



CITY OF CLEARWATER, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024



ON THE COVER

This year's budget cover commemorates the extensive design, construction and opening of Coachman Park. This multi-year project set out to connect the waterfront bluff and downtown, elevating Clearwater's recreation and cultural offerings. The development of the park was a collaborative effort involving all city departments and valued resident input.

Coachman Park, spanning 19 acres, boasts a 4,000-seat music venue, giant playground, splash pad, dockmaster amenity building, scenic viewing areas and wide pedestrian walkways. This destination park is a testament to Clearwater's commitment to enrich community well-being and provide public green spaces.



**City of Clearwater, Florida
Annual Comprehensive Financial Report
for Fiscal Year Ended September 30, 2024**



Bruce Rector
Mayor

David Allbritton
Councilmember

Ryan Cotton
Councilmember

Mike Mannino
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, 2024**

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CITY OF CLEARWATER

OFFICE OF THE CITY MANAGER

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March 31, 2025

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, 2024.

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, 2024, 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, 2024, 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.

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.

Ryan Cotton, Councilmember
Mike Mannino, Councilmember

Bruce Rector, Mayor



David Allbritton, Councilmember
Lina Teixeira, Councilmember

"Equal Employment and Affirmative Action Employer"

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 Coast, 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 twelve consecutive years of increases: 3.3%, 6.0%, 6.6%, 7.4%, 8.3%, 9.6%, 6.7%, 6.8%, 5.4% 13.2%, 11.1%, and 9.5% increases for January 1, 2013 thru January 1, 2024 tax rolls, respectively.

The unemployment rate for the Tampa metro area at September 30, 2024 was 3.6% versus 3.3% at September 30, 2023. The national rate was 4.1% and the state unemployment rate was 3.3% as of September 30, 2024. The Tampa/St Petersburg/Clearwater metro area continues to benefit from an influx of new residents and businesses, as well as strong tourism. Local tourism was significantly impacted by Hurricane Helene's damage to Clearwater beaches in late September, followed by additional damage from Hurricane Milton a couple weeks later. Remarkably, significant progress has been made in restoring beach tourism amenities in preparation for what is expected to be a strong spring break season during fiscal year 2025.

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. The significant upgrading of the City's downtown waterfront Coachman Park, including a new amphitheater with four thousand covered seats, will further increase the attractiveness of Clearwater as it helps rejuvenate the downtown business district.

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 \$56.3 million is budgeted for utility capital projects for fiscal year 2025 with a total of \$752.8 million budgeted over the next six years.

Downtown Clearwater is experiencing a period of rebirth due to the long-anticipated waterfront redevelopment and grand re-opening of Coachman Park during the Summer of 2023. This included the grand opening of the new waterfront amphitheater, The BayCare Sound, with 4,000 covered seats and a lawn seating area for 5,000 more.

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 approximately 400 apartments, new dining and retail options, new event and green space, and additional parking. These additions to Clearwater's downtown are expected to promote 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. We have also experienced substantial residential redevelopment in the adjoining North Fort Harrison/Old Bay area.

The ULI initiatives remained a high priority for the City during fiscal year 2024. Additional related projects remaining included fiscal 2024 completion of streetscaping in the Downtown Gateway, construction of The Mercado, an open-air 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. The building is now listed on the National Register of Historic Places as well as locally designated. These projects and others are of a size and substance to redefine the face of downtown and surrounding areas.

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. The City Council has provided \$5 million in General Fund 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, 2023. This was the 45th 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 2024 Budget document, the 38th 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



Jay Ravins
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

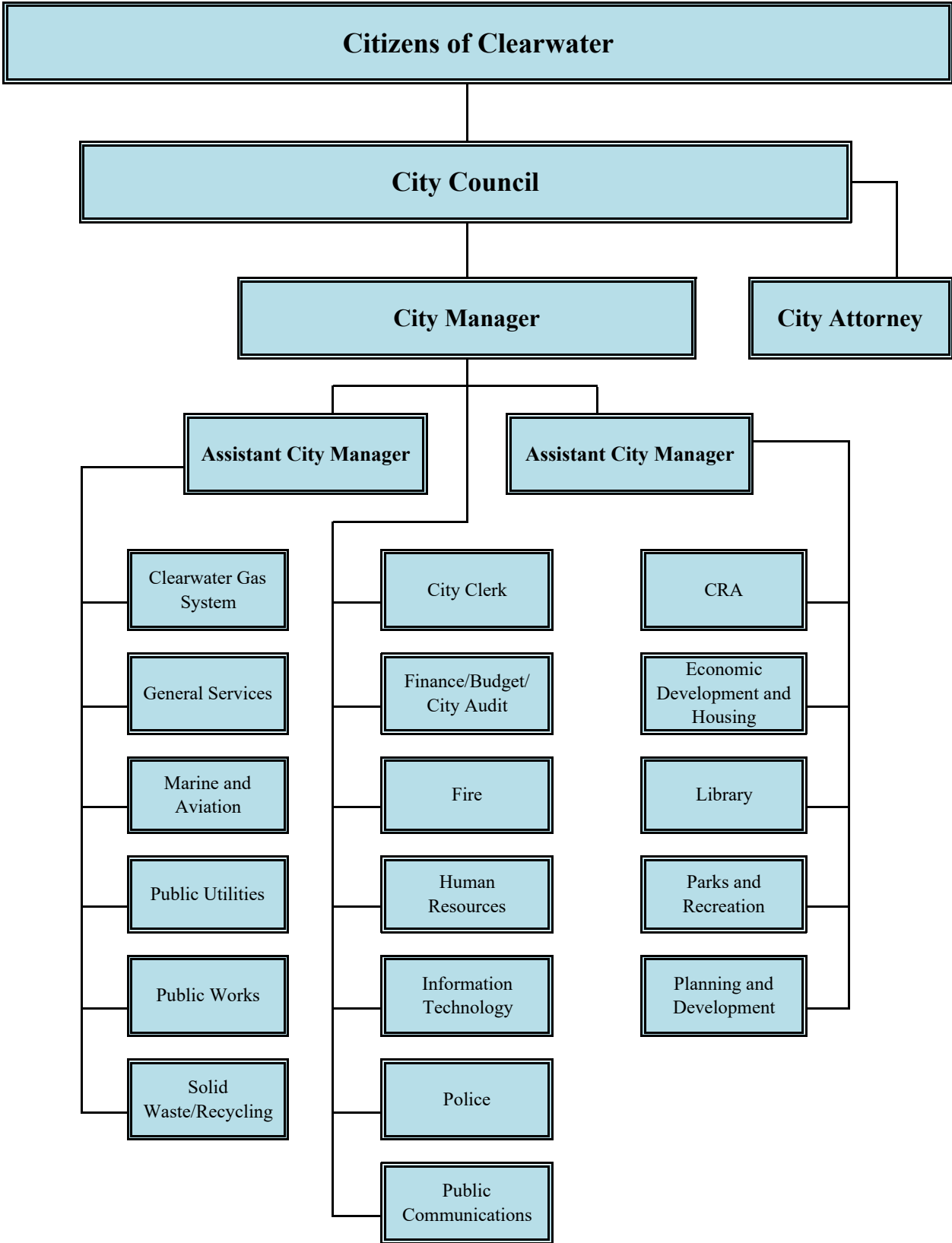
**City of Clearwater
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO





CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT AUDITOR’S 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, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents. 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, 2024, 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, 2024, 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, 2024, 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 Auditor’s 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. 100, *Accounting Changes and Error Corrections*. 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Clearwater, Florida

March 31, 2025

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, 2024. *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 2024 by \$1.4 billion (*net position*). Of this amount, \$578.0 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 \$95.7 million, or 7.3%, from the prior year's net position, as restated. Net position for governmental activities increased by \$40.5 million, or 6.3%, while the business-type net position increased by \$55.1 million, or 8.2%.
- Governmental net position increased by \$40.5 million in fiscal 2024, versus a decrease of \$770 thousand in fiscal 2023. A decrease of \$14.3 million in governmental program expenses, most significantly in the public safety and transportation functions, plus an increase in governmental program revenues of \$1.6 million, resulted in a decrease in net program expenses of \$15.9 million. Total general revenues for governmental activities increased by \$20.4 million, or 13.0%, primarily due to an increase of \$11.7 million (121.4%) in investment earnings due to an increase in interest rates as well as an increase in market valuation of the City's investment portfolio and corresponding increase in unrealized gains. Also contributing to the increase was a \$9.9 million, or 11.5%, increase in property taxes due to higher taxable property values. Net transfers to governmental activities increased \$5.0 million, primarily due to an increase in the annual dividend paid by the Gas Utility Enterprise Fund to the General Fund, increases in the PILOT paid from the enterprise funds to the General Fund, and increases in transfers from the enterprise funds to the Garage Internal Service Fund for the purchase of vehicles.
- Business-type net position increased \$55.1 million in fiscal 2024, versus an increase of \$46.4 million in fiscal 2023. Net revenue from business-type activities, before investment earnings and transfers, decreased \$5.8 million, or 15.0%, primarily due to an increase in program expenses of \$3.5 million, or 1.9%, a decrease in charges for services of \$2.0 million, or 0.9%, and a decrease in capital grants and contributions of \$316 thousand, or 12.1%. The most significant decrease in charges for services of \$6 million, or 12.6%, occurred in the Gas Utility Fund due to a reduction in various rates effective February 1, 2024, as well as the sale of the liquid propane operation, offset by an increase of \$3.6 million, or 3.4%, in the Water & Sewer Utility primarily due to a 3% rate increase effective October 1, 2023. General revenues increased \$19.5 million due to an increase in interest rates as well as an increase in market valuation of the City's investment portfolio and corresponding increase in unrealized gains. Net transfers to governmental activities increased \$5.0 million, primarily due to an increase in the annual dividend paid by the Gas Utility Enterprise Fund to the General Fund, increases in the PILOT paid from the enterprise funds to the General Fund, and increases in transfers from the enterprise funds to the Garage Internal Service Fund for the purchase of vehicles.
- As of September 30, 2024, the City's governmental funds reported combined ending fund balances of \$205.7 million, an increase of \$25.6 million, or 14.2%, in comparison with the prior year's fund balance, as restated. Of this amount, \$75.1 million (or 36.5%) is *available for spending* at the government's discretion (*unassigned fund balance*).
- As of September 30, 2024, unrestricted fund balance (the total of the *committed*, *assigned* and *unassigned* components of *fund balance*) for the General Fund was \$75.7 million, or 43.2% of total fiscal 2024 General Fund expenditures.
- Total outstanding long-term liabilities decreased \$11.2 million from the prior year, primarily due to a decrease in bonds payable of \$7.5 million due to scheduled principal payments, a decrease in financed purchases of \$2.2

million due to a shift to alternative internal financing, a decrease in the liability for other postemployment benefits of \$3.5 million, and a decrease in claims payable of \$1.1 million; offset by an increase in compensated absences of \$1.8 million, an increase in subscription software liabilities of \$1.3 million, and an increase in lease liabilities of \$30 thousand.

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.

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, downtown boat slip and parking system operations are reported as business-type activities.

- The *statement of net position* presents information on all 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 because 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) and the Clearwater Downtown Development Board (DDB). These entities, though legally separate, are reported as part of the *primary government* as a *blended* component units because the City Council serves as their governing boards and City management has operational responsibility for them.

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 fourteen 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 ten 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, both Community Redevelopment Agency Special Revenue Funds, and the Downtown Development Board 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 24-29 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 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 30-41 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 and private organizations.

The fiduciary fund statements can be found on pages 42-43 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 44-114 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 115-121 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 123-147 of this report.

Government-Wide Financial Analysis

The total net position of the City increased in both fiscal 2023 and fiscal 2024. 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 \$1.4 billion at the close of the fiscal year ended September 30, 2024. This represents an increase of \$95.7 million from the September 30, 2023 net position of \$1.3 billion, as restated. 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:

City of Clearwater, Florida - Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023 Restated	2024	2023	2024	2023 Restated
Assets						
Current and other assets	\$ 455,672,353	\$ 307,139,381	\$ 488,832,311	\$ 415,106,185	\$ 944,504,664	\$ 722,245,566
Capital and right to use assets	370,907,706	377,395,520	414,005,972	419,836,546	784,913,678	797,232,066
Total assets	826,580,059	684,534,901	902,838,283	834,942,731	1,729,418,342	1,519,477,632
Deferred Outflows of Resources						
	23,755,914	72,649,915	9,964,861	17,324,691	33,720,775	89,974,606
Liabilities						
Current and other liabilities	17,785,381	17,049,295	32,886,292	26,318,276	50,671,673	43,367,571
Long-term debt outstanding:						
Due within one year	17,080,573	16,909,256	4,311,604	7,863,337	21,392,177	24,772,593
Due in more than one year	62,324,153	66,098,688	126,439,913	135,568,584	188,764,066	201,667,272
Total liabilities	97,190,107	100,057,239	163,637,809	169,750,197	260,827,916	269,807,436
Deferred Inflows of Resources						
	72,606,371	15,639,379	20,914,258	9,399,087	93,520,629	25,038,466
Net position						
Net investment in capital assets	325,616,791	328,830,303	290,478,958	289,246,103	616,095,749	618,076,406
Restricted	184,277,159	65,625,254	30,447,292	13,887,710	214,724,451	79,512,964
Unrestricted	170,645,545	245,539,399	407,324,827	369,984,325	577,970,372	615,523,724
Total net position	\$ 680,539,495	\$ 639,994,956	\$ 728,251,077	\$ 673,118,138	\$ 1,408,790,572	\$ 1,313,113,094

A large portion of the City's net position (\$616.1 million or 43.8%) represents its net investment in capital assets (e.g., land, infrastructure, land improvements, buildings, equipment, and right-to-use assets, less any related outstanding debt used to acquire those assets). The City uses these capital and right-to-use 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 a decrease of \$3.2 million (0.98%) in *net investment in capital assets* for governmental activities versus the previous year. The decrease was due to a net decrease of \$6.5 million in governmental capital and right-to-use assets for the current fiscal year along with a decrease in bonds payable of \$601 thousand due to scheduled principal payments, a decrease in financed purchases of \$2.1 million due to a shift to alternative internal financing, a decrease of \$30 thousand in the lease liability, and a decrease of \$1.9 million in capital related accounts and contracts payable; offset by an increase in the subscription liability of \$1.3 million. The decrease in governmental capital and right-to-use assets of \$6.5 million resulted from capital asset additions of \$22.4 million offset by depreciation expense of \$25.9 million, and net capital asset retirements of \$3.5 million, in addition to a decrease in right-to-use lease assets of \$101 thousand, net of accumulated amortization, and an increase in right-to-use subscription assets of \$561 thousand, net of accumulated amortization.

Net investment in capital assets for business-type activities increased by \$1.2 million (0.4%) versus the previous year due to a net decrease in business-type bonds payable of \$6.9 million due to scheduled principal payments, a decrease of \$174 thousand in financed purchases versus the prior year, and a \$777 thousand decrease in capital-related accounts and contracts payable; partially offset by a \$5.8 million decrease in business-type capital assets (net of accumulated depreciation) and a \$831 thousand decrease in bond refunding deferred outflows.

An additional portion of the City's net position (\$214.7 million or 15.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$578.0 million or 41.0%) 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, 2024, and September 30, 2023:

City of Clearwater, Florida - Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 54,150,129	\$ 54,651,639	\$ 220,480,010	\$ 222,477,179	\$ 274,630,139	\$ 277,128,818
Operating grants and contributions	15,902,513	11,427,048	-	-	15,902,513	11,427,048
Capital grants and contributions	1,349,494	3,708,872	2,292,205	2,608,400	3,641,699	6,317,272
General revenues:						
Property taxes	96,047,249	86,167,933	-	-	96,047,249	86,167,933
Sales taxes	26,368,517	26,876,285	-	-	26,368,517	26,876,285
Utility taxes	19,489,071	19,944,845	-	-	19,489,071	19,944,845
Communications services taxes	4,504,832	4,558,837	-	-	4,504,832	4,558,837
Local business tax	2,125,618	2,082,520	-	-	2,125,618	2,082,520
Local option gas tax	1,440,896	1,483,005	-	-	1,440,896	1,483,005
State revenue sharing	5,358,740	5,583,615	-	-	5,358,740	5,583,615
Other	21,510,679	9,785,725	27,393,674	7,888,051	48,904,353	17,673,776
Total revenues	248,247,738	226,270,324	250,165,889	232,973,630	498,413,627	459,243,954
Expenses						
General Government	23,229,875	20,433,617	-	-	23,229,875	20,433,617
Public Safety	96,292,688	121,525,470	-	-	96,292,688	121,525,470
Physical Environment	2,843,431	1,940,448	-	-	2,843,431	1,940,448
Transportation	14,507,517	19,600,447	-	-	14,507,517	19,600,447
Economic Environment	11,583,968	6,495,763	-	-	11,583,968	6,495,763
Human Services	2,109,160	2,162,743	-	-	2,109,160	2,162,743
Culture and Recreation	60,273,014	53,120,354	-	-	60,273,014	53,120,354
Interest on Long-term Debt	1,906,133	1,770,290	-	-	1,906,133	1,770,290
Water and Sewer Utility	-	-	105,361,710	94,446,651	105,361,710	94,446,651
Gas Utility	-	-	30,567,951	37,731,287	30,567,951	37,731,287
Solid Waste Utility	-	-	22,800,078	23,278,994	22,800,078	23,278,994
Stormwater Utility	-	-	12,941,644	12,109,333	12,941,644	12,109,333
Recycling Utility	-	-	3,490,856	3,810,190	3,490,856	3,810,190
Other	-	-	14,828,124	15,145,889	14,828,124	15,145,889
Total expenses	212,745,786	227,049,132	189,990,363	186,522,344	402,736,149	413,571,476
Increase in net position before transfers	35,501,952	(778,808)	60,175,526	46,451,286	95,677,478	45,672,478
Transfers	5,042,587	9,120	(5,042,587)	(9,120)	-	-
Increase in net position	40,544,539	(769,688)	55,132,939	46,442,166	95,677,478	45,672,478
Net position - beginning (restated)	639,994,956	641,581,074	673,118,138	626,675,972	1,313,113,094	1,268,257,046
Total net position - ending	\$ 680,539,495	\$ 640,811,386	\$ 728,251,077	\$ 673,118,138	\$ 1,408,790,572	\$ 1,313,929,524

Governmental Activities

Net position of governmental activities increased by \$40.5 million from \$640.0 million, as restated, to \$680.5 million as of September 30, 2024. This represents an increase of 6.3% in net position for governmental activities.

Total expenses for governmental activities decreased by \$14.3 million, or 6.3%, versus the prior year. The most significant decrease was experienced in the public safety program (\$25.2 million), offset by increases in the economic environment program (\$5.1 million) due to funding for the Archway Gardens project from the Community Redevelopment Agency, and the culture and recreation program (\$7.2 million). The public safety decrease was primarily due to decreased pension expenses in the current year due to an increase in the net pension asset as well as amortization of deferred outflows. Although the culture and recreation program had a similar decrease in pension expense, it was more than offset by increases in operating costs for the first full year of Coachman Park operations, as well as increased project activity in the Capital Improvement Fund.

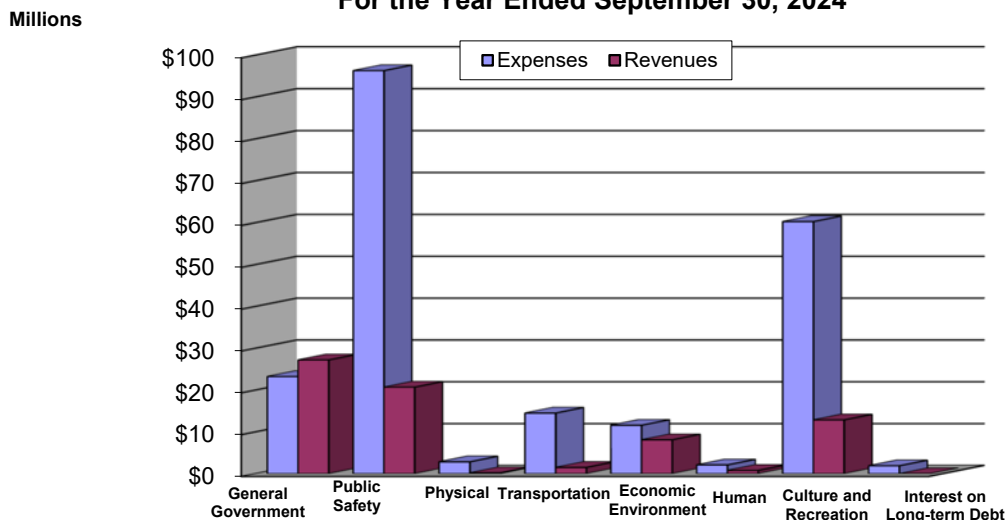
Total program revenues for governmental activities increased by \$1.6 million, or 2.3%, versus the prior year. The increase was primarily due to an increase operating grants and contributions of \$4.5 million (39.2%) primarily in the public safety program (\$1.3 million) and the economic environment program (\$2.8 million) due to increased grant activity, partially offset by a decrease in charges for services of \$502 thousand, or 0.9%, and a decrease in capital grants and contributions of

\$2.4 million (63.6%) in the culture and recreation program due to grant activity in the prior fiscal year related to the construction of Coachman Park.

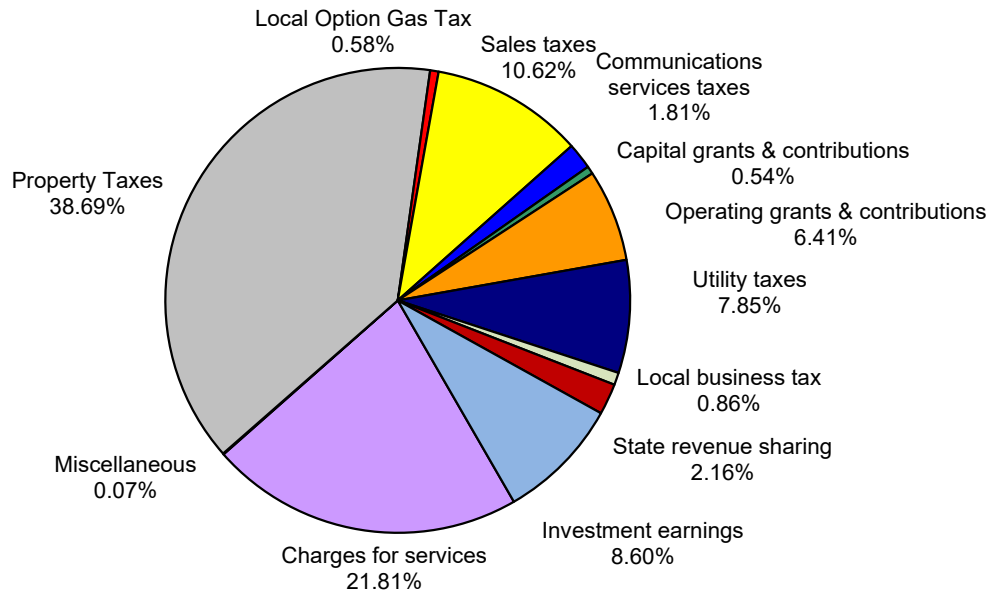
Total general revenues for governmental activities increased by \$20.4 million, or 13.0%, primarily due to an increase of \$11.7 million in investment earnings due to higher interest rates as well as increased market valuation of the City’s investment portfolio. Also contributing to the increase was a \$9.9 million, or 11.5%, increase in property taxes. Because the millage rate did not change from the previous year, the increase in property taxes is primarily due to an increase in taxable property values of approximately 10.5%, from \$15.2 billion to \$16.8 billion, including new construction. The bulk of this increase (\$1.7 billion) is related to increases in current values, while the value of new construction and annexations totals \$107.8 million. Net transfers in from business-type activities increased \$5.0 million, primarily due to an increase in the annual dividend paid by the Gas Utility Enterprise Fund to the General Fund, increases in the PILOT paid from the enterprise funds to the General Fund, and increases in transfers from the enterprise funds to the Garage Internal Service Fund for the purchase of vehicles.

The cost of all governmental activities this year was \$212.7 million. This reflects a decrease of \$14.3 million, or 6.3%, from the fiscal 2023 total of \$227.0 million, as discussed above. However, as shown on the *Statement of Activities*, the amount that the City’s taxpayers ultimately financed for fiscal 2024 activities totaled \$141.3 million, because some of the cost was paid for by those who directly benefited from the programs (\$54.2 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$17.2 million). This total of \$141.3 million is \$15.9 million, or 10.2%, less than the fiscal 2023 amount financed from program revenues.

