue Refunding Bonds**  
**Series 2017, 2017B and 2020**

**Sewer System:****Average Sewage Flow and Historical Growth in Number of Sewer Customers**

(as of September of the year indicated)

Year	Flow in MGD	Sewer Customers
2018	12.5	34,111
2019	12.8	34,183
2020	12.7	34,442
2021	12.2	34,654
2022	12.0	34,712

**Ten Largest Sewer Customers**  
**Fiscal Year Ending September 30, 2022**

Name of User	Sewer Used (in 100 Cubic Feet)	Revenues Produced
1. MORTON PLANT HOSPITAL	88,424	\$ 1,024,760
2. CHURCH OF SCIENTOLOGY	103,100	920,820
3. CITY OF CLEARWATER	36,110	801,005
4. INFINITY THE STANDARD	88,121	758,017
5. PINELLAS COUNTY SCHOOLS	38,109	634,316
6. THE SANDPEARL RESORT	48,635	418,356
7. CLEARWATER ACQUISITIONS I	36,157	331,528
8. CP CLEARWATER, LLC (Hilton)	33,380	290,498
9. K&P CLEARWATER ESTATE (Wyndham)	28,172	289,138
10. CCRC-REGENCY OAKS	29,998	286,796
	530,206	\$ 5,755,234

**Rates, Fees and Charges**

The City uses a three-tiered rate structure for water and sewer usage. The base rate for water includes a minimum usage for residential and nonresidential water rates. Any usage over the minimum is billed at one rate per 1,000 gallons up to a designated level and at a second rate for usage over that level. For irrigation, there is a base rate, with no usage allowance, and a charge per 1,000 gallons of water usage up to a designated level and a higher charge for usage over that amount. The sewer base rate includes a minimum usage and a fixed charge per 1,000 gallons of water usage over the basic allowance. The minimum usage and second and third tier usage levels vary with the size of the meters. For fiscal year 2022 there were no changes to the three-tiered rate structure for water or sewer usage.

**City of Clearwater, Florida**  
**Continuing Disclosure – Water and Sewer Revenue Refunding Bonds**  
**Series 2017, 2017B and 2020**

<b>Residential and Nonresidential Water Rates</b>	October 1, <u>2018</u>	October 1, <u>2019</u>	October 1, <u>2020</u>	October 1, <u>2021</u>	October 1, <u>2022</u>
<u>Size of Meter</u>					
Minimum - Under 1 inch	\$ 22.29	\$ 23.16	\$ 24.09	\$ 25.05	\$ 25.80
1 inch	52.01	54.04	56.21	58.45	60.20
1.5 inch	743.00	772.00	803.00	835.00	860.00
2 inch	1,731.19	1,798.76	1,870.99	1,945.55	2,003.80
3 or 2 inch manifold	2,667.37	2,771.48	2,882.77	2,997.65	3,087.40
4 inch	5,134.13	5,334.52	5,548.73	5,769.85	5,942.60
6 inch	13,188.25	13,703.00	14,253.25	14,821.25	15,265.00
8 inch	22,290.00	23,160.00	24,090.00	25,050.00	25,800.00

Additional charges are assessed for usage in excess of designated minimums.

<b>Rates for Irrigation (Lawn) Meters</b>	October 1, <u>2018</u>	October 1, <u>2019</u>	October 1, <u>2020</u>	October 1, <u>2021</u>	October 1, <u>2022</u>
<u>Size of Meter</u>					
Minimum - Under 1 inch	\$ 7.94	\$ 8.26	\$ 8.59	\$ 8.94	\$ 9.21
1 inch	23.85	24.80	25.79	26.82	27.62
1.5 inch	119.31	124.08	129.04	134.20	138.23
2 inch	334.06	347.43	361.32	375.78	387.05
3 or 2 inch manifold	660.15	686.56	714.02	742.58	764.86
4 inch	1,272.60	1,323.50	1,376.44	1,431.50	1,474.45
6 inch	3,841.65	3,995.32	4,155.13	4,321.34	4,450.98