Expenses and Program Revenues - Governmental Activities For the Year Ended September 30, 2024



**Revenues by Sources - Governmental Activities
For the Year Ended September 30, 2024**



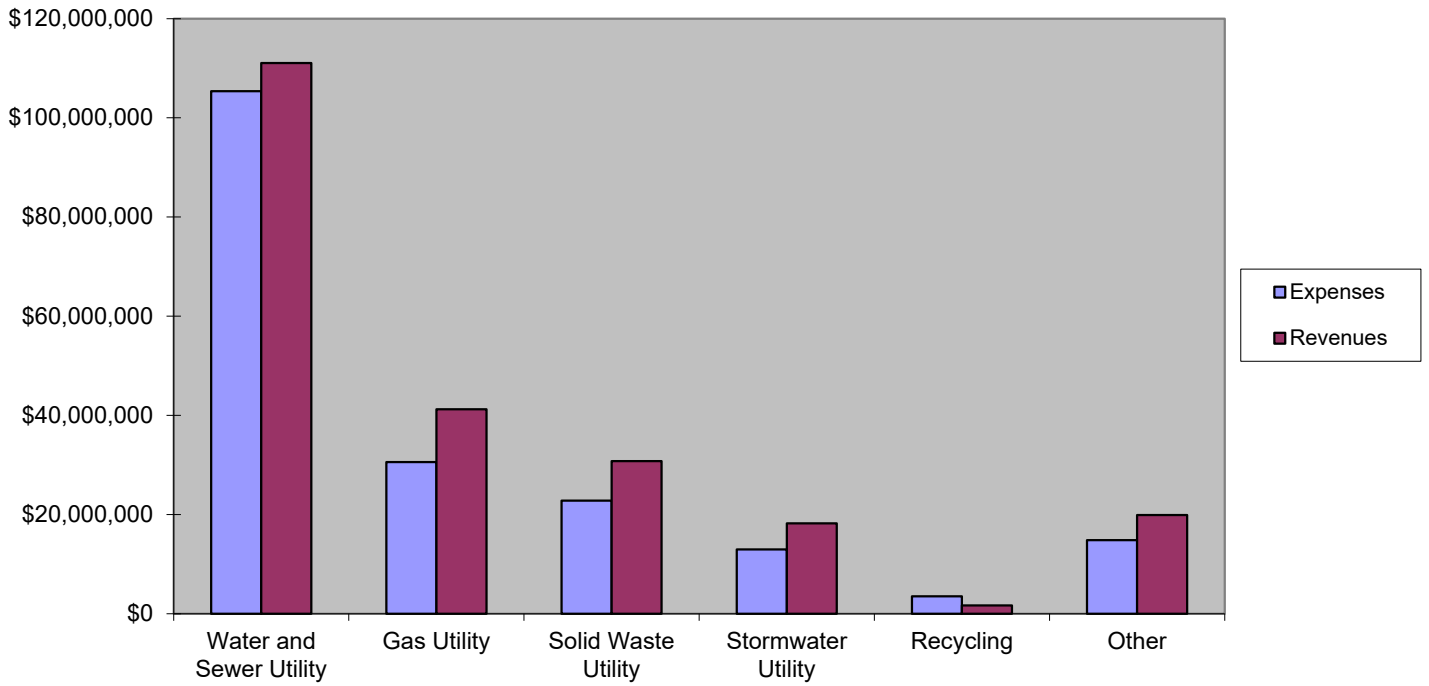
Business-type Activities

Net position for business-type activities increased by \$55.1 million, from \$673.1 million at September 30, 2023, to \$728.2 million as of September 30, 2024. This represents an increase of 8.2% in net position for business-type activities. Net revenue from business-type activities, before investment earnings and transfers, decreased from \$38.6 million for the prior year to \$32.8 million for fiscal 2024. This \$5.8 million, or 15.0%, decrease was primarily the result of an increase in program expenses of \$3.5 million, or 1.9%, a decrease in charges for services of \$2.0 million, or 0.9%, and a decrease grants and contributions of \$316 thousand.

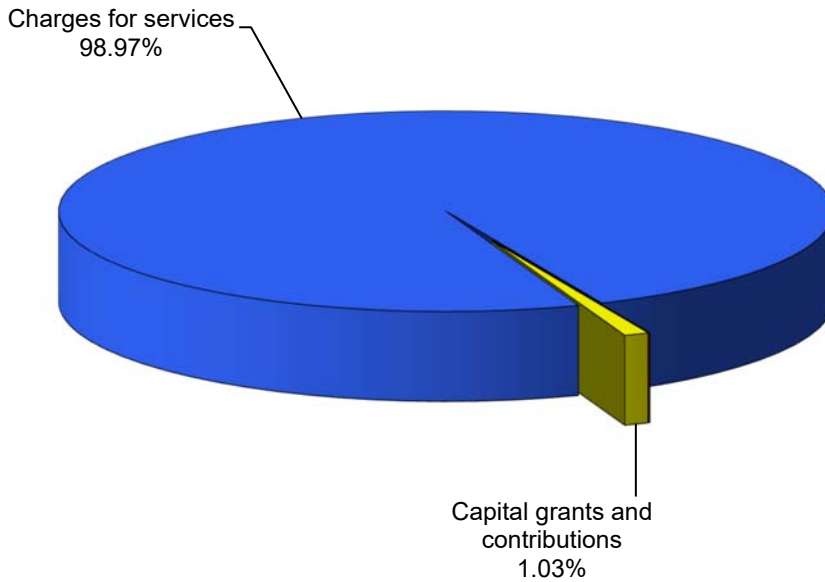
Total program revenues for business-type activities decreased by \$2.3 million, or 1.0%, to \$222.8 million versus the prior year total of \$225.1 million, due to a decrease of \$2.0 million (0.9%) in charges for services consisting of a \$6 million decrease, or 12.6%, in the Gas Utility due to a reduction in various rates effective February 1, 2024, as well as the sale of the liquid propane operation, offset by an increase of \$3.6 million, or 3.4%, in the Water & Sewer Utility due to a 3% rate increase effective October 1, 2023; along with a decrease in grants and contributions of \$316 thousand, or 12.1%, due to increased grant revenue in the Marine Fund (\$468 thousand), the Aviation Fund (\$226 thousand), and the Clearwater Harbor Marina Fund (\$168 thousand), offset by a decrease of \$1.2 million in the Water & Sewer Utility resulting from reduced reimbursements from the City of Safety Harbor for shared costs at the Northeast Wastewater Treatment Plant.

Total expenses for business-type activities increased by \$3.5 million, or 1.9%, from \$186.5 million in fiscal year 2023 to \$190.0 million for fiscal 2024. The most significant increases were in the Water & Sewer Utility (\$10.9 million, or 11.6%), partially offset by a decrease in Gas Utility expenses of \$7.2 million, or 19.0%.

**Expenses and Program Revenue - Business-type Activities
For the Year Ended September 30, 2024**



**Revenues by Source - Business-type Activities
For the Year Ended September 30, 2024**



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, 2024, reflect a combined *fund balance* of \$205.7 million versus \$180.1 million for the prior year, as restated, an increase of \$25.6 million. A total of \$75.0 million, or 36.5%, represents *unassigned fund balance* available for spending at the government's discretion. The remainder of the fund balance is classified as *assigned* (\$3.7 million or 1.8%) to indicate that it is intended to be used for specific purposes supported by management's intent; *committed* (\$53.8 million or 26.1%) to indicate that it can be used only for the specific purposes determined by a formal vote of the City Council; *restricted* (\$73.1 million or 35.6%) to indicate that it can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation; or *nonspendable* (\$51 thousand or 0.03%) 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 increased from \$61.6 million, as restated, to \$75.7 million, an increase of \$14.1 million or 22.8% during the current fiscal year versus an increase of \$2.4 million for fiscal 2023. Expenditures increased \$16.6 million (10.4%) primarily due to budgeted personal services cost increases across all departments, the impact of inflation on operating costs, and internal service cost increases across all departments, including significant information technology and insurance increases. Total revenues increased by \$15.0 million, or 8.2% for fiscal 2024. Significant revenue increases were \$5.8 million (167.3%) in investment earnings due to higher interest rates as well as increased market valuation of the City's investment portfolio as well as the corresponding increase in unrealized gains, \$8.9 million (10.9%) in property taxes due to higher taxable property values, and \$1.0 million (34.5%) in rents and leases due to ticket revenues and naming rights from the first full year of The Sound amphitheater at Coachman Park. Transfers in increased \$6.2 million (49.4%) primarily due to the return of \$3 million from the Capital Improvement Fund for the New City Hall project, as well as an increase of \$2.6 million in the annual dividend from the Gas Utility Fund. Transfers out decreased \$7.4 million (20.1%) primarily due to decreased transfers to the Capital Improvement Fund for project activity.

The fund balance of the Special Development Fund decreased from \$12.9 million to \$5.1 million, a decrease of \$7.8 million or 60.2%, during the current fiscal year versus a decrease of \$3.4 million for fiscal 2023. Total revenues decreased by \$238 thousand, or 0.9%. Although interest rates increased, resulting in increased investment earnings for most funds, the cash balance in the Special Development Fund decreased \$9 million from the prior year such that a decrease in investment earnings of \$539 thousand from the prior year occurred. There were also decreases in the Infrastructure Sales Tax (Penny for Pinellas) revenue of \$8 thousand and the Local Option Gas Tax of \$42 thousand due to reduced sales activity, as well as decreases of \$98 thousand in impact fee activity. These decreases were offset by an increase in property tax revenues of \$449 thousand due to increased property values. Transfers out increased by \$4.2 million, or 14.6%, due to increased transfers to the Capital Improvement Fund for Streets and Sidewalks (\$436 thousand), City-wide Intersection Improvements (\$50 thousand), Ft. Harrison Reconstruction (\$1 million), Long Center Renovations (\$1 million), Athletic Fields Renovations and Improvements (\$250 thousand), Frank Tack Improvements (\$250 thousand), Environmental Remediation (\$750 thousand), and Park Land Acquisition (\$541 thousand).

Fund balance in the Special Programs Fund decreased from \$22.9 million to \$18.8 million, a decrease of \$4.1 million or 17.9% during the current fiscal year versus a decrease of \$2.4 million for fiscal 2023. Revenues increased \$1.4 million, or 17.9%, primarily in the intergovernmental revenue category (\$1.1 million or 48.8%) resulting from increased CDBG revenues of \$1.0 million, a new Police SAFE Grant of \$86 thousand, and increased funding from the Juvenile Welfare Board. Charges for services increased \$281 thousand (14.1%) primarily due to increased police outside duty revenues (\$144 thousand), increased school resource officer duty funded by a private school (\$108 thousand), and increased sponsorship revenues. Fines and forfeitures decreased \$49 thousand (9.6%) due to a reduction in code enforcement fines collected, and investment earnings increased \$876 thousand due to increased market rates as well as an increase

in the market valuation of the City's investment portfolio and corresponding increase in unrealized gains. There was also a decrease of \$872 thousand in miscellaneous revenues due to a large donation to the library in the prior year from the estate of a former patron. Expenditures increased \$1.8 million, or 21.2%, versus the prior fiscal year. Expenditures increased \$173 thousand (118.5%) in the general government program primarily due to the planning studies program, the Nagano Sister Cities program, and an electric feasibility study; \$512 thousand (16.3%) in the public safety program due to hurricane response, school resource officers and the police SAFE Grant; \$9 thousand (33.4%) in the physical environment program due to increased activity in the tree replacement program; \$1.0 million in the economic environment program due to increased economic development, housing and ARPA grant activity; \$259 thousand (15.3%) in human services due to the expenditure of ARPA grant funds; and \$357 thousand in capital outlay for the purchase of land for redevelopment. There was also a decrease of \$532 thousand (64.0%) in culture and recreation due to one-time expenditures for the grand opening of Coachman Park in the prior year. Transfers in increased \$378 thousand (26.0%), primarily due to funding to establish new programs for a feasibility study, research of surplus property, and management of the Amplify sublease agreement. Transfers out increased \$847 thousand (30.0%), primarily due to a one-time transfer of ARPA-related revenues to the Capital Improvement Fund.

The fund balance for the Capital Improvement Fund increased from \$65.1 million, as restated, to \$80.7 million during the current fiscal year. This increase of \$15.6 million, or 24.0%, is primarily the result of current year capital project funding received from other funds in excess of current year 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 \$7.7 million before adjustments and restatements of \$702 thousand to reclassify the Downtown Development Board from a custodial fund to a special revenue fund, versus an increase of \$2.9 million the previous 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 \$13.6 million increase in net position versus a \$14.9 million increase for the prior year. Operating revenues increased by \$3.6 million, or 3.4%, while operating expenses increased \$11.6 million, or 13.0%. This resulted in a net decrease in operating income of \$8.0 million from \$17.0 million in fiscal 2023 to \$9.0 million in 2024. The increase in operating revenues was primarily the result of a 3.0% rate increase effective October 1, 2023. Significant increases in operating expenses were a \$1.5 million, or 19.5%, increase in water purchased from Pinellas County due to outages at the City's water treatment plants, an increase of \$1.7 million, or 21.0%, in professional fees due to increased utilization of outside engineering and project management for unanticipated projects, and an increase of \$7.3 million, or 30.5%, in repairs and maintenance due to aging infrastructure and storm damages. Nonoperating revenue increased by \$8.8 million, from a net revenue of \$733 thousand for fiscal 2023 to a net revenue of \$9.6 million for 2024. This increase was primarily due to increased investment earnings resulting from higher interest rates as well as an increase in market valuation of the City's investment portfolio and corresponding increase in unrealized gains. Additionally, capital grants and contributions decreased by \$1.2 million, or 46.8%, primarily due to a decrease in contributions from the City of Safety Harbor for improvements at the Northeast Wastewater Treatment Plant. Transfers out increased \$1.0 million (18.9%) due to an increase of \$308 thousand (5.8%) in the PILOT paid to the General Fund, and an increase of \$706 thousand (24.1%) transferred to the Garage Fund for the purchase of vehicles.

The Gas Utility Fund realized an increase of \$12.9 million in net position versus an increase of \$8.7 million for the prior year. Operating revenues decreased by \$6.0 million, or (12.6%), from the prior year, while operating expenses decreased by \$2.8 million (7.5%). This resulted in a net decrease in operating income of \$3.2 million from \$10.0 million in 2023 to \$6.8 million in 2024. Operating revenues decreased primarily due to decreased natural gas rates due to market conditions, which is partially offset by a corresponding decrease in the cost of purchases for resale, as well as the sale of the liquid propane operation in April 2024. The decrease in operating expenses was primarily due to a decrease in purchases for resale of \$2.2 million (14.3%) resulting from decreased natural gas commodity prices, as well as a decrease in advertising and marketing of \$554 thousand due to a reduction in builder incentives and residential reimbursements resulting from the completion of two large residential communities in the northern service area. Nonoperating revenue increased \$5.7 million, from a net revenue of \$364 thousand for fiscal 2023 to a net revenue of \$6.0 million for 2024. This increase is due primarily to the sale of the liquid operation to Suburban Propane for \$4.2 million, as well as an increase in investment earnings of \$1.5 million due to higher interest rates as well as an increase in market valuation of the City's investment

portfolio and corresponding increase in unrealized gains. Transfers out increased from \$1.7 million in 2023 to \$4.4 million in 2024 due to the annual dividend paid to the General Fund.

The Solid Waste & Recycling Utility Fund realized a \$7.9 million increase in net position versus a \$5.8 increase in the prior year. Operating revenues increased by \$72 thousand, or 0.2%, while operating expenses also remained fairly flat with a \$48 thousand (0.2%) increase, resulting in an increase of \$24 thousand in operating income. The increase in operating revenues was primarily due to a rate increase of 3.75% effective October 1, 2023, offset by a reduction in recycling revenues as customer billings were suspended for six months due to a reduction in service levels. The most significant variances in operating expenses were an increase in rentals of \$152 thousand for rental of garbage trucks to supplement the fleet due to repairs and backorder of new vehicles, an increase in professional fees of \$111 thousand for single stream recycling disposal and \$70 for leachate disposal, a decrease in miscellaneous charges of \$77 thousand from single stream recycling refunds paid to customers in fiscal 2023, and a decrease in advertising for \$50 thousand paid to Keep Pinellas Beautiful in fiscal 2023. Nonoperating revenue increased by \$2.3 million, from a net revenue of \$889 thousand for fiscal 2023 to a net revenue of \$3.2 million for 2024. This is primarily due to an increase in investment earnings of \$2.3 million due to higher interest rates as well as an increase in market valuation of the City's investment portfolio and corresponding increase in unrealized gains. Transfers out increased \$230 thousand (14.2%) primarily due to an increase of \$96 thousand in the PILOT paid to the General Fund, along with an increase of \$134 thousand paid to the Garage Fund for the purchase of vehicles.

The Stormwater Utility Fund realized an increase in net position of \$8.4 million versus a prior year increase of \$5.4 million. Operating revenues increased by \$626 thousand, or 3.6%, and operating expenses increased \$1.1 million, or 9.2%, resulting in a decrease of \$438 thousand, or 7.2%, in operating income. The increase in operating revenues was primarily due to a 1.75% rate increase effective October 1, 2023, along with an increase in other revenue of \$116 thousand (68.4%) resulting primarily from increases in late payment fees, interfund charges, bad debt expense and capitalized labor. Operating expenses increased primarily due to an increase of \$915 thousand (130.2%) in repairs and maintenance due to an increase in maintenance activity, as well as an increase of \$127 thousand for the rental of stormwater pumps on North Beach. Nonoperating revenue increased from a net revenue of \$738 thousand for fiscal 2023 to a net revenue of \$2.8 million for 2024. The increase was due primarily to an increase in investment earnings of \$2.0 million due to higher interest rates as well as an increase in fair value of the City's investment portfolio and corresponding increase in unrealized gains. Transfers out increased \$842 thousand due to an increase of \$3 thousand in the PILOT paid to the General Fund along with an increase of \$839 paid to the Garage Fund for the purchase of vehicles.

Unrestricted net position and changes in net position of the proprietary funds for fiscal years 2024 and 2023:

Fund	Unrestricted Net Position		Change in Net Position	
	2024	2023	2024	2023
Water and Sewer Utility	\$ 191,942,811	\$ 183,481,126	\$ 13,561,341	\$ 14,921,627
Gas Utility	38,175,360	34,392,426	8,529,918	8,690,876
Solid Waste & Recycling Utility	51,712,557	47,986,879	7,896,904	5,791,556
Stormwater Utility	52,906,487	46,409,888	6,160,588	5,352,196
Other funds	76,946,197	61,495,619	19,561,159	14,111,298
Totals	<u>\$ 411,683,412</u>	<u>\$ 373,765,938</u>	<u>\$ 55,709,910</u>	<u>\$ 48,867,553</u>

General Fund Budgetary Highlights

During fiscal 2024, the original adopted budget projected \$186.1 million in revenues, \$178.9 million in expenditures, and \$7.2 million in other financing uses for a balanced budget. The final amended budget reflected a projected excess of revenues over expenditures and other financing sources/(uses) of \$26 thousand due to increases in almost all revenue and expenditure categories.

The final amended budget for General Fund expenditures reflected a net increase of \$3,918,720, or 2.2%, from the original adopted budget. Key elements of this increase were as follows:

- First Quarter Budget Amendments included an increase of \$2,509,308 across all departments to fund the implementation of the classification and compensation study; an increase of \$33,700 in the City Manager's Office to fund the City Manager's annual pay increase; an increase of \$12,370 in the City Attorney's Office to fund the City Attorney's annual pay increase; an increase of \$6,900 in Economic Development and Housing to fund software

license fees; an increase of \$28,612 in the Fire Department to fund employee training; an increase of \$250,000 in the Parks & Recreation Department to fund the Amplify Clearwater Sublease Agreement; and a decrease of \$40,000 in Police Department overtime to fund special event overtime in the Special Programs Fund.

- Mid-Year Budget Amendments included an increase of \$35,220 to fund salary increases for the Mayor and Council Members.
- Third Quarter Budget Amendments included an increase in the City Attorney's Office of \$79,500 to fund retirement payouts to a longstanding employee and an increase of \$90,000 to provide funding for outside counsel; an increase of \$728,891 in the Fire Department for the Fire Supplemental Pension Plan; a net decrease of \$250,000 in the Parks & Recreation Department for Amplify Sublease Agreement, a net decrease of \$200,000 for McKay Park Renovations, and a net decrease of \$200,000 for Coachman Park Improvements; and an increase of \$834,219 in the Police Department for the Police Supplemental Pension Plan.

Final budgeted revenues reflect a net increase of \$5,209,010, or 2.8%, from the original adopted budget primarily due to third quarter budget amendments for the following:

- An increase of \$282,770 in property tax revenues to reflect actual collections;
- A net increase of \$1,413,000 in utility taxes to bring the budget in line with anticipated receipts for the year consisting of an increase of \$1,350,000 in electric utility taxes, an increase of \$100,000 in water utility taxes, a decrease of \$50,000 in gas utility taxes, and an increase of \$13,000 in propane utility taxes;
- A decrease of \$100,000 in telecommunications service taxes to bring the budget in line with anticipated receipts for the year;
- An increase of \$865,000 in franchise fees to bring the budget in line with anticipated receipts for the year consisting of an increase of \$950,000 in electric franchise fees and a decrease of \$85,000 in gas franchise fees;
- A decrease of \$363,700 in other permits and fees to bring the budget in line with actual anticipated receipts for the year;
- A net increase of \$1,289,300 in intergovernmental revenues to bring the budget in line with anticipated revenues consisting of an increase of \$538,740 in state revenue sharing, a decrease of \$580,200 in the local half-cent sales tax, an increase of \$1,563,110 in public safety supplemental pension revenues, an increase of \$260,900 in fire taxes, and a decrease of \$493,250 in EMS taxes;
- A net decrease of \$90,560 in charges for service to bring the budget in line with anticipated revenues consisting of a decrease of \$150,000 in fire inspection fees and an increase of \$59,440 in Pier 60 revenues;
- An increase of \$80,000 in fines and forfeitures to bring the budget in line with anticipated revenues consisting of an increase of \$50,000 in code enforcement fines and an increase of \$30,000 in red light camera fines;
- An increase of \$1,833,200 in miscellaneous revenues consisting of an increase of \$862,000 in interest earnings, an increase of \$921,200 in beach rental contracts, and an increase of \$50,000 in workers' compensation reimbursements.

Final budgeted "transfers in" from other funds reflect an increase of \$5,680,950, or 42.6%, from the original adopted budget as follows:

- A transfer of \$6,900 from the Special Programs Fund to offset the cost of software licensing fees for Economic Development and Housing;
- A transfer of \$28,612 from the Special Programs Fund to offset the cost of paramedic training for 14 Fire Department employees;
- A transfer of \$3 million from the Capital Improvement Fund to return excess funds from the New City Hall project; and
- A transfer of \$2,645,438 from the Gas Utility Fund for the annual dividend payment.

Final budgeted "transfers out" to other funds reflect an increase of \$6,945,483, or 33.%, from the original adopted budget as follows:

- A transfer of \$213,785 to the Capital Improvement Fund for the North Ward Preservation project;
- A transfer of \$660,000 to the Capital Improvement Fund for the Fire Station #47 Replacement project;
- A transfer of \$40,000 to the Special Programs Fund for the FY24 Special Events program for policing costs at the Sea Blues Festival;
- A transfer of \$165,000 to the General Services Fund for roof replacement at the old Countryside Library;
- A transfer of \$119,008 to the General Services Fund for HVAC system replacement at the old Countryside Library;
- A transfer of \$70,000 to the General Services Fund for light replacement and repair at the old Countryside Library;
- A transfer of \$3 million to the new North Greenwood CRA Capital Fund to establish new projects;
- A transfer of \$200,000 to the Special Programs Fund to for the Property Use/Surplus Planning program;
- A transfer of \$535,000 to the Capital Improvement Fund for the Harborview Site Foundation project;
- A transfer of \$1.1 million to the Capital Improvement Fund for the Myrtle/Cleveland Utility Underground project;

- A transfer of \$250,000 to the Special Programs Fund for the Amplify Sublease Agreement program;
- A transfer of \$200,000 to the Capital Improvement Fund for the McKay Playfield project;
- A transfer of \$200,000 to the Capital Improvement Fund for the Coachman Park Improvements project; and
- A transfer of \$192,690 to the North Greenwood CRA fund for the City's portion of tax increment financing for the new Community Redevelopment Agency district.

Total actual revenues for the General Fund for fiscal 2024 were \$7.1 million, or 3.7%, greater than final budgeted revenues. The increase was primarily due to \$6.2 million in investment earnings in excess of final budget due to increased interest rates as well as an increase in market valuation of the City's investment portfolio and corresponding unrealized gain; and \$1.0 million in intergovernmental revenues due to actual receipts greater than anticipated from EMS taxes (\$601 thousand), state taxes for public safety pensions (\$302 thousand), and EMS reimbursements from Pinellas County (\$184 thousand).

Fiscal 2024 actual expenditures for the General Fund were \$7.4 million, or 4.0%, less than final budgeted expenditures, due to budget savings across most City departments for fiscal 2024, primarily salary savings from vacancies and turnover.

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; and right-to-use software subscriptions accounted for in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, implemented in fiscal 2023. As of September 30, 2024, the City reported capital assets and right-to-use assets totaling \$784,913,678 (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	
	2024	2023	2024	2023	2024	2023
Capital assets:						
Land	\$ 92,686	\$ 94,477	\$ 30,650	\$ 30,650	\$ 123,336	\$ 125,127
Buildings	135,683	95,350	54,255	56,394	189,938	151,744
Improvements other than buildings	62,311	111,953	287,364	294,943	349,675	406,896
Machinery and equipment	26,569	26,216	6,967	8,187	33,536	34,403
Infrastructure	35,005	39,147	-	-	35,005	39,147
Construction in progress	9,791	1,979	34,228	29,663	44,019	31,642
Total capital assets, net	362,045	369,122	413,464	419,837	775,509	788,959
Right-to-use assets:						
Lease buildings	1,538	1,696	-	-	1,538	1,696
Lease machinery and equipment	997	940	-	-	997	940
Subscription software	6,198	5,637	-	-	6,198	5,637
Subscription software work in progress	130	-	542	-	672	-
Total right-to-use assets, net	8,863	8,273	542	-	9,405	8,273
Total capital and right-to-use assets, net	\$ 370,908	\$ 377,395	\$ 414,006	\$ 419,837	\$ 784,914	\$ 797,232

* Net of accumulated depreciation and amortization

Net capital and right-to-use assets for the City's *governmental activities* decreased from \$377.4 million to \$370.9 million, reflecting a decrease of \$6.5 million for the current fiscal year. Capital asset fiscal 2024 additions of \$22.4 million were offset by depreciation expense of \$25.9 million, and net capital asset retirements totaling approximately \$3.5 million. Right-to-use lease assets decreased \$101 thousand due to current year additions of \$946 thousand offset by \$1.0 million in current year amortization. Right-to-use subscription assets increased by \$561 thousand due to current year additions of \$3.7 million offset by \$3.1 million in current year amortization. Major fiscal 2024 completed governmental capital projects include the Ross Norton Community Playground (\$452 thousand).

Net capital assets for the City's *business-type activities* decreased from \$419.8 million to \$414.0 million, reflecting a decrease of \$5.8 million for the current fiscal year. Capital asset additions of \$15.3 million were offset by depreciation expense of \$21.2 million, and net capital asset retirements totaling \$2,262. Major fiscal 2024 completed business-type capital projects include replacement of wave attenuators at the Clearwater Harbor Marina (\$2,201,498) and upgrades to the Natural Gas Vehicle filling station (\$1,913,841).

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

Long-term debt and other long-term liabilities

The City's total long-term liabilities decreased from \$226.4 million to \$215.0 million, a decrease of \$11.4 million, or 5.0%. Long-term liabilities for governmental activities decreased by \$3.6 million, or 4.3%, while long-term liabilities for business-type activities decreased by \$7.8 million or 5.4%. Key factors contributing to these changes included:

- The decrease in long-term liabilities of \$3.6 million for governmental activities is primarily due to a decrease in bonds payable of \$601 thousand resulting from scheduled principal payments, a decrease in financed purchases of \$2.1 million due to a shift to alternative internal financing, a decrease in the liability for other postemployment benefits of \$2.4 million, a decrease lease liabilities of \$30 thousand, and a decrease in claims payable of \$1.1 million due to claims experience; offset by an increase in the liability for compensated absences of \$1.3 million and an increase in subscription liabilities of \$1.3 million.
- The decrease in long-term liabilities of \$7.8 million for business-type activities is primarily due to a reduction in total bonds payable of \$6.9 million resulting from scheduled principal payments, a decrease in financed purchases of \$174 thousand due to a shift to alternative internal financing, and a decrease of \$1.1 million in the liability for other postemployment benefits; offset by an increase of \$478 thousand in the liability for compensated absences.
- The City's bonds payable as of September 30, 2024, 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 \$33.7 million while revenue bonds and direct placement bank loans for business-type activities totaled \$127.1 million.

The City's Charter limits indebtedness to 20% of the assessed valuation of non-exempt real estate. The current debt limitation is approximately \$4.0 billion, which is significantly in excess of the City's applicable indebtedness of approximately \$149.5 million at September 30, 2024.

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

Economic Factors and Year 2025 Budgets and Rates

Factors considered in preparing the City of Clearwater's budget for fiscal year 2025 included:

- Taxable property values for 2024 have increased by approximately 9.6%, from \$16.9 billion to \$18.5 billion, including new construction. The bulk of this increase (\$1.2 billion) is related to increases in current real estate values, while the value of new construction and annexations totals \$413.6 million. Taxable values have experienced another year of significant growth 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. The approved millage rate of 5.8850

mills for fiscal year 2025 is the same as in the prior year. The millage was decreased by 0.07 mills in fiscal year 2023.

- Total full-time equivalent (FTE) positions for 2024/25 are budgeted at 1,904.3 FTEs for all City operations, a net increase of 17.6 FTEs from the 2023/24 amended budget. In the General Fund, this represents a net increase of 6.3 for a total of 1,174.1 FTEs. All other funds total 730.2 FTEs, an increase of 11.3 FTE's.
- The actuary report for the Employees' Pension Plan as of January 1, 2024, indicates that a minimum required City contribution of \$16.2 million, equivalent to 14.42% of total covered payroll, is required for fiscal year 2024/25. This is an increase of approximately \$2.5 million from the City's fiscal year 2023/24 required contribution of \$13.5 million. The plan's credit balance, which reflects actual contributions in excess of actuarial required contributions in prior years, increased from \$35.6 million to \$38.1 million during calendar year 2023, 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 differences in pension benefits, the actuary provides separate contribution rates for non-hazardous and hazardous employees. The budget plans for a contribution rate of 9.16% for non-hazardous and 22.56% for hazardous covered payroll in fiscal year 2024/25, as provided in the actuary's valuation. In an effort to reduce the impact of pension costs on the city's budget, the fiscal year 2024/25 budget includes a reduced contribution rate recognizing the use of approximately \$2.5 million of pension credit balance, which represents the estimated interest earnings for fiscal year 2024/25. This use of credit balance reduces the contribution rate to 6.94% of non-hazardous and 20.34% of hazardous covered payroll in fiscal year 2024/25.
- For fiscal year 2023/24, the cost of medical care for employees is budgeted at \$24.2 million across all City operations, including an estimated 4% increase. Included in this total is \$1.8 million to fund the operating costs of the employee health clinic. The budgeted cost for medical care to the General Fund is estimated at \$15.1 million, an increase of \$608,341, or 4%, over the current budget. Total cost for health insurance, to include coverage of dependents and retirees, is estimated at \$25.7 million, which is budgeted in the Central Insurance Fund. Revenues from payroll deductions are budgeted to offset this expense.
- A water and sewer utility rate study update was completed in June 2023. This rate study confirmed the previously adopted plan of 3% annual increases effective each October 1 through fiscal year 2027. An interim rate study will address emergent capital project needs, and any needed changes to the current rate structure. A gas utility rate study was completed in December 2023, which projected the financial position of the Gas Fund through 2028 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 City Council to be effective February 1, 2024. A solid waste and recycling rate study update was completed in August 2024 and approved by City Council. Effective October 1, 2024, rates will increase 3.75% and will increase on October 1 of each subsequent year through fiscal year 2029. A stormwater rate study was completed in June 2024. Based on this rate study, and due to current operating and capital cost projections, 8% annual increases are necessary for the next five years. Effective October 1, 2024, rates will increase by 8%, and will increase October 1 of each subsequent year through fiscal year 2029.
- **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.

Basic Financial Statements

City of Clearwater, Florida
Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 288,641,556	\$ 415,432,695	\$ 704,074,251
Receivables (net)	16,661,231	26,931,510	43,592,741
Internal balances	6,467,079	(6,467,079)	-
Due from other governments	7,904,709	2,045,653	9,950,362
Prepaid items	4,756,026	897,236	5,653,262
Inventories	566,809	5,817,980	6,384,789
Restricted assets:			
Cash and investments	-	24,458,734	24,458,734
Net pension asset	130,674,943	19,715,582	150,390,525
Capital assets, net:			
Land	92,685,754	30,649,872	123,335,626
Buildings	135,682,983	54,254,697	189,937,680
Improvements other than buildings	62,311,437	287,364,204	349,675,641
Machinery and equipment	26,568,861	6,967,032	33,535,893
Infrastructure	35,004,891	-	35,004,891
Construction in progress	9,790,609	34,228,507	44,019,116
Intangible right-to-use subscription software assets in progress	130,000	541,660	671,660
Intangible right-to-use lease assets, net of accumulated amortization	2,535,166	-	2,535,166
Intangible right-to-use subscription software assets, net of accumulated amortization	6,198,005	-	6,198,005
Total assets	<u>826,580,059</u>	<u>902,838,283</u>	<u>1,729,418,342</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - bond refunding	-	6,321,502	6,321,502
Deferred outflows - pension	23,664,135	3,605,896	27,270,031
Deferred outflows - other postemployment benefits	91,779	37,463	129,242
Total deferred outflows of resources	<u>23,755,914</u>	<u>9,964,861</u>	<u>33,720,775</u>
LIABILITIES			
Accounts payable and other current liabilities	13,397,514	12,443,523	25,841,037
Accrued liabilities	3,188,425	1,141,433	4,329,858
Accrued interest payable	788,479	436,992	1,225,471
Due to other governments	383,799	-	383,799
Deposits	5,300	64,871	70,171
Unearned revenue and liens	21,864	-	21,864
Payable from restricted assets:			
Construction contracts payable	-	2,763,001	2,763,001
Accrued interest payable	-	1,564,895	1,564,895
Customer deposits	-	9,564,493	9,564,493
Bonds payable	-	4,907,084	4,907,084
Non-current liabilities due within one year:			
Compensated absences	6,155,106	1,347,862	7,502,968
Other postemployment benefits	772,977	315,523	1,088,500
Financed purchases	1,449,304	145,303	1,594,607
Lease liability	926,322	-	926,322
Subscription software liability	2,477,144	-	2,477,144
Bonds payable	845,000	2,502,916	3,347,916
Claims payable	4,454,720	-	4,454,720
Long-term debt and liabilities:			
Compensated absences	5,078,789	1,112,170	6,190,959
Other postemployment benefits	13,872,466	5,662,643	19,535,109
Lease liability	1,692,844	-	1,692,844
Subscription software liability	2,535,997	-	2,535,997
Bonds payable	32,903,015	119,665,100	152,568,115
Claims payable	6,241,042	-	6,241,042
Total liabilities	<u>97,190,107</u>	<u>163,637,809</u>	<u>260,827,916</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - business tax receipts	1,643,536	-	1,643,536
Deferred inflows - pension	61,239,064	9,335,986	70,575,050
Deferred inflows - other postemployment benefits	7,833,391	3,197,532	11,030,923
Deferred inflows - leases	1,890,380	8,380,740	10,271,120
Total deferred inflows of resources	<u>72,606,371</u>	<u>20,914,258</u>	<u>93,520,629</u>
NET POSITION			
Net investment in capital assets	325,616,791	290,478,958	616,095,749
Restricted for:			
Capital projects	47,872,068	-	47,872,068
Debt service	915,206	6,433,443	7,348,649
Renewal and replacement	-	300,000	300,000
Grant programs	4,814,942	-	4,814,942
Impact fees	-	3,983,949	3,983,949
Stormwater system fees	-	14,318	14,318
Pensions	130,674,943	19,715,582	150,390,525
Unrestricted	170,645,545	407,324,827	577,970,372
Total net position	<u>\$ 680,539,495</u>	<u>\$ 728,251,077</u>	<u>\$ 1,408,790,572</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, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 23,229,875	\$ 27,201,566	\$ -	\$ -	\$ 3,971,691	\$ -	\$ 3,971,691
Public safety	96,292,688	15,298,448	4,555,625	848,539	(75,590,076)	-	(75,590,076)
Physical environment	2,843,431	194,512	-	9,101	(2,639,818)	-	(2,639,818)
Transportation	14,507,517	231,611	870,268	407,745	(12,997,893)	-	(12,997,893)
Economic environment	11,583,968	122,151	7,990,704	-	(3,471,113)	-	(3,471,113)
Human services	2,109,160	-	796,704	-	(1,312,456)	-	(1,312,456)
Culture and recreation	60,273,014	11,101,841	1,689,212	84,109	(47,397,852)	-	(47,397,852)
Interest on long-term debt	1,906,133	-	-	-	(1,906,133)	-	(1,906,133)
Total governmental activities	<u>212,745,786</u>	<u>54,150,129</u>	<u>15,902,513</u>	<u>1,349,494</u>	<u>(141,343,650)</u>	<u>-</u>	<u>(141,343,650)</u>
Business-type activities:							
Water & Sewer Utility	105,361,710	109,709,151	-	1,336,212	-	5,683,653	5,683,653
Gas Utility	30,567,951	41,212,040	-	-	-	10,644,089	10,644,089
Solid Waste Utility	22,800,078	30,773,973	-	-	-	7,973,895	7,973,895
Stormwater Utility	12,941,644	18,199,630	-	-	-	5,257,986	5,257,986
Recycling Utility	3,490,856	1,653,323	-	-	-	(1,837,533)	(1,837,533)
Marine	5,426,189	6,739,197	-	516,714	-	1,829,722	1,829,722
Aviation	338,900	223,529	-	271,692	-	156,321	156,321
Parking System	7,749,250	10,946,773	-	-	-	3,197,523	3,197,523
Clearwater Harbor Marina	1,313,785	1,022,394	-	167,587	-	(123,804)	(123,804)
Total business-type activities	<u>189,990,363</u>	<u>220,480,010</u>	<u>-</u>	<u>2,292,205</u>	<u>-</u>	<u>32,781,852</u>	<u>32,781,852</u>
Total primary government	<u>\$ 402,736,149</u>	<u>\$ 274,630,139</u>	<u>\$ 15,902,513</u>	<u>\$ 3,641,699</u>	<u>(141,343,650)</u>	<u>32,781,852</u>	<u>(108,561,798)</u>
General revenues:							
Taxes:							
Property taxes					96,047,249	-	96,047,249
Sales taxes					26,368,517	-	26,368,517
Utility taxes					19,489,071	-	19,489,071
Communications services taxes					4,504,832	-	4,504,832
Local business tax					2,125,618	-	2,125,618
Local option gas tax					1,440,896	-	1,440,896
Intergovernmental:							
State revenue sharing - unrestricted					5,358,740	-	5,358,740
Investment earnings (loss)					21,347,854	27,393,674	48,741,528
Miscellaneous					162,825	-	162,825
Transfers					5,042,587	(5,042,587)	-
Total general revenues and transfers					<u>181,888,189</u>	<u>22,351,087</u>	<u>204,239,276</u>
Change in net position					<u>40,544,539</u>	<u>55,132,939</u>	<u>95,677,478</u>
Net position - beginning (as previously reported)					640,811,386	673,118,138	1,313,929,524
Adjustments and restatements					(816,430)	-	(816,430)
Net position - beginning (restated)					<u>639,994,956</u>	<u>673,118,138</u>	<u>1,313,113,094</u>
Net position - ending					<u>\$ 680,539,495</u>	<u>\$ 728,251,077</u>	<u>\$ 1,408,790,572</u>

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

City of Clearwater, Florida
Balance Sheet
Governmental Funds
September 30, 2024

	General Fund	Special Development Fund	Special Programs Fund	Capital Improvement Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS						
Cash and investments	\$ 78,848,760	\$ 1,153,009	\$ 18,104,599	\$ 69,553,933	\$ 22,461,316	\$ 190,121,617
Receivables (net where applicable, of allowances for estimated uncollectible amounts):						
Accrued interest	391,731	101,329	65,971	17,599	65,218	641,848
Accounts and contracts	423,703	-	-	-	-	423,703
Mortgages, notes and other loans	-	-	3,563,527	-	7,022,104	10,585,631
Property taxes	72,916	7,472	-	-	-	80,388
Utility taxes	1,345,129	-	-	-	-	1,345,129
Franchise fees	1,071,244	-	-	-	-	1,071,244
Leases	2,086,437	-	-	-	-	2,086,437
Other	60,285	-	-	-	-	60,285
Due from other funds	-	-	-	4,667,392	-	4,667,392
Due from other governmental entities - grants	-	-	446,514	-	-	446,514
Due from other governmental entities - other	3,071,264	4,224,078	159,360	-	3,493	7,458,195
Inventories, at cost	49,488	-	-	-	-	49,488
Prepaid items	1,540	-	-	-	-	1,540
Advances to other funds	-	-	325,440	11,473,499	48,000	11,846,939
Total assets	<u>\$ 87,422,497</u>	<u>\$ 5,485,888</u>	<u>\$ 22,665,411</u>	<u>\$ 85,712,423</u>	<u>\$ 29,600,131</u>	<u>\$ 230,886,350</u>
LIABILITIES						
Accounts and contracts payable	\$ 2,397,550	\$ -	\$ 519,906	\$ 4,995,156	\$ 47,224	\$ 7,959,836
Accrued payroll	2,815,702	-	45,758	-	-	2,861,460
Due to other funds	525,333	-	10,111	-	-	535,444
Due to other governments	57,078	326,721	-	-	-	383,799
Deposits	5,300	-	-	-	-	5,300
Unearned revenue	176,735	-	21,865	-	-	198,600
Advances from other funds	1,796,428	-	43,408	-	373,440	2,213,276
Total liabilities	<u>7,774,126</u>	<u>326,721</u>	<u>641,048</u>	<u>4,995,156</u>	<u>420,664</u>	<u>14,157,715</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - business tax receipts	1,643,536	-	-	-	-	1,643,536
Deferred inflows - unavailable property tax revenues	72,916	7,472	-	-	-	80,388
Deferred inflows - unavailable code enforcement lien revenues	270,754	-	-	-	-	270,754
Deferred inflows - unavailable mortgage note revenues	-	-	3,102,091	-	3,922,104	7,024,195
Deferred inflows - unavailable intergovernmental revenues	-	-	126,867	-	-	126,867
Deferred inflows - leases	1,890,380	-	-	-	-	1,890,380
Total deferred inflows of resources	<u>3,877,586</u>	<u>7,472</u>	<u>3,228,958</u>	<u>-</u>	<u>3,922,104</u>	<u>11,036,120</u>
FUND BALANCES						
Nonspendable	51,028	-	-	-	-	51,028
Restricted	-	5,151,695	10,297,407	32,428,327	25,257,363	73,134,792
Committed	-	-	5,484,167	48,288,940	-	53,773,107
Assigned	664,507	-	3,013,831	-	-	3,678,338
Unassigned	75,055,250	-	-	-	-	75,055,250
Total fund balances	<u>75,770,785</u>	<u>5,151,695</u>	<u>18,795,405</u>	<u>80,717,267</u>	<u>25,257,363</u>	<u>205,692,515</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 87,422,497</u>	<u>\$ 5,485,888</u>	<u>\$ 22,665,411</u>	<u>\$ 85,712,423</u>	<u>\$ 29,600,131</u>	<u>\$ 230,886,350</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, 2024

Total fund balances of governmental funds as adjusted	\$ 205,692,515
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets totals \$742,469,900 and the accumulated depreciation totals \$380,295,365.	362,174,535
Intangible right-to-use assets used in governmental activities are not financial resources and therefore are not recognized in the funds:	
Lease assets and subscription software assets	13,579,950
Accumulated amortization of lease assets and subscription software assets	(4,846,779)
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	\$ 7,024,195
Deferred inflows - intergovernmental revenues	126,867
Accrued property taxes	80,388
Accrued liens	423,313
Accrued permit fees	24,177
	7,678,940
The net pension asset related to governmental activities does not represent financial resources and is not reported in the funds.	130,674,943
Deferred outflows relating to deferred amounts on bond refundings, pensions, and OPEB are not financial resources and, therefore, are not reported in the funds	23,755,914
Deferred inflows relating to pensions and other postemployment benefits are not current liabilities or financial uses and, therefore, are not reported in the funds	(69,072,455)
Accrued pollution remediation obligation expenses are not financial uses and, therefore, are not reported in the funds.	(160,683)
Accrued general long-term debt, lease and subscription interest expenses are not financial uses and, therefore, are not reported in the funds.	(738,211)
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	102,281,563
Less: Capital assets included in total governmental capital assets above	(25,224,343)
Less: Lease assets included in total governmental capital assets above	(1,212,048)
Less: Subscription software assets included in total governmental capital assets above	(4,683,352)
Less: Net pension asset included in total governmental net pension asset above	(6,333,671)
Less: Deferred outflows included in total governmental above	(1,169,110)
Add: Deferred inflows included in total governmental above	3,913,117
Add: Claims payable included in total governmental below	10,695,762
Add: Financed purchases included in total governmental below	1,353,040
Add: Lease liabilities included in total governmental below	1,257,311
Add: Subscription software liabilities included in total governmental below	3,206,870
Add: Compensated absences included in total governmental below	1,051,444
Add: Other postemployment benefits included in total governmental below	1,708,665
Less: Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	4,358,585
	91,203,833
Lease interest revenues are not recognized in the current period because the resources are not available and, therefore, are not reported in the funds.	1,719
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	(32,640,000)
Add: Issuance premium (to be amortized as a reduction of interest expense)	(1,108,015)
Claims payable	(10,695,762)
Financed purchases	(1,449,304)
Lease liabilities	(2,619,166)
Subscription software liabilities	(5,013,141)
Other postemployment benefits	(14,645,443)
Compensated absences	(11,233,895)
	(79,404,726)
Total net position of governmental activities	\$ 680,539,495

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, 2024

	General Fund	Special Development Fund	Special Programs Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 90,993,329	\$ 4,555,140	\$ -	\$ -	\$ 472,882	\$ 96,021,351
Sales	-	16,867,719	-	-	-	16,867,719
Utility	19,489,071	-	-	-	-	19,489,071
Communications services	4,504,832	-	-	-	-	4,504,832
Other taxes	2,125,618	1,440,896	-	-	-	3,566,514
Total taxes	<u>117,112,850</u>	<u>22,863,755</u>	<u>-</u>	<u>-</u>	<u>472,882</u>	<u>140,449,487</u>
Franchise fees	11,823,106	-	-	-	-	11,823,106
Licenses, permits, and fees	3,628,693	416,392	-	-	-	4,045,085
Intergovernmental:						
Federal	-	-	2,788,752	-	-	2,788,752
State	19,940,278	-	119,919	68,459	1,503,045	21,631,701
Local	12,209,423	-	500,421	848,539	2,735,637	16,294,020
Total intergovernmental	<u>32,149,701</u>	<u>-</u>	<u>3,409,092</u>	<u>916,998</u>	<u>4,238,682</u>	<u>40,714,473</u>
Charges for services	17,633,437	-	2,280,969	285	-	19,914,691
Fines and forfeitures	1,539,610	-	461,713	-	-	2,001,323
Investment earnings (loss):						
Interest	3,269,500	345,562	481,419	363,510	495,234	4,955,225
Net appreciation (depreciation) in fair value	5,941,532	1,302,540	1,658,873	-	685,632	9,588,577
Total investment earnings (loss)	<u>9,211,032</u>	<u>1,648,102</u>	<u>2,140,292</u>	<u>363,510</u>	<u>1,180,866</u>	<u>14,543,802</u>
Rents and leases	4,075,707	-	-	-	-	4,075,707
Miscellaneous	1,252,480	-	631,578	74,978	2,864	1,961,900
Total revenues	<u>198,426,616</u>	<u>24,928,249</u>	<u>8,923,644</u>	<u>1,355,771</u>	<u>5,895,294</u>	<u>239,529,574</u>
EXPENDITURES						
Current:						
General government	20,125,600	-	318,125	1,249,105	-	21,692,830
Public safety	98,537,385	-	3,652,793	581,092	-	102,771,270
Physical environment	2,279,914	-	37,960	517,403	-	2,835,277
Transportation	7,166,613	-	-	4,336,970	-	11,503,583
Economic environment	2,742,097	-	3,800,946	-	3,427,583	9,970,626
Human services	-	-	1,953,266	167,906	-	2,121,172
Culture and recreation	44,071,907	-	299,756	6,181,788	-	50,553,451
Debt service:						
Principal	442,233	-	-	-	792,754	1,234,987
Interest & fiscal charges	75,329	-	-	-	1,493,050	1,568,379
Capital outlay	-	-	357,008	10,483,395	-	10,840,403
Total expenditures	<u>175,441,078</u>	<u>-</u>	<u>10,419,854</u>	<u>23,517,659</u>	<u>5,713,387</u>	<u>215,091,978</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,985,538</u>	<u>24,928,249</u>	<u>(1,496,210)</u>	<u>(22,161,888)</u>	<u>181,907</u>	<u>24,437,596</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	18,692,904	-	1,077,470	39,378,588	17,282,136	76,431,098
Transfers out	(29,337,686)	(32,717,750)	(3,672,534)	(1,590,390)	(11,129,770)	(78,448,130)
Proceeds from the sale of capital assets	15,216	-	-	6,982	1,350,000	1,372,198
Issuance of debt for subscription software obligations	1,783,425	-	-	-	-	1,783,425
Total other financing sources (uses)	<u>(8,846,141)</u>	<u>(32,717,750)</u>	<u>(2,595,064)</u>	<u>37,795,180</u>	<u>7,502,366</u>	<u>1,138,591</u>
Net change in fund balances	14,139,397	(7,789,501)	(4,091,274)	15,633,292	7,684,273	25,576,187
Fund balances - beginning (as previously reported)	61,656,422	12,941,196	22,886,679	66,577,217	16,871,244	180,932,758
Adjustments and restatements	(25,034)	-	-	(1,493,242)	701,846	(816,430)
Fund balances - beginning (as restated)	<u>61,631,388</u>	<u>12,941,196</u>	<u>22,886,679</u>	<u>65,083,975</u>	<u>17,573,090</u>	<u>180,116,328</u>
Fund balances - ending	<u>\$ 75,770,785</u>	<u>\$ 5,151,695</u>	<u>\$ 18,795,405</u>	<u>\$ 80,717,267</u>	<u>\$ 25,257,363</u>	<u>\$ 205,692,515</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, 2024