<b>Sewer Rates</b>	October 1, <u>2018</u>	October 1, <u>2019</u>	October 1, <u>2020</u>	October 1, <u>2021</u>	October 1, <u>2022</u>
<u>Size of Meter</u>					
Minimum - Under 1 inch	\$ 30.66	\$ 31.89	\$ 33.18	\$ 34.50	\$ 35.55
1 inch	71.54	74.41	77.42	80.50	82.95
1.5 inch	1,022.00	1,063.00	1,106.00	1,150.00	1,185.00
2 inch	2,381.26	2,476.79	2,576.98	2,679.50	2,761.05
3 or 2 inch manifold	3,668.98	3,816.17	3,970.54	4,128.50	4,254.15
4 inch	7,062.02	7,345.33	7,642.46	7,946.50	8,188.35
6 inch	18,140.50	18,868.25	19,631.50	20,412.50	21,033.75
8 inch	30,660.00	31,890.00	33,180.00	34,500.00	3,555.00
Per 1,000 gallons of water used over the allowed minimum	10.22	10.63	11.06	11.50	11.85

**Additional Indebtedness**

No additional indebtedness was incurred for capital improvements to the water and sewer systems, or for the lease purchase of capital equipment.

**City of Clearwater, Florida**  
**Continuing Disclosure – Stormwater System Revenue Refunding Bonds**  
**Series 2012**

**Rates, Fees, and Charges**

The City uses a measurement of one equivalent residential unit or ERU as the basis for the stormwater management utility fee. The rates per ERU from the inception of the utility are as follows:

<u>Effective Date</u>	<u>Rate per ERU</u>	<u>Effective Date</u>	<u>Rate per ERU</u>
January 1, 1991	\$3.00	October 1, 2010	\$12.51
October 1, 1998	4.00	October 1, 2011	13.04
October 1, 1999	4.17	October 1, 2012	13.40
October 1, 2000	4.35	October 1, 2013	13.77
October 1, 2001	4.54	October 1, 2014	14.15
January 1, 2002	6.13	October 1, 2015	14.33
October 1, 2002	7.16	October 1, 2016	14.51
October 1, 2003	8.01	October 1, 2017	14.58
October 1, 2004	8.65	October 1, 2018	14.65
October 1, 2005	9.35	October 1, 2019	13.40
October 1, 2006	9.71	October 1, 2020	13.40
October 1, 2007	10.51	October 1, 2021	13.40
October 1, 2008	11.14	October 1, 2022	13.64
October 1, 2009	11.80		

Single-family homes, multifamily units, condominium units, apartments and mobile homes are rated as one ERU per dwelling unit. Nonresidential property is charged at the rate of 1,830 square feet of impervious area per ERU.

**HISTORICAL NET REVENUES**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net Operating Revenues (Excluding Depreciation)	\$ 10,611,921	\$ 11,721,958	\$ 9,090,521	\$ 8,669,978	\$ 10,056,468
Interest Income and other					
Non-operating Revenues (Expenses)	(4,642)	1,786,699	804,165	(164,421)	(3,753,234)
<b>Total Net Revenues</b>	<b>\$ 10,607,279</b>	<b>\$ 13,508,657</b>	<b>\$ 9,894,686</b>	<b>\$ 8,505,557</b>	<b>\$ 6,303,234</b>
Maximum Annual Debt Service	\$ 2,568,762	\$ 2,568,762	\$ 2,175,028	\$ 2,175,028	\$ 1,375,312
Coverage	4.13	5.26	4.55	3.91	4.58

**City of Clearwater, Florida**  
**Continuing Disclosure - Non-Ad Valorem Revenue Bonds, Series 2022**

	Historical Non-Ad Valorem Revenues				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
<b>Taxes</b>					
Electric Utility Taxes (Public Service Tax)	\$ 10,994,831	\$ 11,895,320	\$ 12,423,810	\$ 12,712,884	\$ 13,177,949
Water Utility Taxes (Public Service Tax)	3,700,869	3,754,315	4,000,713	4,246,078	4,497,067
Gas/Propane Utility Taxes (Public Service Tax)	848,460	799,213	741,067	786,621	792,079
Communications Services Taxes	4,721,390	4,370,997	4,368,536	4,174,817	4,190,145
Local Business Tax	1,956,325	2,077,054	2,027,827	2,127,380	2,066,475
Local Option Gas Tax <sup>(1)</sup>	1,536,462	1,526,214	1,381,690	1,438,852	1,460,864
<b>Intergovernmental Revenues</b>					
Infrastructure Sales Surtax <sup>(2)</sup>	11,669,871	12,277,473	12,087,548	14,296,517	16,585,888
Half-Cent Sales Tax	7,344,964	7,561,298	7,223,098	8,545,241	9,581,538
State Revenue Sharing	3,826,043	3,968,913	3,694,083	4,274,388	5,339,006
County Fire Protection Tax <sup>(3)</sup>	1,796,985	2,204,826	1,982,071	2,347,737	2,485,600
County EMS Tax <sup>(4)</sup>	5,888,844	5,466,073	6,385,390	6,920,226	6,549,680
Other Intergovernmental <sup>(5)</sup>	4,614,249	2,008,240	1,999,853	2,059,830	2,361,645
<b>Permits and Fees</b>					
Electric Franchise Fees	9,392,489	9,994,490	9,723,086	9,792,097	10,165,857
Gas Franchise Fees	599,775	648,251	588,685	563,190	621,152
Other Licenses and Permits	3,747,850	3,995,469	4,439,432	5,264,834	6,418,933
<b>Charges for Services</b>					
General Governmental	10,451,703	9,911,353	10,130,574	10,658,514	10,090,583
Public Safety	510,577	431,472	477,087	545,259	554,372
Physical Environment	66,168	59,738	25,157	45,825	36,930
Transportation	181,453	160,537	93,970	169,080	65,196
Culture and Recreation	4,705,496	5,532,353	3,508,054	4,241,205	5,600,062
<b>Other</b>					
Enterprise Fund Transfers <sup>(6)</sup>	9,885,613	10,902,995	11,877,105	11,471,726	10,163,054
Rents and Leases	1,787,725	2,045,244	1,721,918	2,048,323	2,538,288
Fines and Forfeitures	1,724,608	1,881,613	1,479,026	1,688,182	1,607,344
Miscellaneous	827,660	4,538,757	2,174,890	604,175	(8,618,050) <sup>(8)</sup>
Total Sources of Non-Ad Valorem Revenues <sup>(7)</sup>	<u>\$ 102,780,410</u>	<u>\$ 108,012,207</u>	<u>\$ 104,554,669</u>	<u>\$ 111,022,981</u>	<u>\$ 108,331,657</u>

Source: City of Clearwater, Florida

- (1) Revenues derived from the Local Option Gas Tax may only be used for transportation operations and maintenance. As such, local option gas tax funds are not available to pay debt service on the Series 2022 Bonds.
- (2) A portion of Infrastructure Sales Surtax funds are restricted legally or by City Council policy to be used for specific capital improvement projects, and thus may only be used with respect to certain capital projects after a special public hearing is held. Thus, a special public hearing would be required for the City's Infrastructure Sales Surtax Revenues to be available to pay debt service on the Series 2022 Bonds. The current Infrastructure Sales Surtax will expire on December 31, 2029, which is prior to the expiration of the Series 2022 Bonds.
- (3) The County Fire Protection Tax funds are revenues from the County that are reimbursed to the City for provision of fire services to the unincorporated areas within the designated Clearwater Fire District. County Fire Protection Tax funds are restricted legally for such purposes and may not be used to pay debt service on the Series 2022 Bonds.
- (4) The County Emergency Medical Services ("EMS") Tax funds are revenues from the County that are reimbursed to the City for provision of EMS services to the unincorporated areas within the designated Clearwater Fire District. County EMS Tax funds are restricted legally for such purposes and may not be used to pay debt service on the Series 2022 Bonds.
- (5) Other Intergovernmental Revenues are derived from a number of sources including Florida Department of Transportation reimbursements for traffic signals and street lighting, mobile home licenses, alcoholic beverage licenses, firefighters' supplemental compensation, rebates on municipal vehicle fuel, the Pinellas Library Cooperative, County traffic signal reimbursements, and other reimbursements from the County for the use of Fire and EMS vehicles in the Clearwater Fire District.
- (6) The Enterprise Fund Transfers revenue include the total amount of transfers from each enterprise fund (with the exception of the Gas Fund) to the General Fund calculated at 5.5% of gross revenues in the prior fiscal year; the annual dividend transferred from the Gas Fund to the General Fund; and net parking fine revenues transferred from the Parking enterprise fund to the General Fund.
- (7) May not add due to rounding.
- (8) Negative miscellaneous revenues for fiscal year 2022 are due to a significant unrealized investment loss at 9/30/2022 due to a significant increase in interest rates.