Net change in fund balances - total governmental funds		\$ 25,576,187
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	\$ 12,297,274	
Less current year depreciation	(16,460,498)	
Expenditures for lease assets and subscription software assets	1,783,425	
Amortization of lease assets and subscription software assets	<u>(844,287)</u>	(3,224,086)
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.		
		(3,467,504)
The issuance of long-term debt provides current financial resources to governmental funds; however issuance of long-term debt increases long-term liabilities in the Statement of Net Position. In the current year these amounts are:		
Proceeds from subscription software obligations		(1,783,425)
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		(46,931,749)
Current year change in deferred inflows		(52,159,007)
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	530,000	
Lease liability principal payments	285,244	
Subscription software liability principal payments	156,989	
Financed purchase principal payments	<u>262,754</u>	1,234,987
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		108,633,312
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 postemployment benefits		2,088,400
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	(1,043,946)	
Amortization of bond discounts and premiums	71,098	
Current year change in accrued interest expense	<u>(52,196)</u>	(1,025,044)
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		25,898
Current year change in accrued liens receivable		8,038
Current year change in accrued lease interest receivable		(2,763)
Current year change in deferred permit fees		800
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:		
Current year change in net position for internal service funds	10,993,523	
Less pass-back to enterprise funds	<u>576,972</u>	11,570,495
Total change in net position of governmental activities		<u>\$ 40,544,539</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
General Fund
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 90,683,430	\$ 90,966,200	\$ 90,993,329	\$ 27,129
Utility taxes	18,655,000	20,068,000	19,489,071	(578,929)
Communications services	4,200,000	4,100,000	4,504,832	404,832
Other taxes	2,100,000	2,100,000	2,125,618	25,618
Total taxes	<u>115,638,430</u>	<u>117,234,200</u>	<u>117,112,850</u>	<u>(121,350)</u>
Franchise fees	11,220,000	12,085,000	11,823,106	(261,894)
Licenses, permits, and fees	3,934,500	3,570,800	3,628,693	57,893
Intergovernmental:				
State	18,436,200	19,957,850	19,940,278	(17,572)
Local	11,423,140	11,190,790	12,209,423	1,018,633
Total intergovernmental	<u>29,859,340</u>	<u>31,148,640</u>	<u>32,149,701</u>	<u>1,001,061</u>
Charges for services	17,368,355	17,277,795	17,633,437	355,642
Fines and forfeitures	1,384,000	1,464,000	1,539,610	75,610
Investment earnings (loss):				
Interest	2,188,000	3,050,000	3,269,500	219,500
Net appreciation (depreciation) in fair value	-	-	5,941,532	5,941,532
Total investment earnings (loss)	<u>2,188,000</u>	<u>3,050,000</u>	<u>9,211,032</u>	<u>6,161,032</u>
Rents and leases	3,352,770	4,273,970	4,075,707	(198,263)
Miscellaneous	1,177,250	1,227,250	1,252,480	25,230
Total revenues	<u>186,122,645</u>	<u>191,331,655</u>	<u>198,426,616</u>	<u>7,094,961</u>
EXPENDITURES				
General government				
City Council	515,817	552,289	508,432	43,857
City Manager's Office	1,083,758	1,610,615	1,497,148	113,467
City Attorney's Office	2,488,743	2,684,315	2,778,131	(93,816)
Office of Innovation	943,260	285,293	271,711	13,562
Official Records & Legislative Services	1,420,406	1,455,668	1,120,283	335,385
Public Communications	1,731,372	1,781,572	1,760,770	20,802
Finance	3,142,043	3,346,999	3,111,055	235,944
Human Resources	2,181,218	2,254,202	2,078,652	175,550
Non-Departmental	6,025,130	6,025,130	4,245,595	1,779,535
Public Works	734,799	929,422	1,136,904	(207,482)
Planning	1,872,790	1,934,349	1,478,302	456,047
City Auditor's Office	461,573	465,979	419,606	46,373
Total general government	<u>22,600,909</u>	<u>23,325,833</u>	<u>20,406,589</u>	<u>2,919,244</u>
Public safety				
Police	56,369,974	57,587,843	58,409,928	(822,085)
Fire	34,663,892	35,597,803	33,991,409	1,606,394
Development & Neighborhood Services	6,505,088	6,741,646	6,056,447	685,199
Public Works	246,797	258,460	247,104	11,356
Total public safety	<u>97,785,751</u>	<u>100,185,752</u>	<u>98,704,888</u>	<u>1,480,864</u>
Physical environment				
Public Works	2,774,756	2,863,479	2,281,297	582,182
Total physical environment	<u>2,774,756</u>	<u>2,863,479</u>	<u>2,281,297</u>	<u>582,182</u>
Transportation				
Public Works	6,691,165	6,823,326	6,124,611	698,715
Parks and Recreation	739,702	748,711	604,890	143,821
Public Utilities	445,580	445,580	444,894	686
Total transportation	<u>7,876,447</u>	<u>8,017,617</u>	<u>7,174,395</u>	<u>843,222</u>
Economic environment				
CRA Administration	982,526	1,005,330	718,951	286,379
Economic Development	2,146,301	2,200,993	2,067,096	133,897
Total economic environment	<u>3,128,827</u>	<u>3,206,323</u>	<u>2,786,047</u>	<u>420,276</u>
Culture and recreation				
Parks and Recreation	33,101,058	33,307,197	32,675,418	631,779
Library	9,000,053	9,281,098	8,898,237	382,861
Public Works	956,337	1,001,533	957,528	44,005
Marine	1,672,715	1,626,741	1,556,679	70,062
Total culture and recreation	<u>44,730,163</u>	<u>45,216,569</u>	<u>44,087,862</u>	<u>1,128,707</u>
Total expenditures	<u>178,896,853</u>	<u>182,815,573</u>	<u>175,441,078</u>	<u>7,374,495</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,225,792</u>	<u>8,516,082</u>	<u>22,985,538</u>	<u>14,469,456</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	13,335,875	19,016,825	18,692,904	(323,921)
Transfers out	(20,561,667)	(27,507,150)	(29,337,686)	(1,830,536)
Proceeds from sale of capital assets	-	-	15,216	15,216
Issuance of debt for subscription software obligations	-	-	1,783,425	1,783,425
Total other financing sources (uses)	<u>(7,225,792)</u>	<u>(8,490,325)</u>	<u>(8,846,141)</u>	<u>(355,816)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	25,757	14,139,397	14,113,640
Fund balances - beginning (as previously reported)	61,656,422	61,656,422	61,656,422	-
Adjustments and restatements	-	-	(25,034)	(25,034)
Fund balances - beginning (as restated)	<u>61,656,422</u>	<u>61,656,422</u>	<u>61,631,388</u>	<u>(25,034)</u>
Fund balances - ending	<u>\$ 61,656,422</u>	<u>\$ 61,682,179</u>	<u>\$ 75,770,785</u>	<u>\$ 14,088,606</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, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 4,536,570	\$ 4,553,728	\$ 4,555,140	\$ 1,412
Sales	16,585,900	16,585,900	16,867,719	281,819
Other taxes	1,427,150	1,427,150	1,440,896	13,746
Total taxes	<u>22,549,620</u>	<u>22,566,778</u>	<u>22,863,755</u>	<u>296,977</u>
Licenses, permits, and fees	400,000	267,562	416,392	148,830
Investment earnings (loss):				
Interest	950,000	350,000	345,562	(4,438)
Net appreciation (depreciation) in fair value	-	-	1,302,540	1,302,540
Total investment earnings (loss)	<u>950,000</u>	<u>350,000</u>	<u>1,648,102</u>	<u>1,298,102</u>
Total revenues	<u>23,899,620</u>	<u>23,184,340</u>	<u>24,928,249</u>	<u>1,743,909</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>23,899,620</u>	<u>23,184,340</u>	<u>24,928,249</u>	<u>1,743,909</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(32,097,750)</u>	<u>(32,717,750)</u>	<u>(32,717,750)</u>	<u>-</u>
Total other financing sources (uses)	<u>(32,097,750)</u>	<u>(32,717,750)</u>	<u>(32,717,750)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(8,198,130)	(9,533,410)	(7,789,501)	1,743,909
Fund balances - beginning	<u>12,941,196</u>	<u>12,941,196</u>	<u>12,941,196</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,743,066</u>	<u>\$ 3,407,786</u>	<u>\$ 5,151,695</u>	<u>\$ 1,743,909</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, 2024

	Business-type Enterprise		
	Water and Sewer Utility	Gas Utility	Solid Waste & Recycling Utility
ASSETS			
Current assets:			
Cash and investments	\$ 192,489,389	\$ 35,891,351	\$ 55,493,317
Accrued interest receivable	659,763	115,288	169,901
Accounts and contracts receivable:			
Billed	4,724,163	1,085,559	1,488,422
Unbilled charges estimated	4,593,800	1,563,800	1,268,100
	9,317,963	2,649,359	2,756,522
Less: Allowance for uncollectable accounts	(40,922)	(30,106)	(15,931)
Total receivables, net	9,277,041	2,619,253	2,740,591
Lease receivables	-	-	-
Other receivables	26,181	74,164	-
Due from other funds	-	-	-
Due from other governments	1,228,095	9,813	-
Inventories, at cost	1,684,010	4,068,772	-
Prepaid expenses and other assets	552,956	344,280	-
Total current assets - unrestricted	205,917,435	43,122,921	58,403,809
Current assets - restricted:			
Restricted cash and investments	12,621,250	3,748,914	1,375,345
Total current assets - restricted	12,621,250	3,748,914	1,375,345
Total current assets	218,538,685	46,871,835	59,779,154
Noncurrent assets:			
Restricted:			
Restricted cash and investments	3,983,949	300,000	-
Advances to other funds	-	-	-
Net pension asset	7,684,539	3,494,979	4,809,653
Capital assets:			
Land and other nondepreciable assets	29,869,135	525,788	2,339,201
Capital assets, net of accumulated depreciation	169,292,073	102,978,132	17,884,373
Intangible right-to-use lease assets, net of accumulated amortization	-	-	-
Intangible right-to-use subscription software assets, net of accumulated amortization	-	-	-
Total noncurrent assets	210,829,696	107,298,899	25,033,227
Total assets	429,368,381	154,170,734	84,812,381
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - bond refunding	6,147,487	54,331	-
Deferred outflows - pension	1,405,470	639,217	879,665
Deferred outflows - other postemployment benefits	13,564	6,233	9,029
Total deferred outflows of resources	7,566,521	699,781	888,694

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

Activities Funds			Governmental
Stormwater Utility	Other Funds	Total	Activities - Internal Service Funds
\$ 53,155,395	\$ 78,403,243	\$ 415,432,695	\$ 98,519,939
163,908	262,410	1,371,270	302,968
779,659	-	8,077,803	-
1,603,700	-	9,029,400	-
2,383,359	-	17,107,203	-
(6,272)	-	(93,231)	-
2,377,087	-	17,013,972	-
-	8,420,626	8,420,626	-
2,883	22,414	125,642	61,879
-	-	-	361,604
-	807,745	2,045,653	-
-	65,198	5,817,980	517,321
-	-	897,236	4,754,486
55,699,273	87,981,636	451,125,074	104,518,197
1,053,964	-	18,799,473	-
1,053,964	-	18,799,473	-
56,753,237	87,981,636	469,924,547	104,518,197
1,375,312	-	5,659,261	-
-	-	-	1,136,603
1,673,694	2,052,717	19,715,582	6,333,671
25,553,173	7,132,742	65,420,039	1,352,429
42,459,167	15,972,188	348,585,933	23,871,914
-	-	-	1,212,048
-	-	-	4,683,352
71,061,346	25,157,647	439,380,815	38,590,017
127,814,583	113,139,283	909,305,362	143,108,214
119,684	-	6,321,502	-
306,112	375,432	3,605,896	1,158,402
3,493	5,144	37,463	10,708
429,289	380,576	9,964,861	1,169,110

(Continued)

City of Clearwater, Florida
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-type Enterprise		
	Water and Sewer Utility	Gas Utility	Solid Waste & Recycling Utility
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	7,831,655	1,722,808	654,728
Accrued payroll	476,067	199,161	236,440
Accrued interest payable	211,393	164,341	61,258
Deposits	-	-	-
Current portion of long-term liabilities:			
Compensated absences	519,340	294,196	244,041
Other postemployment benefits	114,238	52,498	76,043
Bonds payable	770,833	1,650,000	-
Financed purchases	145,303	-	-
Lease liabilities	-	-	-
Subscription liabilities	-	-	-
Due to other funds	75,610	-	491,707
Claims payable	-	-	-
Total current liabilities (payable from current assets)	<u>10,144,439</u>	<u>4,083,004</u>	<u>1,764,217</u>
Current liabilities (payable from restricted assets):			
Construction contracts payable	2,763,001	-	-
Accrued interest payable	1,401,850	11,998	-
Current portion of long-term liabilities, bonds payable	3,854,167	150,000	-
Customer deposits	4,602,232	3,586,916	1,375,345
Total current liabilities (payable from restricted assets)	<u>12,621,250</u>	<u>3,748,914</u>	<u>1,375,345</u>
Total current liabilities	<u>22,765,689</u>	<u>7,831,918</u>	<u>3,139,562</u>
Noncurrent liabilities:			
Compensated absences	428,526	242,752	201,367
Other postemployment benefits	2,050,210	942,179	1,364,722
Bonds payable (net of unamortized premiums/discounts)	106,131,842	3,885,000	-
Financed purchases	-	-	-
Lease liabilities	-	-	-
Subscription software liabilities	-	-	-
Advances from other funds	169,662	-	1,351,074
Claims payable	-	-	-
Total noncurrent liabilities	<u>108,780,240</u>	<u>5,069,931</u>	<u>2,917,163</u>
Total liabilities	<u>131,545,929</u>	<u>12,901,849</u>	<u>6,056,725</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	3,638,886	1,654,989	2,277,531
Deferred inflows - other postemployment benefits	1,157,695	532,021	770,620
Deferred inflows - leases	30,502	-	-
Total deferred inflows of resources	<u>4,827,083</u>	<u>2,187,010</u>	<u>3,048,151</u>
NET POSITION			
Net investment in capital assets	93,096,424	97,661,317	20,073,989
Restricted for:			
Revenue bond debt service and sinking fund requirements	3,854,167	150,000	-
Revenue bond renewal and replacement requirements	-	300,000	-
Water and sewer impact fees	3,983,949	-	-
Stormwater system fees	-	-	-
Pensions	7,684,539	3,494,979	4,809,653
Unrestricted	191,942,811	38,175,360	51,712,557
Total net position	<u>\$ 300,561,890</u>	<u>\$ 139,781,656</u>	<u>\$ 76,596,199</u>

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

Activities Funds			Governmental Activities - Internal Service Funds
Stormwater Utility	Other Funds	Total	
965,007	1,269,325	12,443,523	5,276,995
121,698	108,067	1,141,433	326,965
-	-	436,992	50,268
-	64,871	64,871	-
169,597	120,688	1,347,862	576,090
29,422	43,322	315,523	90,183
82,083	-	2,502,916	-
-	-	145,303	1,353,040
-	-	-	626,032
-	-	-	2,017,292
-	4,893	572,210	3,921,342
-	-	-	4,454,720
<u>1,367,807</u>	<u>1,611,166</u>	<u>18,970,633</u>	<u>18,692,927</u>
-	-	2,763,001	-
151,047	-	1,564,895	-
902,917	-	4,907,084	-
-	-	9,564,493	-
<u>1,053,964</u>	<u>-</u>	<u>18,799,473</u>	<u>-</u>
<u>2,421,771</u>	<u>1,611,166</u>	<u>37,770,106</u>	<u>18,692,927</u>
139,941	99,584	1,112,170	475,354
528,034	777,498	5,662,643	1,618,482
9,648,258	-	119,665,100	-
-	-	-	-
-	-	-	631,279
-	-	-	1,189,578
-	15,548	1,536,284	9,233,982
-	-	-	6,241,042
<u>10,316,233</u>	<u>892,630</u>	<u>127,976,197</u>	<u>19,389,717</u>
<u>12,738,004</u>	<u>2,503,796</u>	<u>165,746,303</u>	<u>38,082,644</u>
792,550	972,030	9,335,986	2,999,205
298,166	439,030	3,197,532	913,912
-	8,350,238	8,380,740	-
<u>1,090,716</u>	<u>9,761,298</u>	<u>20,914,258</u>	<u>3,913,117</u>
57,391,377	22,255,851	290,478,958	24,678,131
2,429,276	-	6,433,443	-
-	-	300,000	-
-	-	3,983,949	-
14,318	-	14,318	-
1,673,694	2,052,717	19,715,582	6,333,671
52,906,487	76,946,197	411,683,412	71,269,761
<u>\$ 114,415,152</u>	<u>\$ 101,254,765</u>	<u>732,609,662</u>	<u>\$ 102,281,563</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds		(4,358,585)	
Net position of business-type activities		<u>\$ 728,251,077</u>	

City of Clearwater, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2024

	Water and Sewer Utility	Gas Utility	Business-type Enterprise Solid Waste & Recycling Utility
Operating revenues:			
Sales to customers	\$ 109,018,062	\$ 38,566,444	\$ 31,671,361
Service charges to customers	344,028	1,856,076	-
User charges to customers	-	-	-
Billings to departments	-	-	-
Rentals	41,572	-	426,130
Other	305,489	789,520	329,805
Total operating revenues	<u>109,709,151</u>	<u>41,212,040</u>	<u>32,427,296</u>
Operating expenses:			
Personal services	15,241,211	6,380,739	8,751,611
Purchases for resale	9,053,852	12,891,851	-
Operating materials and supplies	7,000,567	926,373	623,952
Transportation	1,681,644	606,318	5,261,301
Utility service	3,919,122	213,861	172,309
Dumping charges	13,274	-	5,545,949
Depreciation	11,424,842	4,210,683	1,135,176
Amortization of intangible right-to-use lease assets	-	-	-
Amortization of intangible right-to-use subscription software assets	-	-	-
Interfund administrative charges	6,469,940	3,135,900	1,768,550
Other current charges:			
Professional fees	9,908,436	783,806	1,276,774
Advertising and marketing	46,193	682,236	384
Communications	162,425	128,731	79,144
Printing and binding	5,457	13,095	9,167
Insurance	2,320,267	742,974	424,040
Repairs and maintenance	31,267,886	268,003	186,843
Rentals	272,981	12,771	158,336
Miscellaneous	463,725	323,823	176,452
Data processing charges	1,415,600	812,890	293,900
Taxes	-	2,218,567	12,793
Total other current charges	<u>45,862,970</u>	<u>5,986,896</u>	<u>2,617,833</u>
Total operating expenses	<u>100,667,422</u>	<u>34,352,621</u>	<u>25,876,681</u>
Operating income (loss)	<u>9,041,729</u>	<u>6,859,419</u>	<u>6,550,615</u>

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

Activities Funds			Governmental Activities - Internal Service Funds
Stormwater Utility	Other Funds	Total	
\$ 17,913,289	\$ 13,342,549	\$ 210,511,705	\$ -
-	-	2,200,104	-
-	195,855	195,855	-
-	-	-	77,838,805
-	3,338,369	3,806,071	26,651
286,341	2,055,120	3,766,275	6,257,507
<u>18,199,630</u>	<u>18,931,893</u>	<u>220,480,010</u>	<u>84,122,963</u>
3,489,849	4,543,002	38,406,412	12,059,348
-	2,555,475	24,501,178	5,951,330
209,837	354,031	9,114,760	1,904,002
745,911	118,812	8,413,986	304,553
79,691	735,591	5,120,574	417,661
86,863	-	5,646,086	-
3,594,334	800,375	21,165,410	9,443,722
-	-	-	734,851
-	-	-	2,575,550
1,402,990	2,761,127	15,538,507	280,197
621,621	948,905	13,539,542	13,356,149
700	2,439	731,952	-
26,700	57,882	454,882	1,281,358
978	5,567	34,264	34,031
130,026	160,012	3,777,319	36,025,561
1,616,700	263,028	33,602,460	1,255,885
132,484	22,213	598,785	221,897
109,267	1,080,135	2,153,402	536,532
347,260	349,490	3,219,140	875,680
-	29,958	2,261,318	18,365
<u>2,985,736</u>	<u>2,919,629</u>	<u>60,373,064</u>	<u>53,605,458</u>
<u>12,595,211</u>	<u>14,788,042</u>	<u>188,279,977</u>	<u>87,276,672</u>
<u>5,604,419</u>	<u>4,143,851</u>	<u>32,200,033</u>	<u>(3,153,709)</u>

(Continued)

City of Clearwater, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2024

	Water and Sewer Utility	Gas Utility	Business-type Enterprise Solid Waste & Recycling Utility
Nonoperating revenues (expenses):			
Investment earnings (loss):			
Interest	4,797,461	853,019	1,247,274
Net appreciation (depreciation) in fair value	9,244,215	1,362,092	2,068,588
Total investment earnings (loss)	<u>14,041,676</u>	<u>2,215,111</u>	<u>3,315,862</u>
Interest expense	(4,491,471)	(376,268)	(114,458)
Gain (loss) on disposal of capital assets	1,800	4,193,302	(873)
Total nonoperating revenue (expenses)	<u>9,552,005</u>	<u>6,032,145</u>	<u>3,200,531</u>
Income (loss) before contributions and transfers	18,593,734	12,891,564	9,751,146
Capital grants and contributions	1,336,212	-	-
Transfers in	-	-	-
Transfers out	(6,368,605)	(4,361,646)	(1,854,242)
Change in net position	<u>13,561,341</u>	<u>8,529,918</u>	<u>7,896,904</u>
Net position - beginning	287,000,549	131,251,738	68,699,295
Total net position - ending	<u>\$ 300,561,890</u>	<u>\$ 139,781,656</u>	<u>\$ 76,596,199</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.

Activities Funds			Governmental Activities - Internal Service Funds
Stormwater Utility	Other Funds	Total	
1,207,500	1,982,389	10,087,643	2,240,243
1,919,001	2,712,135	17,306,031	4,603,298
3,126,501	4,694,524	27,393,674	6,843,541
(344,715)	(731)	(5,327,643)	(490,762)
-	-	4,194,229	734,833
2,781,786	4,693,793	26,260,260	7,087,612
8,386,205	8,837,644	58,460,293	3,933,903
-	955,993	2,292,205	-
44,000	11,515,000	11,559,000	9,441,583
(2,269,617)	(1,747,478)	(16,601,588)	(2,381,963)
6,160,588	19,561,159	55,709,910	10,993,523
108,254,564	81,693,606	676,899,752	91,288,040
<u>\$ 114,415,152</u>	<u>\$ 101,254,765</u>	<u>\$ 732,609,662</u>	<u>\$ 102,281,563</u>
		\$ 55,709,910	
		(576,972)	
		<u>\$ 55,132,938</u>	

City of Clearwater, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Enterprise		
	Water and Sewer Utility	Gas Utility	Solid Waste & Recycling Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 108,705,147	\$ 41,224,798	\$ 32,412,270
Cash received from other funds	-	-	-
Cash payments to suppliers	(60,772,178)	(18,692,044)	(7,924,474)
Cash payments to employees	(16,165,769)	(7,361,075)	(9,328,211)
Cash payments to other funds	(13,016,521)	(5,765,657)	(8,079,606)
Net cash provided (used) by operating activities	18,750,679	9,406,022	7,079,979
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	-
Transfers to other funds	(6,368,605)	(4,361,646)	(1,854,242)
Receipt of cash on loans to/from other funds	28,835	-	133,922
Payment of cash on loans to/from other funds	(108,132)	-	(539,494)
Net cash provided (used) by noncapital financing activities	(6,447,902)	(4,361,646)	(2,259,814)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on debt	(4,643,906)	(745,000)	-
Interest paid	(4,456,957)	(292,870)	(95,718)
Acquisition of capital assets	(4,837,167)	(4,117,150)	(1,160,158)
Proceeds from sale of capital assets	1,800	4,194,691	-
Capital contributed by:			
Other governmental entities	406,270	-	-
Property owners	12,256	-	-
Developers	387,191	-	-
Net cash provided (used) by capital and related financing activities	(13,130,513)	(960,329)	(1,255,876)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	13,957,528	2,192,414	3,284,347
Net cash provided (used) by investing activities	13,957,528	2,192,414	3,284,347
Net increase (decrease) in cash and cash equivalents	13,129,792	6,276,461	6,848,636
Cash and cash equivalents at beginning of year	195,964,796	33,663,804	50,020,026
Cash and cash equivalents at end of year	\$ 209,094,588	\$ 39,940,265	\$ 56,868,662
Cash and cash equivalents classified as:			
Cash and investments	\$ 192,489,389	\$ 35,891,351	\$ 55,493,317
Restricted cash and investments	16,605,199	4,048,914	1,375,345
Total cash and cash equivalents	\$ 209,094,588	\$ 39,940,265	\$ 56,868,662

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

Activities Funds			Governmental
Stormwater	Other	Total	Activities -
Utility	Funds		Internal Service
			Funds
\$ 18,127,594	\$ 18,821,557	\$ 219,291,366	\$ -
-	-	-	84,156,386
(2,329,222)	(5,216,478)	(94,934,396)	(59,319,765)
(3,639,716)	(4,867,570)	(41,362,341)	(12,795,986)
(2,707,031)	(3,649,764)	(33,218,579)	(2,411,284)
<u>9,451,625</u>	<u>5,087,745</u>	<u>49,776,050</u>	<u>9,629,351</u>
44,000	11,515,000	11,559,000	3,545,612
(2,269,617)	(1,747,478)	(16,601,588)	3,514,008
-	-	162,757	4,978,644
-	(4,756)	(652,382)	(5,407,696)
<u>(2,225,617)</u>	<u>9,762,766</u>	<u>(5,532,213)</u>	<u>6,630,568</u>
(935,000)	-	(6,323,906)	(1,802,756)
(385,887)	(731)	(5,232,163)	(478,634)
(943,498)	(3,677,524)	(14,735,497)	(13,072,268)
-	-	4,196,491	745,319
-	169,325	575,595	-
-	8,923	21,179	-
-	-	387,191	-
<u>(2,264,385)</u>	<u>(3,500,007)</u>	<u>(21,111,110)</u>	<u>(14,608,339)</u>
3,093,680	4,622,045	27,150,014	6,816,206
<u>3,093,680</u>	<u>4,622,045</u>	<u>27,150,014</u>	<u>6,816,206</u>
8,055,303	15,972,549	50,282,741	8,467,786
<u>47,529,368</u>	<u>62,430,694</u>	<u>389,608,688</u>	<u>90,052,153</u>
<u>\$ 55,584,671</u>	<u>\$ 78,403,243</u>	<u>\$ 439,891,429</u>	<u>\$ 98,519,939</u>
\$ 53,155,395	\$ 78,403,243	\$ 415,432,695	\$ 98,519,939
<u>2,429,276</u>	<u>-</u>	<u>24,458,734</u>	<u>-</u>
<u>\$ 55,584,671</u>	<u>\$ 78,403,243</u>	<u>\$ 439,891,429</u>	<u>\$ 98,519,939</u>

(Continued)

City of Clearwater, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Enterprise		
	Water and Sewer Utility	Gas Utility	Solid Waste & Recycling Utility
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 9,041,729	\$ 6,859,419	\$ 6,550,615
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	11,424,842	4,210,683	1,135,176
Amortization of intangible right-to-use lease assets	-	-	-
Amortization of intangible right-to-use subscription software assets	-	-	-
Capitalized labor and materials	(85,998)	(738,280)	-
Change in assets, deferred outflows, liabilities and deferred inflows:			
(Increase) decrease in accounts receivable	(566,809)	163,785	(22,289)
(Increase) decrease in lease receivables	39,377	-	-
(Increase) decrease in due from other governments	(430,183)	-	-
(Increase) decrease in inventory	(471,120)	(358,961)	-
(Increase) decrease in prepaid expenses	(547,876)	-	-
(Increase) decrease in net pension asset	(6,899,258)	(3,096,424)	(4,296,702)
(Increase) decrease in deferred outflows	2,423,577	1,303,358	1,622,224
Increase (decrease) in accounts and contracts payable	1,250,094	(243,822)	(14,186)
Increase (decrease) in accrued payroll	440,537	134,453	118,037
Increase (decrease) in deposits	(15,805)	(151,027)	7,263
Increase (decrease) in other postemployment benefits	(379,068)	(251,511)	(248,560)
Increase (decrease) in deferred inflows	3,526,640	1,574,349	2,228,401
Total adjustments	9,708,950	2,546,603	529,364
Net cash provided by operating activities	\$ 18,750,679	\$ 9,406,022	\$ 7,079,979
Non-cash investing, capital and financing activities:			
Contributions from developers	\$ 439,470	\$ -	\$ -
Additions to intangible right-to-use lease assets	-	-	-
Additions to intangible right-to-use subscription software assets	-	-	-

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

Activities Funds			Governmental
Stormwater Utility	Other Funds	Total	Activities - Internal Service Funds
\$ 5,604,419	\$ 4,143,851	\$ 32,200,033	\$ (3,153,709)
3,594,334	800,375	21,165,410	9,443,722
-	-	-	734,851
-	-	-	2,575,550
-	-	(824,278)	-
(72,036)	(22,414)	(519,763)	(13,673)
-	(2,506,210)	(2,466,833)	-
-	-	(430,183)	467
-	15,751	(814,330)	3,099
-	100	(547,776)	(698,222)
(1,499,701)	(1,847,232)	(17,639,317)	(5,693,160)
544,738	634,947	6,528,844	1,962,252
474,775	562,572	2,029,433	1,473,904
120,196	71,624	884,847	337,019
-	(12,140)	(171,709)	-
(97,721)	(156,639)	(1,133,499)	(277,371)
782,621	3,403,160	11,515,171	2,934,622
<u>3,847,206</u>	<u>943,894</u>	<u>17,576,017</u>	<u>12,783,060</u>
<u>\$ 9,451,625</u>	<u>\$ 5,087,745</u>	<u>\$ 49,776,050</u>	<u>\$ 9,629,351</u>
\$ -	\$ -	\$ 439,470	\$ -
-	-	-	945,524
-	-	-	2,118,800

City of Clearwater, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2024

	Pension Trust Funds	Custodial Fund
ASSETS		
Cash and investments	\$ 4,603,681	\$ 188,682
Receivables:		
Interest and dividends	4,045,018	-
Unsettled investment sales	1,894,905	-
Securities lending earnings	52,158	-
Total receivables	5,992,081	-
Managed investment accounts, at fair value:		
Cash and cash equivalents	25,718,483	-
Government bonds	77,138,525	-
Index linked government bonds	3,282,053	-
Agency bonds	6,402,381	-
Municipal bonds	2,447,248	-
Domestic corporate bonds	111,526,090	-
International equity securities	128,756,623	-
Domestic stocks	321,814,318	-
Mortgage backed bonds	128,565,300	-
Government issued commercial mortgage backed bonds	21,344	-
Asset backed securities	15,702,713	-
Domestic equity mutual funds	334,895,682	-
International equity mutual funds	19,495,673	-
Infrastructure	97,060,786	-
Real estate	118,166,201	-
Total managed investment accounts	1,390,993,420	-
Securities lending collateral	105,535,854	-
Total assets	1,507,125,036	188,682
LIABILITIES		
Accounts payable	1,023,696	-
Unsettled investment purchases	5,992,034	-
Obligations under securities lending	105,535,854	-
Total liabilities	112,551,584	-
NET POSITION		
Restricted for:		
Pensions	1,394,573,452	-
Individuals and organizations	-	188,682
Total net position	\$ 1,394,573,452	\$ 188,682

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, 2024

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions:		
Employer	\$ 14,203,472	\$ -
Employer - state tax	3,994,853	-
Employees	9,721,164	-
Individuals, organizations and other governments	-	3,809
Total contributions	27,919,489	3,809
Investment earnings (loss):		
Net increase (decrease) in fair value of investments	213,606,007	-
Interest, dividends and other	23,263,763	-
Securities lending income	6,033,219	-
Total investment earnings (loss)	242,902,989	-
Less investment costs:		
Investment management / custodian fees	(7,123,921)	-
Securities lending costs	(5,736,899)	-
Net investment earnings (loss)	230,042,169	-
Miscellaneous	33,402	-
Total additions	257,995,060	3,809
DEDUCTIONS		
Benefits	66,619,464	-
Refunds and transfers to other systems	1,269,107	-
Administrative expenses	417,459	-
Total deductions and administrative expenses	68,306,030	-
Net increase (decrease) in fiduciary net position	189,689,030	3,809
Fiduciary net position - beginning (as previously reported)	1,204,884,422	886,719
Adjustments and restatements	-	(701,846)
Fiduciary net position - beginning (as restated)	1,204,884,422	184,873
Fiduciary net position - ending	\$ 1,394,573,452	\$ 188,682

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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 118,463 and is located in the four-county Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA), which has an estimated population of 3,375,273.

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 Resolution 81-67 and Ordinance 2779-82 by authority of Chapter 163, Part III, of the Florida Statutes. Although it is legally separate, it 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 per Resolution 81-68, 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 of the CRA are available from the City of Clearwater Finance Department.

Blended Component Unit – Downtown Development Board: The Downtown Development Board is a dependent special district created by Special Act by authority of Chapter 189.031, Florida Statutes. The DDB levies ad valorem taxes (0.9700 mills for fiscal 2024) on downtown properties, and is not financially dependent upon the City.

On February 15, 2024, City Council adopted Ordinance No. 9744-24 amending the governance structure of the Clearwater Downtown Development Board in order to create strategic alignment and more efficient operations involving the City, the Clearwater Community Redevelopment Agency and the Clearwater Downtown Development Board. The ordinance provided that beginning April 1, 2024, the five members of the City Council shall, as an additional duty in public office, also serve as voting members of the Clearwater Downtown Development Board. The Mayor shall serve as the Chairperson of the Board. In addition, the City Council shall appoint or reappoint two citizens to serve as Board members alongside the five City Council members. The two citizen Board members shall either reside within the District, have a principal place of business or employment within the District, or own real property in the District, and shall serve a term of three years. As a result of this change in governance, the Downtown Development Board is included in the City's Annual Comprehensive Financial Report as a governmental non-major special revenue fund. Separate audited financial statements of the DDB for the fiscal year ended September 30, 2024 were not issued.

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

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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 the CHA as of March 31, 2024 are available from CHA.

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 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. Consequently, it is not a component unit of the City of Clearwater. As of September 30, 2024, FGU has 25 members. Separate audited financial statements of FGU as of September 30, 2024, 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 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.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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.

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 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 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 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 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

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

other parties. The custodial fund holds the cash balance for the Treasurer's Escrow Fund, which includes amounts held by the City in an escrow capacity for various 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 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

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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 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 laddered 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, 2024, the performance measure weighted average was 4.82%. The actual pooled cash earnings performance before bank charges was 2.19%.

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 2.06%. 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 2019 thru 2023), and 100% of the receivable attributable to fiscal years 2018 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

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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 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 City's tax rate of 5.8850 mills for the year ended September 30, 2024 was reduced from 5.9550 mills in fiscal 2022.

Property taxes levied by the Downtown Development Board (DDB) are recognized in the Downtown Development Board non-major special revenue fund. The DDB's tax rate of .9700 mills for the year ended September 30, 2024 was increased from .9651 in fiscal 2018.

Water, gas, 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 30th. Stormwater revenues are billed according to Equivalent Residential Units (ERU's). There is no unbilled component of stormwater revenues as of September 30th.

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 Intangible 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 \$10,000 (amount not rounded)

City of Clearwater, Florida
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and useful life greater than one year. Individual assets that cost less than \$10,000, 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 (other than right-to-use leases and subscriptions), \$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.

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

Intangible right-to-use subscription assets, which include computer software, are amortized on a straight-line basis over the life of the related subscription.

Property, plant, equipment, and intangible right-to-use assets of the primary government are depreciated or amortized 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 342 hours and sick leave not exceeding 1664, 1560 or 1040 hours, depending on employee classification. 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 832 hours for an employee with a 1,664 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.

City of Clearwater, Florida
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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 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. As of October 1, 2023, 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 7.4 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, Aviation 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.

Deferred inflows related to business tax receipts are recorded in the General Fund and the government-wide statements in an amount equal to annual renewals received July 1-September 30 that are applicable to the fiscal year beginning October 1.

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.

City of Clearwater, Florida
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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.

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, 2024, the City Council has not established a separate revenue stabilization reserve for the General Fund. A reserve of \$75,000 has been established for the Downtown Development Board special revenue fund.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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 Pronouncement

During the fiscal year ended September 30, 2024, the City implemented the following GASB pronouncement:

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. Issued in June 2022, this Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes; prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections; requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature; and addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI).

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, the Community Redevelopment Agency (CRA) special revenue fund, and the Downtown Development Board (DDB) special revenue fund. These budgets 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 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.

City of Clearwater, Florida
Notes to the Basic Financial Statements
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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, 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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The City utilizes an overnight repurchase agreement, or “sweep account” with Wells Fargo. The City authorizes the bank to “sweep” the City’s operating account into the Allspring Treasury Plus Money Market Fund overnight on a daily basis. This money market sweep account only invests in United States Treasury Bills, Treasury Notes, US government agencies, and repurchase agreements overcollateralized at 102% by treasuries and agencies. The next day the same account is credited for the principal amount of the previous day’s sweep. As such, the balance is included as part of the deposit total for purposes of financial statement presentation. The outstanding balance in the Wells Fargo sweep Allspring Treasury Plus Money Market Fund at September 30, 2024 totaled \$31,591,964.

Pooled cash and investments as of September 30, 2024 are classified in the accompanying financial statements as follows:

<u>Statement of net position</u>	<u>9/30/2024</u>
Primary Government:	
Cash and investments	\$ 704,074,251
Restricted cash and investments	24,458,734
Fiduciary Funds:	
Cash and investments	4,792,363
Total pooled cash and investments	\$ 733,325,348

City of Clearwater, Florida
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<u>Pooled Cash and Investments</u>	Carrying Amount	% of Portfolio	Investment Maturities in Years			Moody's Rating
			Less than 1	1-3 Years	More than 3	
Cash and cash equivalents:						
Cash on hand	\$ 37,284	0.01%				N/A
Time / interest bearing / sweep accounts	29,809,320	4.06%				N/A
Total cash and cash equivalents	29,846,604					
Investments:						
Local Government Investment Pools:						
Florida Safe Investment Pool	34,608,788	4.72%	34,608,788	-	-	AAA-m
Florida Cooperative Liquid Assets Securities System	95,508,520	13.02%	95,508,520	-	-	AAA-m
	130,117,308		130,117,308	-	-	
Treasuries						
Treasuries	4,986,914	0.68%	-	-	4,986,914	N/A
U.S. Agencies:						
Federal Home Loan Bank (FHLB)	341,174,466	46.54%	77,046,245	200,447,143	63,681,078	Aaa
Federal National Mortgage Assn (FNMA)	48,825,088	6.66%	19,584,542	29,260,546	-	Aaa
Federal Farm Credit Bank (FFCB)	89,414,975	12.19%	29,434,614	49,847,398	10,132,963	Aaa
Federal Agricultural Loan Mortgage Corp (FAMCA)	10,145,189	1.38%	-	-	10,145,189	Aaa
Federal Home Loan Mortgage Corp (FHLMC)	20,113,432	2.74%	-	-	20,113,432	Aaa
Total U.S. Agencies	509,673,150		126,065,401	279,555,087	104,072,662	
Municipal bonds	9,761,210	1.33%	-	9,761,210	-	Aa2
Mortgage backed securities	48,636,484	6.63%	592,707	7,136,520	40,907,257	Aaa
Asset backed securities	303,678	0.04%	-	-	303,678	Aaa
Total investments	703,478,744		256,775,416	296,452,817	150,270,511	
Total pooled cash and investments	\$ 733,325,348	100.00%				

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.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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.

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

(in thousands)		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
Treasuries	\$ 4,987	\$ 4,987	\$ -	\$ -
U.S. Agencies	509,673	-	509,673	-
Municipal bonds	9,761	-	9,761	-
Mortgage backed securities	48,636	-	48,636	-
Asset backed securities	304	-	304	-
Total investments measured at fair value	<u>573,361</u>	<u>\$ 4,987</u>	<u>\$ 568,374</u>	<u>\$ -</u>
Investments measured at net asset value:				
Florida Safe Investment Pool	34,609			
Florida Cooperative Liquid Assets Securities System	95,509			
Total investments measured at net asset value	<u>130,118</u>			
Total pooled cash investments	<u>\$ 703,479</u>			

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

City of Clearwater, Florida
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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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For the Year Ended September 30, 2024

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	\$ 4,422,425	0.33%	N/A	N/A
Cash in managed investment accounts	<u>23,516,802</u>	1.75%	N/A	N/A
Total cash and cash equivalents	<u>27,939,227</u>			
<u>Investments:</u>				
Government bonds	5,115,594	0.38%	15.9	AGY
Government bonds	68,508,218	5.09%		Aaa
Government bonds	179,322	0.01%		A
Government bonds	2,009,144	0.15%	Baa	
Index linked government bonds	3,282,053	0.24%	15.0	AAA
Agency bonds	592,058	0.04%	11.5	AGY
Agency bonds	999,645	0.07%		Aaa
Agency bonds	2,307,149	0.17%	B	
Municipal bonds	1,027,897	0.08%	13.3	Aa
Municipal bonds	1,352,777	0.10%		A
Domestic corporate bonds	1,429,828	0.11%	9.2	Aaa
Domestic corporate bonds	4,537,402	0.34%		Aa
Domestic corporate bonds	42,199,376	3.13%		A
Domestic corporate bonds	53,978,849	4.01%		Baa
Domestic corporate bonds	4,363,973	0.32%		Ba
Domestic corporate bonds	2,943,782	0.22%		NR
Asset backed securities	10,201,804	0.76%	25.2	Aaa
Asset backed securities	963,859	0.07%		Aa
Asset backed securities	1,801,588	0.13%		A
Asset backed securities	2,735,462	0.20%		AGY
Domestic stocks	317,631,802	23.58%	N/A	N/A
International equity securities	128,218,671	9.52%	N/A	N/A
Mortgage backed bonds	126,578,214	9.40%	26.9	AGY
Mortgage backed bonds	22,557	0.00%		Aaa
Mortgage backed bonds	34,616	0.00%		NR
Government issued commercial mortgage backed bonds	21,344	0.00%	26.0	AGY
International equity mutual funds	14,513,865	1.08%	N/A	N/A
Domestic equity mutual funds	311,130,026	23.11%	N/A	N/A
Infrastructure	97,060,786	7.21%	N/A	N/A
Real Estate	113,136,440	8.40%	N/A	N/A
Total investments	<u>1,318,878,101</u>			
Total cash and investments	<u>\$ 1,346,817,328</u>	100.00%		

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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, 2024, the Plan had \$4,363,973 invested in domestic corporate bonds and \$2,307,149 invested in agency 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
For the Year Ended September 30, 2024

The Pension Plan’s exposure to foreign currency risk as of September 30, 2024 is as follows:

<u>Investment</u>	<u>Currency</u>	<u>Fair Value</u>
Common stock	Euro currency	\$ 20,637,265
Common stock	British pound sterling	11,110,541
Common stock	Japanese yen	12,129,311
Common stock	Swiss franc	4,295,308
Common stock	Australian Dollar	2,351,341
Common stock	Swedish krona	1,732,658
Common stock	Hong Kong dollar	1,615,325
Common stock	Norwegian krone	1,076,738
Common stock	Singapore dollar	964,903
Common stock	South Korean won	724,249
Common stock	Canadian dollar	408,909
Common stock	Danish krone	212,028
Total		<u>\$ 57,258,576</u>

All of the City’s foreign currency exposure resides with a single international equity money manager, Thompson, Siegel & Walmsley, and is primarily invested in foreign common stock.

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, 2024

The Employees' Pension Plan has the following recurring fair value and net asset value measurements as of September 30, 2024:

(in thousands)	<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>
Investments measured at fair value:				
Government bonds	\$ 75,812	\$ -	\$ 75,812	\$ -
Index linked government bonds	3,282		3,282	
Agency bonds	3,899	-	3,899	-
Municipal bonds	2,380	-	2,380	-
Domestic corporate bonds	109,453	-	109,453	-
Asset backed securities	15,703	-	15,703	-
Domestic stocks	317,631	317,631	-	-
International equity securities	128,218	128,218	-	-
Mortgage backed bonds	126,635	-	126,635	-
Government issued mortgage backed bonds	21	-	21	-
Total investments measured at fair value	<u>783,034</u>	<u>\$ 445,849</u>	<u>\$ 337,185</u>	<u>\$ -</u>
Investments measured at net asset value:				
International equity mutual funds	14,514			
Domestic equity mutual funds	311,133			
Infrastructure	97,061			
Real Estate	113,136			
Total investments measured at net asset value	<u>535,844</u>			
Total Employees' Pension Plan investments	<u>\$ 1,318,878</u>			

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

Net Asset Value Investments (in thousands):

Money Manager	Value	Unfunded Commitments	Investment Strategy	Redemption Restrictions
Dimensional	\$14,514	\$ -	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	87,994	-	Collective large cap value index fund seeking to approximate the risk and return characteristics of the Russell 1000 Value Index.	None
Northern Trust	223,139	-	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	54,445	-	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	12,610	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	7,858	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	97,061	-	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	23,697	-	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	14,526	-	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>\$ 535,844</u>	<u>\$ 1,814</u>		

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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	\$ 170,398	6.37%	N/A	N/A
Total cash and cash equivalents	<u>170,398</u>			
<u>Investments:</u>				
Agency Bond - Federal Home Loan Bank (FHLB)	<u>2,503,529</u>	93.63%	2.39	Aaa
Total investments	<u>2,503,529</u>			
Total managed cash and investments	<u>\$ 2,673,927</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, 2024

Fair Value Measurement:

The Firefighters' Relief and Pension Plan has the following recurring fair value measurements as of September 30, 2024:

	<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	\$ 2,503,529	\$ -	\$ 2,503,529	\$ -

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	\$ 10,858	0.05%	N/A	N/A
Cash in managed investment accounts	520,749	2.41%	N/A	N/A
Total cash and cash equivalents	<u>531,607</u>			
<u>Investments:</u>				
Domestic equity mutual funds	16,025,193	74.15%	N/A	N/R
International equity mutual funds	3,541,189	16.39%	N/A	N/R
Real estate	1,511,899	7.00%	N/A	N/R
Total investments	<u>21,078,281</u>			
Total managed cash and investments	<u>\$ 21,609,888</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, 2024

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, 2024:

	<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	\$ 16,025,193	\$ 16,025,193	\$ -	\$ -
International equity mutual funds	3,541,189	-	3,541,189	-
Real estate	1,511,899	-	-	1,511,899
	<u>\$ 21,078,281</u>	<u>\$ 16,025,193</u>	<u>\$ 3,541,189</u>	<u>\$ 1,511,899</u>

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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>
<u>Cash and cash equivalents:</u>				
Cash in managed investment accounts	\$ 1,680,932	6.86%	N/A	N/A
Total cash and cash equivalents	<u>1,680,932</u>			
<u>Investments:</u>				
Government bonds	1,326,247	5.41%	5.7	Aaa
Municipal bonds	32,529	0.13%	2.5	A1/A2/A3
Municipal bonds	34,045	0.14%		N/R
Domestic corporate bonds	975,330	3.98%	5.2	A1/A2/A3
Domestic corporate bonds	1,049,928	4.29%		Baa1/Baa2/Baa3
Domestic corporate bonds	47,622	0.19%		N/R
International equity securities	537,952	2.20%	N/A	N/R
Domestic stocks	4,182,516	17.07%	N/A	N/R
Mortgage backed bonds	1,929,913	7.88%	15.9	N/R
Domestic equity mutual funds	7,740,463	31.61%	N/A	N/R
International equity mutual funds	1,440,619	5.88%	N/A	N/R
Real estate	3,517,862	14.36%	N/A	N/R
Total investments	<u>22,815,026</u>			
Total managed cash and investments	<u>\$ 24,495,958</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. 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.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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, 2024:

	<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>
Government bonds	\$ 1,326,247	\$ 213,726	\$ 1,112,521	\$ -
Municipal bonds	66,574	-	66,574	-
Domestic corporate bonds	2,072,880	-	2,072,880	-
International equity securities	537,952	469,603	68,349	-
Domestic stocks	4,182,516	4,182,516	-	-
Mortgage backed bonds	1,929,913	1,929,913	-	-
Domestic equity mutual funds	7,740,463	7,740,463	-	-
International equity mutual funds	1,440,619	-	1,440,619	-
Real estate	3,517,862	-	-	3,517,862
	<u>\$ 22,815,026</u>	<u>\$ 14,536,221</u>	<u>\$ 4,760,943</u>	<u>\$ 3,517,862</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 \$10,585,631 are reported on the Governmental Funds Balance Sheet, net of an allowance for uncollectible accounts in the amount of \$12,920,735. The gross receivable of \$23,506,366 includes \$6,793,269 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.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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:

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

	<u>Taxes</u>	<u>Franchise Fees</u>	<u>Interest</u>	<u>Accounts and Contracts</u>	<u>Leases</u>	<u>Notes</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ 1,470	\$ 1,071	\$ 394	\$ 424	\$ 2,086	\$ -	\$ 60	\$ 5,505
Special Development Fund	33	-	101	-	-	-	-	134
Special Programs Fund	-	-	66	-	-	10,928	-	10,994
Capital Improvement Fund	-	-	18	-	-	-	-	18
Non-major governmental funds	-	-	65	-	-	12,578	-	12,643
Internal service funds	-	-	303	-	-	-	62	365
Total governmental	1,503	1,071	947	424	2,086	23,506	122	29,659
Less: Allowance for uncollectible accounts	(77)	-	-	-	-	(12,921)	-	(12,998)
Net governmental receivables	<u>\$ 1,426</u>	<u>\$ 1,071</u>	<u>\$ 947</u>	<u>\$ 424</u>	<u>\$ 2,086</u>	<u>\$ 10,585</u>	<u>\$ 122</u>	<u>\$ 16,661</u>
Water and Sewer Utility Fund	\$ -	\$ -	\$ 660	\$ 9,318	\$ -	\$ -	\$ 26	\$ 10,004
Gas Utility Fund	-	-	115	2,649	-	-	74	2,838
Solid Waste and Recycling Utility Fund	-	-	170	2,757	-	-	-	2,927
Stormwater Utility Fund	-	-	164	2,383	-	-	3	2,550
Non-major enterprise funds	-	-	262	-	8,421	-	22	8,705
Total business-type	-	-	1,371	17,107	8,421	-	125	27,024
Less: Allowance for uncollectible accounts	-	-	-	(93)	-	-	-	(93)
Net business-type receivables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,371</u>	<u>\$ 17,014</u>	<u>\$ 8,421</u>	<u>\$ -</u>	<u>\$ 125</u>	<u>\$ 26,931</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 set to expire on December 31, 2024, but was modified to extend the term for an additional two years and two months, to February 28, 2027. There are no further renewals available. Monthly fixed base rent payments of \$8,334 through December 31, 2024 and \$10,000 through February 28, 2027 are received in the General Fund, as well as additional rent which varies based on gross sales. Two lump sum payments of \$50,000 payable January 1, 2025 and \$50,000 payable January 1, 2026 are also required. A lease receivable of \$371,299 and a deferred inflow of \$345,267 are recorded in the General Fund and the government-wide statements as of September 30, 2024. The City's incremental borrowing rate is 3.159%.