**City of Clearwater, Florida**  
**Continuing Disclosure - Non-Ad Valorem Revenue Bonds, Series 2022**

Changes in Fund Balances of Governmental Funds  
(modified accrual basis of accounting, in thousands of dollars)

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
<b>Revenues</b>					
Total Governmental Funds:					
Property taxes	\$ 50,710	\$ 64,050 <sup>(1)</sup>	\$ 68,522	\$ 73,096	\$ 76,856
Sales taxes	11,670	12,278	12,087	14,296	16,586
Utility taxes	15,544	16,449	17,166	17,746	18,467
Communications services taxes	4,721	4,371	4,368	4,175	4,190
Other taxes	3,493	3,603	3,409	3,566	3,527
Franchise fees	9,992	10,643	10,312	10,355	10,787
Licenses, permits, and fees	3,748	3,995	4,439	5,265	6,419
Intergovernmental revenues	34,277	34,770	29,730	36,442	56,637
Charges for services	17,381	17,719	15,461	17,106	18,265
Fines and forfeitures	2,165	2,605	2,321	2,308	2,387
Investment earnings	194	5,292 <sup>(2)</sup>	2,963	(387) <sup>(3)</sup>	(18,025) <sup>(3)</sup>
Miscellaneous	4,499	4,289	3,592	3,185	4,034
<b>Total Revenues</b>	<b>158,394</b>	<b>180,064</b>	<b>174,370</b>	<b>187,153</b>	<b>200,130</b>
<b>Expenditures</b>					
Total Governmental Funds:					
Current:					
General government	17,250	17,521	12,648	13,248	14,514
Public safety	74,486	74,164	78,002	81,172	87,269
Physical environment	4,403	3,488	3,938	3,644	4,003
Transportation	9,629	9,956	8,453	8,427	14,019
Economic environment	4,106	4,831	6,602	4,711	4,758
Human services	490	594	634	595	728
Culture and recreation	43,030	40,080	34,971	35,218	38,899
Debt service:					
Principal	1,271	1,486	1,508	1,617	1,347
Interest and issuance costs	380	348	308	260	704
Capital outlay:	8,921	12,068	15,916	19,029	51,822 <sup>(4)</sup>
<b>Total Expenditures</b>	<b>163,966</b>	<b>164,536</b>	<b>162,980</b>	<b>167,921</b>	<b>218,063</b>
Excess (deficiency) of revenues over (under) expenditures	(5,572)	15,528	11,390	19,232	(17,933)
<b>Other Financing Sources (Uses)</b>					
Total Governmental Funds:					
Transfers in	49,202	45,697	47,307	45,071	103,139
Transfers out	(43,895)	(40,396)	(42,979)	(40,354)	(102,302)
Proceeds from sale of capital assets	-	1,545	1,746	537	634
Proceeds from lease obligations	-	-	-	-	755
Other long term debt issued	1,677	-	964	-	31,226 <sup>(5)</sup>
<b>Total other financing sources (uses)</b>	<b>6,984</b>	<b>6,846</b>	<b>7,038</b>	<b>5,254</b>	<b>33,452</b>
<b>Net Change in Fund Balances</b>	<b>1,412</b>	<b>22,374</b>	<b>18,428</b>	<b>24,486</b>	<b>15,519</b>
Debt service as a percentage of noncapital expenditures	1.1%	1.2%	1.2%	1.3%	1.2%

Source: City of Clearwater, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2022.