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 1st, in addition to fixed monthly rent of \$10,000 and additional rent which varies based on gross sales. A lease receivable of \$385,003 and a deferred inflow of \$403,402 are recorded in the General Fund and the government-wide statements as of September 30, 2024. 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 commenced on March 1, 2024 and terminates on February 28, 2029. There are no renewals available. Monthly base rent of \$2,000 is received in the General Fund, and is subject to increase 5% annually on March

City of Clearwater, Florida
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For the Year Ended September 30, 2024

1st. A lease receivable of \$112,146 and a deferred inflow of \$110,158 are recorded in the General Fund and the government-wide statements as of September 30, 2024. The City's incremental borrowing rate is 2.432%.

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 \$1,129,035 (present value of the required improvements using a discount rate of 2.36%) and a deferred inflow of \$937,589 are recorded in the General Fund and the government-wide statements as of September 30, 2024. 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 \$39,514 and a deferred inflow of \$43,805 are recorded in the General Fund and the government-wide statements as of September 30, 2024. The City's incremental borrowing rate is 1.090%.

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 \$49,440 and a deferred inflow of \$50,159 are recorded in the General Fund and the government-wide statements as of September 30, 2024. The City's incremental borrowing rate is 1.390%.

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 \$0 and a deferred inflow of \$30,502 are recorded in the Water and Sewer Utility Fund and the government-wide statements as of September 30, 2024. The City's incremental borrowing rate is 0.916%.

Forty-six commercial boat slips at the Clearwater Beach Marina and one slip at Island Estates are generally leased to various parties for a term of five years; however, some leases set to expire on April 30, 2024 were extended for two additional years, to April 30, 2026. There is no renewal option. Termination dates range from February 15, 2025 to June 6, 2029. 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 \$1,016,863 and a deferred inflow of \$1,042,508 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2024. The City's incremental borrowing rate ranges from 0.743% to 3.159% for these leases.

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 was set to expire on May 31, 2024 if the renewal options were not exercised. The lease was amended to decrease the rent on January 1, 2024 due to a reduction in the rental space, and then a one-year renewal option to May 31, 2025 was exercised. Monthly lease payments of \$679.80 are received in the Marine Operations Fund. A lease receivable of \$5,370 and a deferred inflow of \$5,998 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2024. The City's incremental borrowing rate is 3.365%.

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.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

Monthly lease payments of \$16,902 are received in the Marine Operations Fund. A lease receivable of \$596,979 and a deferred inflow of \$589,501 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2024. The City's incremental borrowing rate is 1.24%.

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 \$13,971 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 1st, the greater of 2% or the percentage increase in the PPI for the previous twelve months. A lease receivable of \$2,520,144 and a deferred inflow of \$2,465,317 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2024. The City's incremental borrowing rate is 1.97%.

Clearwater Marine Aquarium leases Island Estates boat slips 1-20, 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 \$130,369 and a deferred inflow of \$130,369 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2024. The City's incremental borrowing rate is 1.090%.

The Clearwater Airpark, a public-use airport located at 1000 N. Hercules Avenue, is leased to FlyUSA PV, LLC for an initial term of five years expiring on February 29, 2028, amended March 1, 2024 to extend the initial term to thirty years, ending on February 28, 2053. The agreement provides for five subsequent five-year renewals subject to mutual agreement. Current monthly rent of \$20,620 is received in the Aviation Operations Enterprise Fund. Monthly rent is adjusted annually by the higher of 3% or the increase in the CPI-U based on the twelve-month period ending two months prior to the effective date of the increase. Beginning in the eleventh year, the monthly rent shall experience a one-time increase of \$25,000 per month. A lease receivable of \$4,150,901 and a deferred inflow of \$4,116,545 are recorded in the Aviation Operations Enterprise Fund and the government-wide statements as of September 30, 2024. The City's incremental borrowing rate is 3.833%.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

III.D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Governmental Activities					
Non-depreciable capital assets:					
Land	\$ 94,477,071	\$ 1,667,062	\$ (3,458,379)	\$ -	\$ 92,685,754
Construction in progress	1,979,131	8,282,347	(470,869)	-	9,790,609
SBITA work in progress	-	130,000	-	-	130,000
Total non-depreciable capital assets	96,456,202	10,079,409	(3,929,248)	-	102,606,363
Depreciable capital assets:					
Buildings	193,031,133	903,721	-	47,562,743	241,497,597
Improvements other than buildings	145,903,216	1,290,698	-	(47,562,743)	99,631,171
Machinery and equipment	125,561,708	10,309,135	(7,481,464)	-	128,389,379
Infrastructure	170,023,140	322,250	-	-	170,345,390
Total depreciable capital assets	634,519,197	12,825,804	(7,481,464)	-	639,863,537
Less accumulated depreciation for:					
Buildings	(97,680,724)	(8,133,890)	-	-	(105,814,614)
Improvements other than buildings	(33,950,684)	(3,369,050)	-	-	(37,319,734)
Machinery and equipment	(99,345,364)	(9,937,007)	7,461,853	-	(101,820,518)
Infrastructure	(130,876,226)	(4,464,273)	-	-	(135,340,499)
Total accumulated depreciation	(361,852,998)	(25,904,220)	7,461,853	-	(380,295,365)
Net depreciable capital assets	272,666,199	(13,078,416)	(19,611)	-	259,568,172
Capital assets, net of accumulated depreciation	369,122,401	(2,999,007)	(3,948,859)	-	362,174,535
Intangible right-to-use lease assets:					
Buildings	2,428,531	242,105	(218,391)	-	2,452,245
Machinery and equipment	1,638,761	703,419	(531,375)	-	1,810,805
Total intangible right-to-use lease assets being amortized	4,067,292	945,524	(749,766)	-	4,263,050
Less accumulated amortization for:					
Buildings	(732,440)	(399,873)	218,391	-	(913,922)
Machinery and equipment	(698,582)	(646,755)	531,375	-	(813,962)
Total accumulated amortization	(1,431,022)	(1,046,628)	749,766	-	(1,727,884)
Intangible right-to-use lease assets, net of accumulated amortization	2,636,270	(101,104)	-	-	2,535,166
Intangible right-to-use subscription assets:					
Software	5,835,934	3,669,216	(188,250)	-	9,316,900
Total intangible right-to-use subscription assets being amortized	5,835,934	3,669,216	(188,250)	-	9,316,900
Less accumulated amortization for:					
Software	(199,085)	(3,108,060)	188,250	-	(3,118,895)
Total accumulated amortization	(199,085)	(3,108,060)	188,250	-	(3,118,895)
Intangible right-to-use subscription assets, net of accumulated amortization	5,636,849	561,156	-	-	6,198,005
Total Governmental Activities Capital Assets, net	\$ 377,395,520	\$ (2,538,955)	\$ (3,948,859)	\$ -	\$ 370,907,706

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

Business-type activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Non-depreciable capital assets:					
Land	\$ 30,649,872	\$ -	\$ -	\$ -	\$ 30,649,872
Construction in progress	29,662,755	8,741,091	(4,175,339)	-	34,228,507
SBITA work in progress	-	541,660	-	-	541,660
Total non-depreciable capital assets	<u>60,312,627</u>	<u>9,282,751</u>	<u>(4,175,339)</u>	<u>-</u>	<u>65,420,039</u>
Depreciable capital assets:					
Buildings	76,953,319	148,126	-	-	77,101,445
Improvements other than buildings	743,656,669	9,420,212	-	-	753,076,881
Machinery and equipment	22,125,900	661,348	(903,558)	-	21,883,690
Total depreciable capital assets	<u>842,735,888</u>	<u>10,229,686</u>	<u>(903,558)</u>	<u>-</u>	<u>852,062,016</u>
Less accumulated depreciation for:					
Buildings	(20,559,351)	(2,287,397)	-	-	(22,846,748)
Improvements other than buildings	(448,713,343)	(16,999,334)	-	-	(465,712,677)
Machinery and equipment	(13,939,275)	(1,878,679)	901,296	-	(14,916,658)
Total accumulated depreciation	<u>(483,211,969)</u>	<u>(21,165,410)</u>	<u>901,296</u>	<u>-</u>	<u>(503,476,083)</u>
Net depreciable capital assets	<u>359,523,919</u>	<u>(10,935,724)</u>	<u>(2,262)</u>	<u>-</u>	<u>348,585,933</u>
Total Business-type Activities Capital Assets, net	<u>\$ 419,836,546</u>	<u>\$ (1,652,973)</u>	<u>\$ (4,177,601)</u>	<u>\$ -</u>	<u>\$ 414,005,972</u>

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

	Depreciation of capital assets	Amortization of lease assets	Amortization of subscription assets
Governmental activities:			
General government	\$ 696,796	\$ 253,924	\$ 19,057
Public safety	2,085,839	57,853	436,572
Transportation, including depreciation on infrastructure assets	4,278,051	-	-
Economic environment	51,229	-	76,881
Culture and recreation	9,348,583	-	-
Capital assets held by governmental internal service funds are charged to the various functions based on their usage of assets	9,443,722	734,851	2,575,550
	<u>\$ 25,904,220</u>	<u>\$ 1,046,628</u>	<u>\$ 3,108,060</u>
Business-type activities:			
Water and sewer utility	\$ 11,424,842	\$ -	\$ -
Gas utility	4,210,683	-	-
Solid waste and recycling utility	1,135,176	-	-
Stormwater utility	3,594,334	-	-
Marine operations	27,179	-	-
Aviation operations	150,841	-	-
Parking system operations	251,061	-	-
Clearwater Harbor Marina operations	371,294	-	-
	<u>\$ 21,165,410</u>	<u>\$ -</u>	<u>\$ -</u>

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

III.E. Intangible Right-to-use Lease Assets

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

The City leases the 6th floor (13,024 square feet) of One Clearwater Tower located at 600 Cleveland Street for use as a temporary City Hall. The lease expires on January 31, 2029. Monthly lease payments of \$21,598, increasing to \$22,249 on February 1, 2025, are paid from the General Fund. The City has recorded a lease liability in the government-wide statements in the amount of \$1,142,645 as well as an intangible right-to-use lease asset in the amount of \$1,120,794, net of accumulated amortization, as of September 30, 2024. The City's incremental borrowing rate is 2.312%.

The City leases 2,660 square feet of office space. The lease expires on February 29, 2028. Monthly lease payments of \$5,320, increasing to \$5,480 on March 1, 2025, are paid from the General Fund. The City has recorded a lease liability in the government-wide statements in the amount of \$219,210 as well as an intangible right-to-use lease asset in the amount of \$202,324, net of accumulated amortization, as of September 30, 2024. The City's incremental borrowing rate is 2.682%.

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, 2027. There are no renewal options. Monthly lease payments of \$6,818, increasing to \$7,023 on June 1, 2025, 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 \$216,537 as well as an intangible right-to-use lease asset in the amount of \$215,205, net of accumulated amortization, as of September 30, 2024. The City's incremental borrowing rate is 2.975%.

The City leases various computer equipment from Hewlett-Packard Financial Services Company for terms of 36 months. There are ten leases outstanding with termination dates ranging from March 31, 2025 to February 28, 2027. There are no renewal options. Quarterly lease payments ranging from \$6,360 to \$34,195 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 \$1,040,774 as well as an intangible right-to-use lease asset in the amount of \$996,843, net of accumulated amortization, as of September 30, 2024. The City's incremental borrowing rate ranges from 2.291% to 3.764% for these leases.

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

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

	Principal	Interest	Total
2025	\$ 926,322	\$ 57,888	\$ 984,210
2026	796,660	34,104	830,764
2027	487,483	15,474	502,957
2028	311,922	6,011	317,933
2029	96,779	466	97,245
	<u>\$ 2,619,166</u>	<u>\$ 113,943</u>	<u>\$ 2,733,109</u>

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

III.F. Intangible Right-to-use Subscription Assets

The City subscribes to software applications utilized for digital evidence management, budget development, bid management, debt/lease/subscription management, media monitoring and analysis, GIS technology for economic development, video and data collaboration for the Real Time Crime Center, and housing, economic and community development programs. Termination dates range from November 30, 2024 to September 30, 2028. Annual payments of \$162,821 for fiscal 2024 were paid from the General Fund. The City has recorded a subscription liability in the government-wide statements in the amount of \$1,806,271 as well as an intangible right-to-use subscription asset in the amount of \$1,514,653, net of accumulated amortization, as of September 30, 2024. The City's incremental borrowing rate ranges from 3.2067% to 3.451% for these for these subscriptions.

The City subscribes to software applications utilized for land management/building permits/code enforcement, cyber defense and response, fuel management, field mobility, agenda management, Microsoft Office and related cloud applications, interactive voice response for building permits, and financial and human capital management. Termination dates range from May 31, 2025 to September 30, 2027. Annual payments of \$2,208,501 for fiscal 2024 were paid from the Administrative Services Fund. The City has recorded a subscription liability in the Administrative Services Internal Service Fund and the government-wide statements in the amount of \$3,119,780 as well as an intangible right-to-use subscription asset in the amount of \$4,586,825, net of accumulated amortization, as of September 30, 2024. The City's incremental borrowing rate ranges from 2.583% to 3.2687% for these subscriptions.

The City subscribes to a software application utilized for claims management. The agreement terminates on June 30, 2028. The annual payment of \$29,791 for fiscal 2024 was paid from the Central Insurance Fund. The City has recorded a subscription liability in the Central Insurance Internal Service Fund and the government-wide statements in the amount of \$87,090 as well as an intangible right-to-use subscription asset in the amount of \$96,527, net of accumulated amortization, as of September 30, 2024. The City's incremental borrowing rate is 3.3313% for this subscription.

The City is in the process of implementing an asset management system. Project costs incurred as of September 30, 2024 of \$130,000 and \$541,660 are recorded as work in progress in the Administrative Services Internal Service Fund and the Water and Sewer Utility Enterprise Fund, respectively, as well as in the government-wide statements.

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

Future payments on intangible right-to-use subscription assets are as follows:

	Principal	Interest	Total
2025	\$ 2,477,144	\$ 150,098	\$ 2,627,242
2026	856,652	81,393	938,045
2027	844,585	54,747	899,332
2028	834,760	27,240	862,000
	<u>\$ 5,013,141</u>	<u>\$ 313,478</u>	<u>\$ 5,326,619</u>

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

III.G. Construction Commitments

As of September 30, 2024, material outstanding construction commitments were as follows:

<u>Project</u>	<u>Fund</u>	<u>Construction Commitments Outstanding</u>
Beach Marina Replacement	Marine Operations Enterprise Fund	\$ 42,783,537
City Hall	Capital Improvement Fund	29,273,596
Pierce Street Lift Station	Water & Sewer Utility Enterprise Fund	5,860,456
Municipal Services Building Renovation	Capital Improvement Fund	5,822,660
Fire Station #47	Capital Improvement Fund	5,360,617
Island Way Water Main Replacement	Water & Sewer Utility Enterprise Fund	4,102,379
East Water Reclamation Facility Pump Station Rehab	Water & Sewer Utility Enterprise Fund	2,632,385
Annual Road Resurfacing	Capital Improvement Fund	1,790,454
Annual Sidewalk Repairs	Capital Improvement Fund	1,641,119
Annual Stormwater Repairs	Stormwater Utility Enterprise Fund	1,284,979
McKay Park Improvements	Capital Improvement Fund	1,267,641
Northeast Water Reclamation Facility Improvements	Water & Sewer Utility Enterprise Fund	875,123
Imagine Clearwater	Capital Improvement Fund	542,004
Total Construction Commitments		<u><u>\$ 103,236,950</u></u>

III.H. Interfund Receivables, Payables, and Transfers

III.H.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, 2024, 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, 2024, there were no funds with a cash pool deficit.

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.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

Fund	Due from Other Funds	Due to Other Funds	Advances to Other Funds	Advances from Other Funds
General Fund	\$ -	\$ 525,333	\$ -	\$ 1,796,428
Special Revenue Funds:				
Special Programs Fund	-	10,111	325,440	43,408
Community Redevelopment Agency Fund	-	-	-	373,440
Downtown Development Board Fund	-	-	48,000	-
Capital Projects Fund:				
Capital Improvement Fund	4,667,392	-	11,473,499	-
Enterprise Funds:				
Water & Sewer Utility Fund	-	75,610	-	169,662
Solid Waste & Recycling Utility Fund	-	491,707	-	1,351,074
Marine Operations Fund	-	4,893	-	15,548
Internal Service Funds:				
Garage Fund	-	3,381,480	-	8,624,219
Administrative Services Fund	-	532,784	-	602,614
General Services Fund	-	7,078	-	7,149
Central Insurance Fund	361,604	-	1,136,603	-
	<u>\$ 5,028,996</u>	<u>\$ 5,028,996</u>	<u>\$ 12,983,542</u>	<u>\$ 12,983,542</u>

Descriptions of interfund loans as of September 30, 2024:

On September 22, 2003, the Downtown Development Board (DDB) entered into an interlocal agreement with the Community Redevelopment Agency (CRA). Under the terms of this agreement, the DDB agreed to loan the CRA \$48,000 to purchase property. The unsecured loan is not subject to interest and will be repaid to the DDB upon subsequent sale of the property. If the property is resold for an amount greater than the original purchase price, the DDB will receive a proportionate share (3.85%) of the profit. If the property sells for less than the original purchase price, then the DDB will be reimbursed the entire principal amount of the loan. Because the first principal payment is not due within one year, this loan is classified as an advance.

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 (\$361,604) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$1,136,603) is classified as an advance.

An internal loan July 1, 2021 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 (\$35,344) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$35,697) is classified as an advance.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

An internal loan July 1, 2021 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 (\$104,802) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$105,850) is classified as an advance.

An internal loan July 1, 2021 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 (\$7,078) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$7,149) is classified as an advance.

An internal loan July 1, 2021 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 (\$1,038,282) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$1,048,666) is classified as an advance.

An internal loan August 1, 2022 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 (\$76,876) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$160,270) is classified as an advance.

An internal loan August 1, 2022 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 (\$70,162) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$146,275) is classified as an advance.

An internal loan August 1, 2022 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 balance of this loan (\$17,110) is due within one year and is therefore classified as due to/due from other funds.

An internal loan August 1, 2022 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 (\$745,400) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$1,553,997) is classified as an advance.

An internal loan September 30, 2023 from the Capital Improvement Fund to the General Fund in the amount of \$798,954 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$173,958, including interest at 2.9%, beginning September 30, 2024 and ending September 30, 2028. The current portion of this loan (\$155,160) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$493,006) is classified as an advance.

An internal loan September 30, 2023 from the Capital Improvement Fund to the Marine Operations Fund in the amount of \$25,197 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$5,486, including interest at 2.9%, beginning September 30, 2024 and ending September 30, 2028. The current portion of this loan (\$4,893) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$15,548) is classified as an advance.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

An internal loan September 30, 2023 from the Capital Improvement Fund to the Administrative Services Fund in the amount of \$1,375,405 to fund the purchase of computers and network equipment. This loan provides for 3 equal payments of \$484,846, including interest at 2.85%, beginning September 30, 2024 and ending September 30, 2028. The current portion of this loan (\$458,348) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$471,410) is classified as an advance.

An internal loan September 30, 2023 from the Capital Improvement Fund to the Administrative Services Fund in the amount of \$55,096 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$11,996, including interest at 2.9%, beginning September 30, 2024 and ending September 30, 2028. The current portion of this loan (\$10,700) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$33,998) is classified as an advance.

An internal loan September 30, 2023 from the Capital Improvement Fund to the Garage Fund in the amount of \$3,867,828 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$842,148, including interest at 2.9%, beginning September 30, 2024 and ending September 30, 2028. The current portion of this loan (\$751,150) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$2,386,696) is classified as an advance.

An internal loan September 30, 2024 from the Capital Improvement Fund to the General Fund in the amount of \$1,365,408 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$296,867, including interest at 2.85%, beginning September 30, 2025 and ending September 30, 2029. The current portion of this loan (\$257,953) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$1,107,455) is classified as an advance.

An internal loan September 30, 2024 from the Capital Improvement Fund to the Special Programs Fund in the amount of \$53,519 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$11,636, including interest at 2.85%, beginning September 30, 2025 and ending September 30, 2029. The current portion of this loan (\$10,111) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$43,408) is classified as an advance.

An internal loan September 30, 2024 from the Capital Improvement Fund to the Water & Sewer Utility Fund in the amount of \$28,835 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$6,269, including interest at 2.85%, beginning September 30, 2025 and ending September 30, 2029. The current portion of this loan (\$5,448) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$23,387) is classified as an advance.

An internal loan September 30, 2024 from the Capital Improvement Fund to the Solid Waste & Recycling Utility Fund in the amount of \$133,922 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$29,117, including interest at 2.85%, beginning September 30, 2025 and ending September 30, 2029. The current portion of this loan (\$25,301) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$108,621) is classified as an advance.

An internal loan September 30, 2024 from the Capital Improvement Fund to the Administrative Services Fund in the amount of \$143,832 to fund the purchase of computers and network equipment. This loan provides for 3 equal payments of \$50,653, including interest at 2.8%, beginning September 30, 2025 and ending September 30, 2029. The current portion of this loan (\$46,626) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$97,206) is classified as an advance.

An internal loan September 30, 2024 from the Capital Improvement Fund to the Garage Fund in the amount of \$4,481,508 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of \$974,370, including interest at 2.85%, beginning September 30, 2025 and ending September 30, 2029. The current portion of this loan (\$846,648) is due

City of Clearwater, Florida
Notes to the Basic Financial Statements
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within one year and is therefore classified as due to/due from other funds, while the long-term portion (\$3,634,860) is classified as an advance.

III.H.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 \$213,875 from General Fund to the Capital Improvement Fund for the North Ward Preservation project;
- a transfer of \$660,000 from General Fund to the Capital Improvement Fund for the Fire Station #47 Replacement project;
- a transfer of \$165,000 from General Fund to the General Services Fund for the Roofing Repair and Replacement project;
- a transfer of \$119,008 from General Fund to the General Services Fund for the Air Conditioning Replacement project;
- a transfer of \$70,000 from General Fund to the General Services Fund for the Lighting Repair and Replacement project;
- a transfer of \$200,000 from General Fund to the Capital Improvement Fund for the Coachman Park Improvements project;
- a transfer of \$16,590 from General Fund to the Special Programs Fund to return unspent funds from the demolition of the Elks Lodge building;
- a transfer of \$250,000 from General Fund to the Special Programs Fund for the Amplify Sublease Agreement program;
- a transfer of \$3 million from General Fund to the new North Greenwood CRA Capital Fund to establish various projects;
- a transfer of \$200,000 from General Fund to the Special Programs Fund for the Property Use/Surplus Planning program;
- a transfer of \$535,000 from General Fund to the Capital Improvement Fund for the Harborview Site Foundation project;
- a transfer of \$1.1 million from General Fund to the Capital Improvement Fund for the Myrtle/Cleveland Utility Underground project;
- a transfer of \$620,000 from the Special Development Fund to the Capital Improvement Fund for the Park Land Acquisition project;
- a transfer of \$6,900 from the Special Programs Fund to the General Fund to offset the cost of software licensing fees for Economic Development and Housing;
- a transfer of \$28,612 from the Special Programs Fund to the General Fund to offset the cost of paramedic training for 14 Fire Department employees;
- a transfer of \$3 million from the Special Programs Fund to the Capital Improvement Fund to allocate ARPA funds to the New City Hall project;
- a transfer of \$50,000 from the Capital Improvement Fund to the Special Programs Fund for the HB 1365/Pinellas County program;
- a transfer of \$3 million from the Capital Improvement Fund to the General Fund to return excess funds from the New City Hall project;
- a transfer of \$30,000 from the Capital Improvement Fund to the Special Programs Fund from the Water Tank Mural Grant program;
- a transfer of \$44,000 from the Capital Improvement Fund to the Stormwater Fund for the Allen’s Creek project;

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- a transfer of \$1,154,763 from the Downtown CRA Capital Fund to the Capital Improvement Fund for the Mercado-Downtown Gateway project;
- a transfer of \$2,645,438 from the Gas Utility Fund to the General Fund for the annual dividend payment;
- a transfer of \$20,000 from the Administrative Services Fund to the Capital Improvement Fund for the Municipal Cemetery Improvements project; and
- a transfer of \$2,186,963 from the Garage Fund to the General Services Fund for the General Services Roof Replacement project.

Interfund transfers for the year ended September 30, 2024 consisted of the following:

Transfers to General Fund from:	
Capital Improvement Fund	\$ 3,000,000
Special Programs Fund	295,445
Water & Sewer Utility Enterprise Fund	5,633,660
Gas Utility Enterprise Fund	4,353,846
Solid Waste & Recycling Utility Enterprise Fund	1,720,320
Stormwater Utility Enterprise Fund	951,520
Nonmajor governmental funds	1,124,626
Nonmajor enterprise funds	1,613,487
Total	18,692,904
Transfers to Special Programs Fund from:	
General Fund	997,470
Capital Improvement Fund	80,000
	1,077,470
Transfers to Capital Improvement Fund from:	
General Fund	13,510,075
Special Development Fund	21,217,750
Special Programs Fund	3,185,000
Nonmajor governmental funds	1,154,763
Nonmajor enterprise funds	136,000
Internal service funds	175,000
Total	39,378,588
Transfers to Stormwater Utility Enterprise Fund from:	
Capital Improvement Fund	44,000
Transfers to Nonmajor governmental funds from:	
General Fund	8,431,755
Nonmajor governmental funds	8,850,381
Total	17,282,136
Transfer to Nonmajor enterprise funds from:	
General Fund	15,000
Special Development Fund	11,500,000
Total	11,515,000
Transfers to Internal service funds from:	
General Fund	3,383,386
Capital Improvement Fund	1,466,390
Special Programs Fund	192,089
Water & Sewer Utility Enterprise Fund	734,945
Gas Utility Enterprise Fund	7,800
Solid Waste & Recycling Utility Enterprise Fund	133,922
Stormwater Utility Enterprise Fund	1,318,097
Nonmajor enterprise funds	17,991
Internal service funds	2,186,963
Total	9,441,583
Total interfund transfers	\$ 97,431,681

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For the Year Ended September 30, 2024

III.I. 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, 2024:

	Governmental Activities	Business-type Activities
Equipment	\$ 9,868,079	\$ 836,576
Less: Accumulated Depreciation	(7,894,463)	(669,261)
Total	\$ 1,973,616	\$ 167,315

The future minimum payments under financed purchase agreements are as follows as of September 30, 2024:

Year Ending Sept. 30	Governmental Activities	Business-type Activities
2025	\$ 1,458,967	\$ 146,279
	1,458,967	146,279
Deduction of the amount of imputed interest necessary to reduce net minimum lease payments to present value	(9,663)	(976)
	\$ 1,449,304	\$ 145,303

III.J. Long-term Debt

III.J.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 \$345,000 on March 1, 2025; 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.

\$2,845,000

\$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 \$500,000 on October 1, 2024 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.

29,795,000

Total revenue bonds for governmental activities

32,640,000

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<p>\$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 \$805,000 on December 1, 2024, to \$9,265,000 on December 1, 2039; interest at 3.50% to 5.00%.</p>	66,400,000
<p>\$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 \$2,395,000 on December 1, 2024, to \$2,895,000 on December 1, 2032; interest at 2.40%.</p>	23,750,000
<p>\$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 \$1,425,000 on December 1, 2024, to \$2,060,000 on December 1, 2032; interest at 5.00%.</p>	15,560,000
<p>\$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 \$1,485,000 on September 1, 2025, to \$1,520,000 on September 1, 2026; interest at 2.41%.</p>	3,005,000
<p>\$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 \$315,000 on September 1, 2025, to \$2,040,000 on September 1, 2027; interest at 2.67%.</p>	2,680,000
<p>\$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 \$985,000 on November 1, 2024, to \$1,350,000 on November 1, 2032, interest at 3.00% to 4.00%.</p>	10,420,000
<p>Total revenue bonds and direct placement bank loans for business-type activities</p>	<hr style="border: 0.5px solid black;"/> 121,815,000
<p>Total bonds payable</p>	<hr style="border: 0.5px solid black;"/> \$154,455,000

III.J.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.

City of Clearwater, Florida
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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.

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.

City of Clearwater, Florida
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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
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	980,000	1,311,978	3,670,000	3,458,363	2,575,000	362,460
2029	1,030,000	1,260,172	3,845,000	3,286,091	2,635,000	299,939
2030-2034	4,435,000	5,548,737	24,430,000	13,519,363	11,180,000	544,680
2035-2039	4,485,000	4,503,250	41,075,000	6,197,375	-	-
2040-2044	5,610,000	3,376,519	9,265,000	185,300	-	-
2045-2049	6,855,000	2,107,491	-	-	-	-
2050-2054	6,575,000	569,022	-	-	-	-
Totals	<u>\$ 32,640,000</u>	<u>\$ 22,899,941</u>	<u>\$ 92,380,000</u>	<u>\$ 37,974,056</u>	<u>\$ 29,435,000</u>	<u>\$ 2,953,102</u>

III.J.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 \$3,411,659. Principal and interest paid for the current year and total revenue received were \$486,653 and \$532,003, 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. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. Debt service payments commenced on April 1, 2023. The total principal and interest remaining to be paid on the bonds is \$52,128,281. Principal and interest paid for the current year (\$1,532,050) required 1.12% of total pledged revenue (\$136,560,020).

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

City of Clearwater, Florida
Notes to the Basic Financial Statements
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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 \$144,591,805. Principal and interest paid for the current year (\$8,756,880) required 25.38% of total net revenue (\$34,508,247).

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 \$12,167,131. Principal and interest paid for the current year (\$1,320,888) required 10.72% of total net revenue (\$12,325,254).

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.

\$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 \$5,983,222. Principal and interest paid for the current year (\$907,724) required 6.83% of total net revenue (\$13,285,213).

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

III.J.4. Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:	\$ 33,170,000	\$ -	\$ (530,000)	\$ 32,640,000	\$ 845,000
Add (subtract) deferred amounts:					
For issuance premiums (discounts)	1,179,113	-	(71,098)	1,108,015	-
Net bonds payable	<u>34,349,113</u>	<u>-</u>	<u>(601,098)</u>	<u>33,748,015</u>	<u>845,000</u>
Financed purchases (a)	3,514,814	-	(2,065,510)	1,449,304	1,449,304
Compensated absences (b)	9,949,493	7,380,718	(6,096,316)	11,233,895	6,155,106
Other postemployment benefits (c)	17,011,214	1,948,540	(4,314,311)	14,645,443	772,977
Lease liability	2,649,057	945,524	(975,415)	2,619,166	926,322
Subscription liability	3,745,938	3,669,215	(2,402,012)	5,013,141	2,477,144
Claims payable (d)	<u>11,788,315</u>	<u>28,842,035</u>	<u>(29,934,588)</u>	<u>10,695,762</u>	<u>4,454,720</u>
Governmental activity					
Long-term liabilities	<u>\$ 83,007,944</u>	<u>\$ 42,786,032</u>	<u>\$ (46,389,250)</u>	<u>\$ 79,404,726</u>	<u>\$ 17,080,573</u>
Business-type activities:					
Bonds payable:					
Revenue bonds payable	\$ 95,445,000	\$ -	\$ (3,065,000)	\$ 92,380,000	\$ 3,215,000
Less deferred amounts:					
For issuance premiums (discounts)	6,084,727	-	(799,505)	5,285,222	-
Net revenue bonds payable	<u>101,529,727</u>	<u>-</u>	<u>(3,864,505)</u>	<u>97,665,222</u>	<u>3,215,000</u>
Direct placement bank loans (e)	32,520,000	-	(3,085,000)	29,435,000	4,195,000
Less deferred amounts:					
For issuance premiums (discounts)	(31,027)	-	5,905	(25,122)	-
Net direct placement bank loans	<u>32,488,973</u>	<u>-</u>	<u>(3,079,095)</u>	<u>29,409,878</u>	<u>4,195,000</u>
Total bonds payable	<u>134,018,700</u>	<u>-</u>	<u>(6,943,600)</u>	<u>127,075,100</u>	<u>7,410,000</u>
Financed purchases (a)	319,209	-	(173,906)	145,303	145,303
Compensated absences (b)	1,982,347	1,812,674	(1,334,989)	2,460,032	1,347,862
Other postemployment benefits (c)	<u>7,111,665</u>	<u>933,593</u>	<u>(2,067,092)</u>	<u>5,978,166</u>	<u>315,523</u>
Business-type activity					
Long-term liabilities	<u>\$ 143,431,921</u>	<u>\$ 2,746,267</u>	<u>\$ (10,519,587)</u>	<u>\$ 135,658,601</u>	<u>\$ 9,218,688</u>

(a) Financed purchase agreements (direct borrowings):

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. Since the agreement expired at the end of fiscal 2023, there is no remaining line of credit as of September 30, 2024. 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 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.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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 \$2,065,510 includes \$1,802,756 for internal service funds and \$262,754 for governmental funds. There are no additions for governmental funds for fiscal 2024.

- (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:
 - \$3,005,000 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.

\$2,680,000 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.

\$23,750,000 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.

III.K. 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.K.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, 2024, are:

Cash and Investments	\$3,983,949
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City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

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, 2024:

Water and Sewer Revenue Bonds Debt Service:

Cash and Investments	5,256,017
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Water and Sewer Revenue Bonds Renewals and Replacements:

Cash and Investments	2,763,001
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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, 2024	<u>4,602,232</u>
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Total restricted assets – Water and Sewer Utility Fund	<u>\$16,605,199</u>
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III.K.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, 2024:

Gas System Revenue Bonds

Debt Service:

Cash and Investments	\$ 161,998
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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, 2024:

Cash and Investments	<u>3,586,916</u>
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Total restricted assets – Gas Utility Fund	<u>\$ 4,048,914</u>
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III.K.3. Solid Waste & Recycling Utility Fund

Restricted assets in the Solid Waste & Recycling Utility Fund represent customer deposits in the amount of \$1,375,345 as of September 30, 2024, consisting entirely of Cash and Investments.

III.K.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, 2024:

Stormwater Revenue Refunding Bonds – Series 2012

Debt Service: Cash and Investments	<u>\$2,429,276</u>
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Total restricted assets – Stormwater Utility Fund	<u>\$2,429,276</u>
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City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

III.L. Fund Balance Classification

	General Fund	Special Development Fund	Special Programs Fund	Capital Improvement Fund	Non-Major Governmental Funds
Non Spendable:					
Inventories	\$ 49,488	\$ -	\$ -	\$ -	\$ -
Prepaid items	1,540	-	-	-	-
Restricted for:					
General government	-	-	-	13,312,218	-
Public safety	-	-	3,514,562	-	-
Physical environment	-	21,611	1,127,348	2,590,938	-
Transportation	-	3,245,173	-	4,946,867	-
Economic environment	-	-	3,502,508	-	23,603,946
Human services	-	-	846,402	-	-
Culture and recreation	-	1,884,911	1,306,587	11,578,304	1,653,417
Committed to:					
General government	-	-	2,356,458	13,581,096	-
Public safety	-	-	1,676,912	5,563,166	-
Physical environment	-	-	-	5,760,781	-
Transportation	-	-	-	22,694,585	-
Economic environment	-	-	1,161,189	273,520	-
Human services	-	-	72,653	415,792	-
Culture and recreation	-	-	216,955	-	-
Assigned to:					
General government	152,168	-	297,187	-	-
Public safety	227,551	-	654,728	-	-
Physical environment	-	-	142,177	-	-
Transportation	120,459	-	-	-	-
Economic environment	100	-	1,611,688	-	-
Human services	5,561	-	115,908	-	-
Culture and recreation	158,668	-	192,143	-	-
Unassigned	<u>75,055,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u><u>\$ 75,770,785</u></u>	<u><u>\$ 5,151,695</u></u>	<u><u>\$ 18,795,405</u></u>	<u><u>\$ 80,717,267</u></u>	<u><u>\$ 25,257,363</u></u>

General Fund assigned fund balance (\$664,507) relates to encumbrances.

In the Special Development Fund, restricted amounts relate to physical environment restrictions for drainage fees (\$21,611); transportation restrictions for sidewalk fees (\$362,302), transportation impact fees (\$1,863,269), the portion of property tax revenues set aside in the budget process to provide funding for road maintenance projects (\$560,383), and local option gas tax (\$459,219); culture and recreation restrictions for recreation impact fees and the interest earned thereon (\$3,938,938), offset by a deficit in the infrastructure sales tax reserve of \$2,054,027 as projects were prefunded by future Penny for Pinellas revenues.

In the Special Programs Fund, restricted amounts relate to public safety restrictions for law enforcement programs (\$1,912,334) and emergency management programs (\$1,602,228); physical environment restrictions for tree replacements (\$1,127,348); economic environment restrictions for economic development programs (\$23,557), brownfield site

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

remediation (\$791,544), and affordable housing programs (\$2,687,407); human services restrictions for youth programming (\$404,402) and opioid settlements (\$442,000); and culture and recreation restrictions for library programs (\$1,306,587). Committed amounts relate to general government commitments to the electronic plan submittal program (\$139,073), the Nagano Sister City program (\$128,505), the lien foreclosure program (\$703,837), the planning studies fund (\$670,043), an electric utility feasibility study (\$465,000), an evaluation of surplus property (\$200,000), and assistance to Pinellas County for the HB1365 initiative (\$50,000); commitments to public safety for emergency operations (\$1,201,299), police vehicles (\$440,858), law enforcement programs (\$17,358), and an acoustic study at The Sound (\$17,397); commitments to economic environment for economic development programs (\$249,185), the North Greenwood CRA (\$226,168), affordable housing programs (\$435,836), and the Amplify Clearwater sublease agreement (\$250,000); commitments to human services for grant programs (\$72,653); and commitments to culture and recreation for special events (\$219,955). Assigned amounts relate to affordable housing programs (\$1,328,474) and interest earned on all program balances (\$1,685,357).

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 affordable housing (\$852,814) and community redevelopment (\$22,751,132); and culture and recreation restrictions for debt service (\$1,653,417).

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 \$50 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, 2024 in the amount of \$1,382,220.

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, 2024, 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.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

Changes in the claims liability amounts in fiscal years 2024 and 2023 were:

	Self Insurance
Claims liability balance at September 30, 2022	\$ 9,742,504
Current year claims and changes in estimates	24,441,502
Claims paid	(22,395,691)
Claims liability balance at September 30, 2023	11,788,315
Current year claims and changes in estimates	28,842,035
Claims paid	(29,934,588)
Claims liability balance at September 30, 2024	\$ 10,695,762

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 115-120 and pages 146-147 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.

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

Since the last valuation, the inflation rate was increased from 2.25% to 2.40%, and the rate of salary increase was increased from 2.75%-7.60% including 2.25% inflation, to 3.50%-9.00% including 2.40% inflation. The investment return rate remained unchanged at 6.50%. These assumptions were established following the Experience Investigation for the Five Years Ended December 31, 2022, dated September 29, 2023. The mortality assumption is mandated by Chapter 112.63, Florida Statutes.

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

Plan membership/Employees covered by benefit terms. As of the most recent actuarial valuation date, January 1, 2024, the membership of the Employees' Pension Plan was as follows:

	Employees' Pension Plan
Retirees and beneficiaries currently receiving benefits	1,496
Terminated employees entitled to benefits but not yet receiving them	91
Active employees	1,556
Total number of participants	3,143

Benefits provided. For all hazardous duty participants and those non-hazardous duty participants hired before January 1, 2013, the normal retirement benefit is a monthly benefit equal to 2.75% of average monthly compensation for the highest five of the final ten years of service multiplied by the number of years of service to date of retirement. For non-hazardous duty participants hired after January 1, 2013, the multiplier is 2% for years of service through October 1, 2022 and 2.5% for years of service after October 1, 2022. For non-hazardous duty participants hired after October 1, 2022, the multiplier is 2.5% of average monthly compensation.

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 COLA is applied to 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 hazardous duty firefighters actively employed on or after October 1, 2022, there is a COLA of 1.5% on all benefits accrued after January 1, 2013. For all non-grandfathered hazardous duty participants (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 for hazardous duty participants and 5 years of service for non-hazardous duty participants, and the refund of employee contributions in the event 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

City of Clearwater, Florida
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For the Year Ended September 30, 2024

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 19, 2023 to include requirements per Section 112.662, Florida Statutes. 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, 2024:

Asset Class	Target Allocation
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, 2024, 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, 2024, the annual money-weighted rate of return on investments of the Employees’ Pension Plan, net of pension plan investment expense, was 19.35%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of Clearwater, Florida
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For the Year Ended September 30, 2024

Net pension liability (asset). The components of the net pension liability (asset) of the City for the Employees' Pension Plan as of September 30, 2024, were as follows:

Total pension liability	\$	1,196,649,368
Plan fiduciary net position		1,345,688,598
City's net pension liability (asset)		<u>\$ (149,039,230)</u>
Plan fiduciary net position as a percentage of the total pension liability		112.45%

The changes in the net pension liability (asset) of the City for the Employees' Pension Plan for the year ending September 30, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 9/30/2023	<u>\$ 1,146,716,136</u>	<u>\$ 1,163,824,206</u>	<u>\$ (17,108,070)</u>
Changes for the year:			
Service cost	22,781,423	-	22,781,423
Interest	73,902,449	-	73,902,449
Benefit changes	-	-	-
Differences between expected and actual experience	17,973,793	-	17,973,793
Assumption changes	349,185	-	349,185
Contributions - employer	-	14,203,472	(14,203,472)
Contributions - employee	-	9,721,164	(9,721,164)
Contributions - state tax	-	12,000	(12,000)
Net investment income	-	223,353,546	(223,353,546)
Benefit payments, including refunds of employee contributions	(65,073,618)	(65,073,618)	-
Administrative expense	-	(352,172)	352,172
Net changes	<u>49,933,232</u>	<u>181,864,392</u>	<u>(131,931,160)</u>
Balances at 9/30/2024	<u>\$ 1,196,649,368</u>	<u>\$ 1,345,688,598</u>	<u>\$ (149,039,230)</u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2024 (Valuation Date), using the following actuarial assumptions, applied to September 30, 2024 (Measurement Date):

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

Inflation	2.40%
Salary increases	Hazardous Duty - 3.75% to 9.00%, including 2.40% inflation, based on merit and seniority Non-Hazardous Duty - 3.50% to 8.00%, including 2.40% inflation, based on merit and seniority
Investment rate of return	6.50% net of investment expense

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an Experience Investigation for the Five Years Ended December 31, 2022, dated September 29, 2023 and approved by the Pension Trustees for initial use in the January 1, 2024 Actuarial Valuation Report.

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, 2024, these best estimates are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Core Fixed Income	1.90%
Global Equity	4.70%
U.S. Large Cap Equities	4.95%
U.S. Mid Cap Equities	5.20%
U.S. Small Cap Equities	4.70%
International Equities	3.95%
Emerging Markets Equities	4.45%
Private Real Estate and REITS	6.70%

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%
\$ 1,811,485	\$ (149,039,230)	\$ (273,958,708)

City of Clearwater, Florida
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For the Year Ended September 30, 2024

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended September 30, 2024, the City recognized pension expense of \$791,961 for the Employees' Pension Plan. When combined with the Firefighters' Relief and Pension Plan's pension expense of \$67,065, the City recognized \$859,026 of pension expense for fiscal 2024. As of September 30, 2024, 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	\$ 24,595,177	\$ 134,116	\$ 24,461,061
Changes in assumptions	2,663,472	3,268,830	(605,358)
Net differences between projected and actual earnings on pension plan investments	-	67,172,104	(67,172,104)
Total	\$ 27,258,649	\$ 70,575,050	\$ (43,316,401)

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

<u>Year ended September 30:</u>	
2025	\$ (8,817,616)
2026	25,940,487
2027	(33,682,428)
2028	(26,756,844)
2029	-
Thereafter	-
	\$ (43,316,401)

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.

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, 2024, the membership of the Firefighters' Relief and Pension Plan was as follows:

Retirees and beneficiaries currently receiving benefits	11
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	-
Total number of participants	11

City of Clearwater, Florida
Notes to the Basic Financial Statements
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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 were 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 approved by the Board of Trustees on December 12, 2023 to include requirements per Section 112.662, Florida Statutes. It must be reviewed annually by the Board of Trustees. The following was the adopted asset allocation policy as of September 30, 2024:

Asset Class	Target Allocation
Domestic Fixed Income	0 - 70%
Pooled Cash	30% - 100%

Concentrations. As of September 30, 2024, 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, 2024, the annual money-weighted rate of return on investments of the Firefighters' Relief and Pension Plan, net of pension plan investment expense, was 4.17%. 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, 2024, were as follows:

Total pension liability	\$ 1,354,177
Plan fiduciary net position	2,705,472
City's net pension liability (asset)	\$ (1,351,295)
Plan fiduciary net position as a percentage of the total pension liability	199.79%

City of Clearwater, Florida
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For the Year Ended September 30, 2024

The changes in the net pension liability (asset) of the City for the Firefighters' Relief and Pension Plan for the year ending September 30, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 9/30/2023	\$ 1,436,997	\$ 2,753,663	\$ (1,316,666)
Changes for the year:			
Service cost	-	-	-
Interest	33,430	66,415	(32,985)
Differences between expected and actual experience	76,365	80,759	(4,394)
Assumption changes	-	-	-
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(192,615)	(192,615)	-
Administrative expense	-	(2,750)	2,750
Net changes	(82,820)	(48,191)	(34,629)
Balances at 9/30/2024	\$ 1,354,177	\$ 2,705,472	\$ (1,351,295)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2023 (Valuation Date), using the following actuarial assumptions, applied to September 30, 2024 (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.

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.

City of Clearwater, Florida
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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%
\$ (1,279,190)	\$ (1,351,295)	\$ (1,416,577)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended September 30, 2024, the City recognized pension expense of \$67,065 for the Firefighters' Relief and Pension Plan. When combined with the Employees' Pension Plan's pension expense of \$791,961, the City recognized \$859,026 pension expense for fiscal 2024. As of September 30, 2024, 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	11,382	-	11,382
Total	\$ 11,382	\$ -	\$ 11,382

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:	
2025	\$ 20,934
2026	20,937
2027	(14,338)
2028	(16,151)
2029	-
Thereafter	-
	\$ 11,382

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 \$1,957,219 for the year ended September 30, 2024, and are obtained from an eighty-five one

City of Clearwater, Florida
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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 8.30% of covered employees' gross payroll. The fair value of cash and investments as of September 30, 2024, totaled \$21,599,030.

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, 2024, the gross payroll of the covered officers was \$23,581,347; the City's total gross payroll for the same period was \$130,884,678.

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 \$2,025,634 for the year ended September 30, 2024, 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 12.30% of covered employees' gross payroll. The fair value of cash and investments as of September 30, 2024, totaled \$24,495,958.

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.

City of Clearwater, Florida
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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, 2024, the gross payroll of covered firefighters was \$16,472,442; the City's total gross payroll for the same period was \$130,884,678.