- (1) The increase in 2019 investment earnings was due to an unrealized gain in market value as of September 30, 2019, as well as an increase in the average balance of cash and investments.
- (2) The increase in 2019 property taxes was due to an increase in the millage rate from 5.155 to 5.955 mills, as well as an increase in property values.
- (3) The decreases in 2021 and 2022 investment earnings was primarily due to unrealized losses in market value at September 30, 2021 and September 30, 2022, caused by increases in interest rates.
- (4) The increase in capital outlay expenditures in 2022 was primarily due to expenditures for the Imagine Clearwater waterfront park and amphitheater project.
- (5) The large increase in other long term debt issued for fiscal year 2022 was due to issuance of the Series 2022 Non-ad Valorem revenue bonds.

**City of Clearwater, Florida  
Fire Services Program**

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Pursuant to agreements between the City of Clearwater, the Pinellas County Fire Authority and the Pinellas County Emergency Medical Services Authority, the City has provided fire and emergency medical services to the respective authorities. With respect to fire services, the services are provided for the benefit of properties located outside the corporate limits of the City, but within a designated service area. Emergency medical services are provided for the benefit of persons residing both inside and outside the corporate limits of the City, based on the Authority's nearest unit dispatch policy.

With respect to the Fire Services Program, a budget was prepared by Fire Department personnel covering proposed expenditures for fiscal year ending September 30, 2022, for the Fire Department as a whole. Since the funding for the Emergency Medical Services Program is based on the level fixed in prior years, the Fire Services Program budget is essentially the residual obtained by deducting the approved level of funding for the Emergency Medical Services Program from the budgeted amounts included in the total Fire Department budget. This budget was submitted to, and duly approved by, the relevant Authority prior to the commencement of the fiscal year. Income received from Pinellas County Fire Protection Authority and valid program expenditures for the Fire Services Program for the fiscal year ended September 30, 2022 are summarized below.

Total Revenue Received from Pinellas County Fire Protection Authority	\$ 2,485,600
Total Fire Service Expenditures for Fiscal Year Ended September 30, 2022	\$ 2,647,916

The Fire Service Program does not currently utilize an equipment reserve.



**City of Clearwater, Florida**  
*Schedule of Receipts and Expenditures of Funds Related to the  
 Deepwater Horizon Oil Spill  
 For the Fiscal Year Ended September 30, 2022*

Source	Amount Received in the 2014-15 Fiscal Year	Amount Expended in the 2021-22 Fiscal Year	Total Amount Expended
<b>British Petroleum:</b>			
Agreement No. Not Applicable	\$6,480,352	\$143,434	\$ 6,480,352

Note: This does not include funds related to the Deepwater Horizon Oil Spill that are considered Federal awards or State financial assistance. The City did not receive funds that were considered Federal funds or State financial assistance related to the Deepwater Horizon Oil Spill.

## **Single Audit / Grants Compliance**



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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**

To the Honorable Mayor and City Council Members  
City of Clearwater, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clearwater, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 28, 2023. We have also audited the financial statements of each of the City's nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund statements as of and for the year ended September 30, 2022, as listed in the table of contents.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be significant deficiencies.

**Report on Compliance and Other Matters**

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

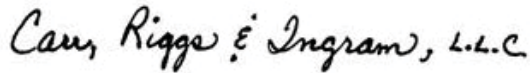
However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**City of Clearwater, Florida’s Response to Findings**

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

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

April 28, 2023



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**INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON EACH MAJOR STATE PROJECT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Honorable Mayor and City Council Members  
City of Clearwater, Florida

**Report on Compliance for Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited the City of Clearwater, Florida’s (the “City”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *State of Florida Department of Financial Services’ State Projects Compliance Supplement* that could have a direct and material effect on each of City’s major federal programs and state projects for the year ended September 30, 2022. The City’s major federal programs and state projects are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Clearwater complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2022.

***Basis for Opinion on Each Major Federal Program and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General, *Florida Single Audit Act Audits – Local Governmental Entity Audits*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, are further described in the Auditors’ Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of City’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City’s federal programs and state projects.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

April 28, 2023

City of Clearwater, Florida  
Schedule of Expenditures of Federal Awards  
and State Financial Assistance Projects  
For the Year Ended September 30, 2022

Federal Grantor / Pass-through Grantor / Program Title	Assistance Listing Number ALN	Grant I.D. Number	Federal Share of Expenditures	Transfers to Subrecipients
<b>FEDERAL AWARDS</b>				
<b>U.S. Department of Housing and Urban Development:</b>				
Community Development Block Grant - Entitlement - 2017	14.218	B-17-MC-12-0002	2,274	-
Community Development Block Grant - Entitlement - 2018	14.218	B-18-MC-12-0002	119,476	92,537
Community Development Block Grant - Entitlement - 2019	14.218	B-19-MC-12-0002	428,591	266,419
COVID 19 - Community Development Block Grant - Entitlement - 2020	14.218	B-20-MW-12-0002	137,421	90,812
Community Development Block Grant - Entitlement - 2020	14.218	B-20-MC-12-0002	480,027	470,806
Neighborhood Stabilization Program 3	14.218	Program Income	6,952	6,952
Total Community Development Block Grants/Entitlement Grants Cluster			<b>1,174,741</b>	<b>927,526</b>
Home Investment Partnerships Program	14.239	M-19-MC-12-0230	45,225	-
Home Investment Partnerships Program	14.239	M-21-MP-12-0230	12,342	-
Home Investment Partnerships Program	14.239	Program Income	214,842	7,500
Total Home Investment Partnerships Program			<b>272,409</b>	<b>7,500</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>1,447,150</b>	<b>935,026</b>
<b>U.S. Department of Justice:</b>				
Passed through Florida Department of Law Enforcement Edward Byrne Memorial Justice Assistance Grant Program	16.738	15BJA-21-GG-01369-JAGX	27,900	-
Equitable Sharing Program	16.922	FL0520300	135,622	-
<b>Total U.S. Department of Justice</b>			<b>163,522</b>	<b>-</b>
<b>U.S. Department of Transportation:</b>				
Passed through Florida Dept of Transportation: Highway Planning and Construction Cluster	20.205	G1X15	42,560	-
<b>Total U.S. Department of Transportation</b>			<b>42,560</b>	<b>-</b>
<b>U.S Department of Treasury:</b>				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA	22,483,893	-
<b>Total U.S. Department of Treasury</b>			<b>22,483,893</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>			<b>24,137,125</b>	<b>935,026</b>



State Grantor / Pass-through Grantor / Program Title	CSFA Number	Grant I.D. Number	State Share of Expenditures	Transfers to Subrecipients
<b>STATE REWARDS</b>				
<b>Florida Housing Finance Corporation:</b>				
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	1,352,749	-
<b>Total Florida Housing Finance Corporation</b>			<b>1,352,749</b>	<b>-</b>
<b>Florida Department of Transportation:</b>				
Aviation Grant Program - Replace Hangar "C"	55.004	FPN: 435222-1-94-01 Contract Number G0Y92	271,487	-
Aviation Grant Program - (Security System Upgrade)	55.004	FPN: 438512-1-94-01Contract Number:G1K66	45,324	-
<b>Total Florida Department of Transportation</b>			<b>316,811</b>	<b>-</b>
<b>Florida Department of Economic Opportunity:</b>				
Economic Development Partnerships	40.040	N/A	500,004	-
<b>Total Florida Department of Economic Opportunity</b>			<b>500,004</b>	<b>-</b>
<b>Florida Department of Law Enforcement:</b>				
Assistance with Investigative Operations	71.010	Z4011	228	-
<b>Total Federal Department of Law Enforcement</b>			<b>228</b>	<b>-</b>
<b>Total Expenditures of State Financial Assistance</b>			<b>2,169,792</b>	<b>-</b>
<b>Total Expenditures of Federal Awards and State Financial Assistance</b>			<b>26,306,917</b>	<b>935,026</b>

**City of Clearwater, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance Projects**  
**For the Year Ended September 30, 2022**

NOTE 1 – Basis of Presentation

(a) Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects (“Schedule”) presents the activity of all federal financial and state grant activity projects of the City of Clearwater, Florida (the “City”). Federal and state financial assistance received directly from federal and state agencies, and federal financial assistance passed through other governmental agencies are included on the schedules. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550.

(b) Disaster Grants – Public Assistance (Presidentially Declared Disaster) (97.036)

After a Presidentialy Declared Disaster, the Federal Emergency Management Agency (FEMA) provides a Public Assistance Grant to reimburse eligible costs associated with emergency response, debris removal, and eligible costs associated with repair, replacement, or restoration of disaster-damaged facilities. The Federal Government reimburses in the form of cost-shared grants.

During fiscal 2022, FEMA approved \$0 of eligible expenditures that were incurred in prior years and included in the Schedule.

NOTE 2 – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects is presented using the modified accrual or accrual basis of accounting, depending on the type of fund in which the grant is recorded, as described in Note I.C. to the City’s basic financial statements.

NOTE 3 – ALN/CSFA Numbers

ALN numbers represent Assistance Living Numbers and apply only to federal awards. CSFA numbers represent Catalog of State Financial Assistance and apply only to state financial assistance.

NOTE 4 – Subrecipients

Of the federal and state expenditures presented in the Schedule, the City provided federal and state awards to subrecipients as follows:

Program Title	Federal ALN/ State CFSA	Amount Provided To Subrecipients
U.S. HUD Community Development Block Grant	14.218	\$927,526
U.S. HUD Home Investment Partnerships Program	14.239	\$ 7,500

**City of Clearwater, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance Projects**  
**For the Year Ended September 30, 2022**

NOTE 5 – Loans Outstanding

The current year additions related to the loans are included in the Schedule of Expenditures of Federal Awards and State Financial Assistance Projects. The City had the following loan balances outstanding, net of \$11,766,586 allowance for uncollectable accounts, at September 30, 2022:

14.218	Community Development Block Grant	\$ 841,331
14.239	Home Investment Partnership Program	1,725,283
40.901	State Housing Initiative Partnership	<u>2,147,588</u>
		<u>\$ 4,714,202</u>

NOTE 6 – Indirect Cost Rate

The City did not utilize the 10% de minimis indirect cost rates for reimbursement of grant expenditures for the fiscal year ended September 30, 2022.

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | None       |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes        |
| c. Noncompliance material to the financial statements noted?                     | None       |

*Federal Awards:*

- |  |   |                |        |   |  |
|--|---|----------------|--------|---|--|
| 1. Type of auditors’ report issued on compliance for major programs  | Unmodified  |                |        |   |  |
| 2. Internal control over major programs:   |   |                |        |   |  |
| a. Material weaknesses identified?   | None  |                |        |   |  |
| b. Significant deficiencies identified not considered to be material weaknesses?   | None noted  |                |        |   |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?   | None  |                |        |   |  |
| 4. Identification of major programs:   |   |                |        |   |  |
| Assistance Listing   |   |                |        |   |  |
| <table border="0"> <tr> <td style="text-align: center;"><u>Number</u></td> <td style="text-align: center;"><u>Program</u></td> </tr> <tr> <td style="text-align: center;">21.027</td> <td style="text-align: center;">COVID-19 Coronavirus State and<br/>Local Fiscal Recovery Funds</td> </tr> </table> | <u>Number</u>   | <u>Program</u> | 21.027 | COVID-19 Coronavirus State and<br>Local Fiscal Recovery Funds |  |
| <u>Number</u>  | <u>Program</u>  |                |        |   |  |
| 21.027   | COVID-19 Coronavirus State and<br>Local Fiscal Recovery Funds |                |        |   |  |
| 5. Dollar threshold used to distinguish between type A and type B programs:  | \$750,000   |                |        |   |  |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520?  | No  |                |        |   |  |

*State Awards:*

- |   |   |                |        |   |  |
|---|---|----------------|--------|---|--|
| 1. Type of auditors’ report issued on compliance for major programs   | Unmodified                                    |                |        |   |  |
| 2. Internal control over major programs:  |   |                |        |   |  |
| a. Material weaknesses identified?  | None  |                |        |   |  |
| b. Significant deficiencies identified not considered to be material weaknesses?  | None noted                                    |                |        |   |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with Rule 10.554(1)(l)(4)?   | None  |                |        |   |  |
| 4. Identification of major projects:  |   |                |        |   |  |
| CSFA  |   |                |        |   |  |
| <table border="0"> <tr> <td style="text-align: center;"><u>Number</u></td> <td style="text-align: center;"><u>Project</u></td> </tr> <tr> <td style="text-align: center;">40.901</td> <td style="text-align: center;">State Housing Initiatives Partnership Program</td> </tr> </table> | <u>Number</u>                                 | <u>Project</u> | 40.901 | State Housing Initiatives Partnership Program |  |
| <u>Number</u>   | <u>Project</u>                                |                |        |   |  |
| 40.901  | State Housing Initiatives Partnership Program |                |        |   |  |
| 5. Dollar threshold used to distinguish between type A and type B programs:   | \$650,938                                     |                |        |   |  |

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

### **Significant Deficiency**

#### **Finding Number: 2022-001 Financial Reporting**

**Criteria:** The City is required to record transactions in accordance with generally accepted accounting principles.

**Condition:** The carrying amount of liabilities for estimated unpaid claims was overstated in the financial statements.

**Cause:** The City did not appropriately record the carrying amount of liabilities for estimated unpaid claims at present value in the financial statements in accordance with generally accepted accounting principles.

**Effect:** A correcting adjustment was recorded in the amount of \$741,185 to discount the estimated claim liability at year-end to present value.

**Recommendation:** The City should review accounting policies and processes to ensure transactions are recorded in accordance with generally accepted accounting principles.

**Response:** See attached Corrective Action Plan.

## **SECTION III – FEDERAL AWARD FINDINGS**

None noted.

## **SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

No prior year audit findings.



# CITY OF CLEARWATER

FINANCE DEPARTMENT, POST OFFICE BOX 4748, CLEARWATER, FLORIDA 33758-4748

MUNICIPAL SERVICES BUILDING, 100 SOUTH MYRTLE AVENUE

TELEPHONE (727) 562-4530 FAX (727) 562-4535

## **Corrective Action Plan for the City of Clearwater, Florida for Fiscal Year 2022**

The Corrective Action Plan, indicating the parties responsible for implementation, is presented as follows:

### **Finding Number: 2022-001 – Significant Deficiency**

Corrective Action Plan: Management will document a procedure by which the Assistant Finance Director will prepare the accrual adjustment, to be reviewed and approved by the Finance Director in writing.

Responsible Party: Jay Ravins, Finance Director

Anticipated Date of Completion: May 1, 2023

Mark Bunker, Councilmember  
Kathleen Beckman, Councilmember

Brian J. Aungst Sr., Mayor



David Allbritton, Councilmember  
Lina Teixeira, Councilmember

“Equal Employment and Affirmative Action Employer”

## **MANAGEMENT LETTER**

To the Honorable Mayor and City Council Members  
City of Clearwater, Florida

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

We have audited the financial statements of the City of Clearwater, Florida (the "City"), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 28, 2023.

### **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; the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent 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 and schedule, which are dated April 28, 2023, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

### **Financial Condition and Management**

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

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

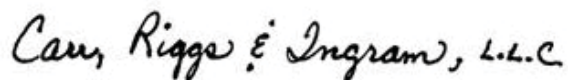
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we identified a significant deficiency related to an adjustment to discount the estimated claim liability at year-end to present value. Additionally, we identified a control deficiency related to an understatement of tax revenue during the year for communications services tax revenue. We recommend that management continue to improve the fiscal year-end closing process for recording transactions in accordance with generally accepted accounting principles.

**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, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

April 28, 2023





**Carr, Riggs & Ingram, LLC**  
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Suite 1000  
Clearwater, FL 33755

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CRlcpa.com

## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES**

To the Honorable Mayor and City Council Members  
City of Clearwater, Florida

We have examined City of Clearwater, Florida's, (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the City's compliance with the requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida  
April 28, 2023