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.4. Pension Plan Financial Statements

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

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2024

Statement of Fiduciary Net Position:

	Defined Benefit		Defined Contribution		Total
	Pension Trust Funds		Pension Trust Funds		
	Employees'	Firefighters'	Police	Firefighters'	
	Pension Fund	Relief and Pension Fund	Supplemental Pension Fund	Supplemental Pension Fund	Pension Trust Funds
ASSETS					
Cash and cash equivalents	\$ 4,422,425	\$ 170,398	\$ 10,858	\$ -	\$ 4,603,681
Receivables:					-
Interest and dividends	3,939,937	31,545	28,150	45,386	4,045,018
Unsettled investment sales	1,894,905	-	-	-	1,894,905
Securities lending earnings	52,158	-	-	-	52,158
Due from others	-	-	-	-	-
Total receivables	<u>5,887,000</u>	<u>31,545</u>	<u>28,150</u>	<u>45,386</u>	<u>5,992,081</u>
Managed investment accounts, at fair value:					
Cash and cash equivalents	23,516,802	-	520,749	1,680,932	25,718,483
Government bonds	75,812,278	-	-	1,326,247	77,138,525
Index linked government bonds	3,282,053	-	-	-	3,282,053
Agency bonds	3,898,852	2,503,529	-	-	6,402,381
Municipal bonds	2,380,674	-	-	66,574	2,447,248
Domestic corporate bonds	109,453,210	-	-	2,072,880	111,526,090
International equity securities	128,218,671	-	-	537,952	128,756,623
Domestic stocks	317,631,802	-	-	4,182,516	321,814,318
Mortgage backed bonds	126,635,387	-	-	1,929,913	128,565,300
Government issued commercial mortgage backed bonds	21,344	-	-	-	21,344
Asset backed securities	15,702,713	-	-	-	15,702,713
Domestic equity mutual funds	311,130,026	-	16,025,193	7,740,463	334,895,682
International equity mutual funds	14,513,865	-	3,541,189	1,440,619	19,495,673
Infrastructure	97,060,786	-	-	-	97,060,786
Real estate	<u>113,136,440</u>	<u>-</u>	<u>1,511,899</u>	<u>3,517,862</u>	<u>118,166,201</u>
Total managed investment accounts	<u>1,342,394,903</u>	<u>2,503,529</u>	<u>21,599,030</u>	<u>24,495,958</u>	<u>1,390,993,420</u>
Securities lending collateral	<u>105,535,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,535,854</u>
Total assets	<u>1,458,240,182</u>	<u>2,705,472</u>	<u>21,638,038</u>	<u>24,541,344</u>	<u>1,507,125,036</u>
LIABILITIES					
Accounts payable	1,023,696	-	-	-	1,023,696
Unsettled investment purchases	5,992,034	-	-	-	5,992,034
Obligations under securities lending	<u>105,535,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,535,854</u>
Total liabilities	<u>112,551,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,551,584</u>
NET POSITION					
Restricted for:					
Pensions	1,345,688,598	2,705,472	21,638,038	24,541,344	1,394,573,452
Total net position	<u>\$ 1,345,688,598</u>	<u>\$ 2,705,472</u>	<u>\$ 21,638,038</u>	<u>\$ 24,541,344</u>	<u>\$ 1,394,573,452</u>

City of Clearwater, Florida
Notes to the Basic Financial Statements
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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	
ADDITIONS					
Contributions:					
Employer	\$ 14,203,472	\$ -	\$ -	\$ -	\$ 14,203,472
Employer - state tax	12,000	-	1,957,219	2,025,634	3,994,853
Employees	9,721,164	-	-	-	9,721,164
Total contributions	<u>23,936,636</u>	<u>-</u>	<u>1,957,219</u>	<u>2,025,634</u>	<u>27,919,489</u>
Investment earnings (loss):					
Net increase (decrease) in fair value of investments	208,268,553	48,065	3,034,567	2,254,822	213,606,007
Interest, dividends and other	21,773,977	99,109	376,899	1,013,778	23,263,763
Securities lending income	6,033,219	-	-	-	6,033,219
Total investment earnings (loss)	<u>236,075,749</u>	<u>147,174</u>	<u>3,411,466</u>	<u>3,268,600</u>	<u>242,902,989</u>
Less investment costs:					
Investment management/custodian fees	(6,985,304)	-	(26,143)	(112,474)	(7,123,921)
Securities lending costs	(5,736,899)	-	-	-	(5,736,899)
Net investment earnings (loss)	<u>223,353,546</u>	<u>147,174</u>	<u>3,385,323</u>	<u>3,156,126</u>	<u>230,042,169</u>
Miscellaneous	-	-	33,402	-	33,402
Total additions	<u>247,290,182</u>	<u>147,174</u>	<u>5,375,944</u>	<u>5,181,760</u>	<u>257,995,060</u>
DEDUCTIONS					
Benefits	63,804,511	192,615	1,624,396	997,942	66,619,464
Refunds and transfers to other systems	1,269,107	-	-	-	1,269,107
Administrative expenses	352,172	2,750	22,398	40,139	417,459
Total deductions	<u>65,425,790</u>	<u>195,365</u>	<u>1,646,794</u>	<u>1,038,081</u>	<u>68,306,030</u>
Net increase (decrease) in fiduciary net position	181,864,392	(48,191)	3,729,150	4,143,679	189,689,030
Fiduciary net position - beginning	1,163,824,206	2,753,663	17,908,888	20,397,665	1,204,884,422
Fiduciary net position - ending	<u>\$ 1,345,688,598</u>	<u>\$ 2,705,472</u>	<u>\$ 21,638,038</u>	<u>\$ 24,541,344</u>	<u>\$ 1,394,573,452</u>

City of Clearwater, Florida
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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, 2024 was \$130,884,678. The Plan members' payroll for the same period totaled \$6,542,053. The City's contribution, per the above contribution rates, totaled \$570,930.

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

City of Clearwater, Florida
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dependents receiving benefits contribute 100% of their premium costs for health insurance and 0% of the cost for the \$1,000 term life insurance.

Employees covered by benefit terms. As of September 30, 2024 (measurement date), the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	536
Inactive plan members entitled to but not yet receiving benefits	91
Active plan members	1,622
Total plan members	2,249

Total OPEB Liability. The City’s total OPEB liability of \$20,623,609 was measured as of September 30, 2024 and was determined by an actuarial valuation as of January 1, 2024. 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, 2024 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	2.50%
Discount rate	3.88%
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00%.

The discount rate is based on Fidelity Investments’ “20-Year Municipal 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, 2023 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, 2024 were as follows:

	Total OPEB Liability
Balance at 9/30/2023	\$ 24,122,879
Changes for the year:	
Service cost	1,672,642
Interest	1,173,208
Changes in benefit terms	36,283
Differences between expected and actual experience	(4,896,063)
Changes in assumptions and other inputs	(572,816)
Benefit payments	(912,524)
Net changes	(3,499,270)
Balance at 9/30/2024	\$ 20,623,609

Changes in assumptions and other inputs reflect a change in the discount rate from 4.63% at the beginning of the measurement period to 3.88% at the end of the measurement period; the rates of salary increases, retirement, withdrawal, and disability were updated based on the experience study dated September 29, 2023 performed for the City's pension plan; per capita costs and premiums were updated based on information provided; and the healthcare cost trend assumption was updated.

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 3.88%, 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 2.88%	Discount Rate Assumption 3.88%	1% Increase 4.88%
\$ 22,609,791	\$ 20,623,609	\$ 18,819,206

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 6.00% and gradually decreasing to an ultimate trend rate of 4.00%, 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.

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1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ 17,966,662	\$ 20,623,609	\$ 23,872,583

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB. For the year ended September 30, 2024, the City recognized OPEB expense of \$271,378. As of September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,212,315	\$ (8,212,315)
Changes in assumptions and other inputs	129,242	2,818,608	(2,689,366)
Total	\$ 129,242	\$ 11,030,923	\$ (10,901,681)

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:	
2025	\$ (3,094,494)
2026	(2,348,201)
2027	(1,760,955)
2028	(1,746,751)
2029	(908,945)
Thereafter	(1,042,335)
	\$ (10,901,681)

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, 2024 was 84 days. Cash open collateral is invested in a short-term investment pool, the Northern Trust Collective SL Core Short Term Investment Fund (CORECOLL), which had an interest sensitivity of 21 days as of September 30, 2024.

City of Clearwater, Florida
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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 2024.

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	\$ 48,291,715	\$ 49,664,934
U.S. Corporate Fixed	27,138,132	27,818,064
U.S. Government Fixed	25,143,557	25,732,431
U.S. Agencies	440,545	450,761
Global Equities	1,738,276	1,869,664
Total	<u>\$ 102,752,225</u>	<u>\$ 105,535,854</u>

On the statement of fiduciary net position, a securities lending asset of \$105,535,854 was reported that represents the fair value of the investments made with cash collateral as of September 30, 2024. In addition, a securities lending obligation of \$105,535,854 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, 2023, accruals totaled \$193,226, consisting of \$160,682 for the Harbor Drive Fill Area site and \$32,544 for assessment and remediation at the Gas Plant site.

(see the Soil and groundwater contamination site note below).

During fiscal year 2024 there were no increases to estimates and contractual commitments, and reductions/payments totaled \$29,235. As of September 30, 2024, accruals totaled \$163,991, consisting of \$160,682 for the Harbor Drive Fill Area site and \$3,309 for assessment and remediation at the Gas Plant site.

In addition to the above sites for which accruals exist, the City has 15 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.

Remediation of the former fill area at Phillip Jones Ballfield is complete; 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

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maintenance. An initial closure design plan for the Harbor Drive Fill Area dated January 29, 2021, was approved by the FDEP on December 16, 2021. A revised closure design plan for the Harbor Drive Fill Area was prepared by the City's consultant, Geosyntec, on January 19, 2023. Implementation of the closure plan was approved by City Council on November 7, 2024.

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 tested, and the results were reported to FDEP. On February 3, 2010, FDEP issued a letter that formally accepted Clearwater

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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 would be required, and the site would 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 may also be required 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 included the SEMP, an Engineering Control Maintenance Plan and a Declaration of Restrictive Covenant ("DRC") that will be required by the FDEP to obtain final site closure.

CGS underwent site redevelopment between 2018 and 2020, resulting in an upgraded campus for CGS operations. Post-redevelopment groundwater monitoring has been performed at the site since 2021, including installation of new onsite groundwater monitoring wells to replace wells that were abandoned or damaged during redevelopment, and installation of on- and off-site wells to complete delineation of dissolved phase groundwater impacts relative to the site. The City's contractor, Geosyntec, prepared and submitted a Natural Attenuation Monitoring Plan (NAMP) to FDEP on the City's behalf in May 2023 and outlined a water sampling schedule to show plume stability. Water sampling was conducted in October 2023 and results were submitted to FDEP. In December 2024, Geosyntec submitted a Site Rehabilitation Completion Report (SRCR) and a Remedial Action Plan (RAP), which included an Engineering Control Monitoring Plan proposing no further action. This report is currently under review by FDEP. Full site closure is anticipated in fiscal year 2026.

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

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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, 2024, the City has spent \$1,886,093 on MGP assessment activities, which includes both environmental consultant and legal fees.

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, 2023, the rate, which is set by the Pinellas County Board of County Commissioners (BOCC), was \$4.5157 per 1,000 gallons. The rate effective October 1, 2024 is \$4.7415 per 1,000 gallons. The cost of water purchased from the County during fiscal years 2023 and 2024 was \$7,578,115 and \$9,053,849 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, 2024, encumbrances expected to be honored upon performance by the vendor in the coming year were:

General fund	\$ 664,507
Special Programs Fund	1,243,834
Capital Improvement fund	58,691,406
Nonmajor governmental funds	1,461,445
	<u>\$ 62,061,192</u>

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, 2024, the City abated real and tangible personal property taxes totaling \$146,925 under this program, consisting of the following agreements:

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
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will be subject to the taxes exempted plus annual interest at the maximum rate allowed by law. Tax abatements since inception total \$997,534.

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 9/30/23</u>	<u>Amount Outstanding at 9/30/24</u>
Drew Gardens Refunding Bonds / residential rental facility	\$ 3,425,000	\$ 640,000	\$ 425,000

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, 2024, the bonds have an aggregate outstanding principal amount payable of \$425,000. 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. Adjustments and Restatements

The Downtown Development Board (DDB), previously included in the City's fiduciary custodial fund because the City served as administrative agent for the DDB and held the DDB's cash balance, is presented as a blended component unit and included as a non-major special revenue fund for the fiscal year ended September 30, 2024, due to the change in governance structure of the DDB in accordance with Ordinance No. 9744-24 adopted on February 15, 2024.

	<u>Custodial Fund</u>	<u>Special Revenue Fund</u>
Beginning fund balance, as previously reported	\$ 886,719	\$ -
Adjustment - change within the reporting entity	(701,846)	701,846
Beginning fund balance, as restated	<u>\$ 184,873</u>	<u>\$ 701,846</u>

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 was set to expire on December 31, 2023 if renewal options were not exercised. The Phillies notified the City on December 7, 2022 (one year in advance as required by the lease agreement) that it would exercise its option to renew for an additional

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five-year period, to December 31, 2028. In accordance with GASB Statement No. 87, *Leases*, a lease modification was recorded in fiscal year 2023 to increase the lease receivable for five additional years at the previous annual rate of \$204,000. It was determined in fiscal year 2024 that the annual renewal rate was \$1 per an earlier amendatory agreement to the original lease. Therefore, a correction was recorded in fiscal year 2024 to reverse the lease receivable, deferred inflow and corresponding gain on modification of \$25,034, resulting in a reduction of \$25,034 to fund balance in the General Fund.

		General Fund
Beginning fund balance - as previously reported		\$ 61,656,422
Decrease in lease receivable	\$ (952,900)	
Decrease in deferred inflows - leases	<u>927,866</u>	
Restatement - correction of an error		<u>(25,034)</u>
Beginning fund balance - as restated		<u><u>\$ 61,631,388</u></u>

During fiscal year 2023, the City accepted a federal Community Project Funding Grant award of \$1.5 million authorized by the Consolidated Appropriations Act of 2022, and administered by the Department of Housing and Urban Development (HUD). The City expended \$1,493,242 on the Imagine Clearwater project at Coachman Park during fiscal year 2023, and applied for reimbursement from HUD. The City has not received the funds, and has been notified by HUD that the funds will not be disbursed. Therefore, the grant revenue that was accrued in fiscal year 2023 has been reversed, resulting in a reduction of \$1,493,242 to fund balance in the Capital Improvement Fund.

		Capital Improvement Fund
Beginning fund balance, as previously reported		\$ 66,577,217
Restatement - correction of an error		<u>(1,493,242)</u>
Beginning fund balance, as restated		<u><u>\$ 65,083,975</u></u>

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 22,781,423	\$ 19,874,939	\$ 18,718,516	\$ 18,412,162	\$ 16,934,015	\$ 15,240,018	\$ 15,065,668	\$ 14,770,113	\$ 15,173,452	\$ 14,585,979
Interest on the Total Pension Liability	73,902,449	70,094,980	68,447,973	68,636,343	66,061,748	65,042,520	62,567,359	61,050,474	58,870,815	56,983,247
Benefit Changes	-	11,732,652	-	-	6,428,217	-	-	-	-	-
Difference between Expected and Actual Experience	17,973,793	17,713,076	(345,877)	166,476	5,473,272	(6,533,554)	6,780,611	(8,071,653)	6,832,090	(3,532,969)
Assumption Changes	349,185	-	6,156,036	(16,344,158)	11,877,993	25,495,302	-	381,755	(4,748,597)	-
Benefit Payments	(63,804,511)	(61,062,860)	(57,321,813)	(56,274,207)	(50,966,931)	(49,687,426)	(46,860,103)	(44,490,793)	(42,069,828)	(39,276,003)
Refunds	(1,269,107)	(1,354,890)	(1,772,430)	(1,222,375)	(1,177,456)	(1,017,365)	(892,181)	(1,366,008)	(1,060,187)	(1,000,827)
Net Change in Total Pension Liability	49,933,232	56,997,897	33,882,405	13,374,241	54,630,858	48,539,495	36,661,354	22,273,888	32,997,745	27,759,427
Total Pension Liability - Beginning	1,146,716,136	1,089,718,239	1,055,835,834	1,042,461,593	987,830,735	939,291,240	902,629,886	880,355,998	847,358,253	819,598,826
Total Pension Liability - Ending (a)	\$ 1,196,649,368	\$ 1,146,716,136	\$ 1,089,718,239	\$ 1,055,835,834	\$ 1,042,461,593	\$ 987,830,735	\$ 939,291,240	\$ 902,629,886	\$ 880,355,998	\$ 847,358,253
Plan Fiduciary Net Position										
Contributions - Employer	\$ 14,203,472	\$ 12,659,053	\$ 11,912,374	\$ 11,917,353	\$ 10,364,100	\$ 10,901,645	\$ 10,650,462	\$ 11,898,912	\$ 13,178,874	\$ 14,923,098
Contributions - Employer (from State)	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Contributions - Employee	9,721,164	8,941,002	8,591,715	8,013,951	7,925,645	7,326,649	7,127,965	7,004,943	6,706,567	6,483,666
Net Investment Income	223,353,546	122,246,393	(204,174,834)	231,147,434	102,588,458	53,143,676	93,775,837	102,284,783	88,501,532	(4,165,092)
Benefit Payments	(63,804,511)	(61,062,860)	(57,321,813)	(56,274,207)	(50,966,931)	(49,687,426)	(46,860,103)	(44,490,793)	(42,069,828)	(39,276,003)
Refunds	(1,269,107)	(1,354,890)	(1,772,430)	(1,222,375)	(1,177,456)	(1,017,365)	(892,181)	(1,366,008)	(1,060,187)	(1,000,827)
Administrative Expense	(352,172)	(355,225)	(322,664)	(340,629)	(288,079)	(335,282)	(343,115)	(295,301)	(297,984)	(297,942)
Net Change in Plan Fiduciary Net Position	181,864,392	81,085,473	(243,075,652)	193,253,527	68,457,737	20,343,897	63,470,865	75,048,536	64,970,974	(23,321,100)
Plan Fiduciary Net Position - Beginning	1,163,824,206	1,082,738,733	1,325,814,385	1,132,560,858	1,064,103,121	1,043,759,224	980,288,359	905,239,823	840,268,849	863,589,949
Plan Fiduciary Net Position - Ending (b)	\$ 1,345,688,598	\$ 1,163,824,206	\$ 1,082,738,733	\$ 1,325,814,385	\$ 1,132,560,858	\$ 1,064,103,121	\$ 1,043,759,224	\$ 980,288,359	\$ 905,239,823	\$ 840,268,849
Net Pension Liability/(Asset) - Beginning	\$ (17,108,070)	\$ 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)
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ (149,039,230)	\$ (17,108,070)	\$ 6,979,506	\$ (269,978,551)	\$ (90,099,265)	\$ (76,272,386)	\$ (104,467,984)	\$ (77,658,473)	\$ (24,883,825)	\$ 7,089,404
Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)	112.45%	101.49%	99.36%	125.57%	108.64%	107.72%	111.12%	108.60%	102.83%	99.16%
Covered Payroll	\$ 110,571,974	\$ 101,349,015	\$ 97,193,423	\$ 90,810,283	\$ 89,845,375	\$ 82,998,580	\$ 80,852,451	\$ 79,558,524	\$ 76,942,048	\$ 74,021,494
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-134.79%	-16.88%	7.18%	-297.30%	-100.28%	-91.90%	-129.21%	-97.61%	-32.34%	9.58%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Interest	\$ 33,430	\$ 38,084	\$ 40,834	\$ 51,167	\$ 52,304	\$ 72,699	\$ 84,902	\$ 90,635	\$ 99,691	\$ 100,650
Difference between Expected and Actual Experience	76,365	(8,654)	67,373	(17,191)	80,335	(141,190)	(205,912)	76,981	(296,507)	114,258
Assumption Changes	-	-	-	(215,006)	(55,554)	-	-	-	208,676	201,922
Benefit Payments	(192,615)	(215,950)	(227,768)	(245,126)	(262,649)	(285,762)	(332,638)	(365,154)	(423,458)	(442,775)
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	(82,820)	(186,520)	(119,561)	(426,156)	(185,564)	(354,253)	(453,648)	(197,538)	(411,598)	(25,945)
Total Pension Liability - Beginning	1,436,997	1,623,517	1,743,078	2,169,234	2,354,798	2,709,051	3,162,699	3,360,237	3,771,835	3,797,780
Total Pension Liability - Ending (a)	\$ 1,354,177	\$ 1,436,997	\$ 1,623,517	\$ 1,743,078	\$ 2,169,234	\$ 2,354,798	\$ 2,709,051	\$ 3,162,699	\$ 3,360,237	\$ 3,771,835
Plan Fiduciary Net Position										
Net Investment Income	\$ 147,174	\$ 61,022	\$ (98,130)	\$ 14,512	\$ 147,975	\$ 319,636	\$ 59,255	\$ (149,322)	\$ 171,674	\$ 199,776
Benefit Payments	(192,615)	(215,950)	(227,768)	(245,126)	(262,649)	(285,762)	(332,638)	(365,154)	(423,458)	(442,775)
Administrative Expense	(2,750)	(4,125)	(8,870)	(3,000)	(2,500)	(2,500)	(2,500)	(3,500)	(2,758)	(2,005)
Net Change in Plan Fiduciary Net Position	(48,191)	(159,053)	(334,768)	(233,614)	(117,174)	31,374	(275,883)	(517,976)	(254,542)	(245,004)
Plan Fiduciary Net Position - Beginning	2,753,663	2,912,716	3,247,484	3,481,098	3,598,272	3,566,898	3,842,781	4,360,757	4,615,299	4,860,303
Plan Fiduciary Net Position - Ending (b)	\$ 2,705,472	\$ 2,753,663	\$ 2,912,716	\$ 3,247,484	\$ 3,481,098	\$ 3,598,272	\$ 3,566,898	\$ 3,842,781	\$ 4,360,757	\$ 4,615,299
Net Pension Liability/(Asset) - Beginning	\$ (1,316,666)	\$ (1,289,199)	\$ (1,504,406)	\$ (1,311,864)	\$ (1,243,474)	\$ (857,847)	\$ (680,082)	\$ (1,000,520)	\$ (843,464)	\$ (1,062,523)
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ (1,351,295)	\$ (1,316,666)	\$ (1,289,199)	\$ (1,504,406)	\$ (1,311,864)	\$ (1,243,474)	\$ (857,847)	\$ (680,082)	\$ (1,000,520)	\$ (843,464)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)	199.79%	191.63%	179.41%	186.31%	160.48%	152.81%	131.67%	121.50%	129.78%	122.36%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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
2015	\$ 10,803,098	\$ 14,935,098	\$ (4,132,000)	\$ 74,021,494 ²	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%
2023	\$ 12,799,094	\$ 12,671,053 ¹	\$ 128,041	\$ 101,349,015	12.50%
2024	\$ 13,550,484	\$ 14,215,472	\$ (664,988)	\$ 110,571,974	12.86%

¹ 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, 2023.

² 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, 2023

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: 24 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: 6.50%
 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, 2022 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 (other than K-12 School Instructional Personnel) members of the Florida Retirement System (FRS) in the July 1, 2022 valuation, as mandated by Chapter 112.63, Florida Statutes.

Other Information:

Notes

There were no changes in actuarial assumptions and methods since the prior valuation as of January 1, 2022. There were two ordinances which were adopted since the prior valuation as of January 1, 2022:

Ordinance No. 9634-22 was adopted on November 3, 2022. This ordinance amended the Plan by providing a 1.5% Cost of Living Adjustment (COLA) annually on all benefits for Firefighters, including any benefits accrued after January 1, 2013. For any non-grandfathered members (not eligible for normal retirement on January 1, 2013), there will be a five-year delay (after the retirement date) until this COLA is applied to benefits accrued after January 1, 2013. This change applies to all Firefighters who are actively employed on or after October 1, 2022.

Ordinance No. 9620-22 was adopted on November 17, 2022. This ordinance amended the Plan by reducing the service requirement for Non-Hazardous Duty members to become 100% vested from 10 years to 5 years of Credited Service and increasing the benefit multiplier prospectively for post-December 31, 2012 Non-Hazardous Duty hires from 2% to 2.5% for Credited Service accrued after September 30, 2022.

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

**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**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	19.35%	11.47%	-15.65%	20.61%	9.73%	5.11%	9.69%	11.28%	10.63%	-0.03%

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

Firefighters' Relief and Pension Plan
Schedule of Investment Returns

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	4.17%	1.45%	0.58%	2.48%	5.06%	6.52%	1.82%	4.68%	4.554%	4.315%

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 1,672,642	\$ 1,688,573	\$ 2,412,125	\$ 2,213,247	\$ 2,282,038	\$ 1,677,787	\$ 1,731,394
Interest	1,173,208	1,063,683	645,528	662,501	953,389	1,086,906	974,551
Changes of benefit terms	36,283	-	-	-	28,595	-	-
Difference between expected and actual experience	(4,896,063)	-	(5,128,309)	-	(4,646,689)	-	-
Changes of assumptions and other inputs	(572,816)	(545,424)	(1,481,029)	(120,728)	(4,692,393)	4,006,356	(1,029,325)
Benefit payments	(912,524)	(1,139,984)	(912,692)	(1,022,036)	(1,048,358)	(1,122,335)	(1,054,805)
Net Change in Total OPEB Liability	(3,499,270)	1,066,848	(4,464,377)	1,732,984	(7,123,418)	5,648,714	621,815
Total OPEB Liability - Beginning	24,122,879	23,056,031	27,520,408	25,787,424	32,910,842	27,262,128	26,640,313
Total OPEB Liability - Ending	\$ 20,623,609	\$ 24,122,879	\$ 23,056,031	\$ 27,520,408	\$ 25,787,424	\$ 32,910,842	\$ 27,262,128
Estimated covered-employee payroll	\$ 125,786,564	\$ 115,695,892	\$ 110,228,154	\$ 101,205,829	\$ 99,272,204	\$ 95,520,530	\$ 92,964,945
Total OPEB liability as a percentage of covered-employee payroll	16.40%	20.85%	20.92%	27.19%	25.98%	34.45%	29.33%

Notes to Schedule:

Valuation Date: January 1, 2024
Measurement Date: September 30, 2024
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: 2.50%
Discount Rate: 3.88%
Salary Increases: Salary increase rates used in the January 1, 2024 actuarial valuation of the City of Clearwater Employees' Pension Plan.
Retirement Age: Retirement rates used in the January 1, 2024 actuarial valuation of the City of Clearwater Employees' Pension Plan.
Mortality: Mortality rates are the same as used in the July 1, 2023 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 6.00% and gradually decreasing to an ultimate trend rate of 4.00%.
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, 2024:

- The discount rate was changed from 4.63% to 3.88%.
- The rates of salary increases, retirement, withdrawal, and disability were updated based on the experience study dated September 29, 2023 performed for the City's pension plan.
- Per capita costs and premiums were updated based on information provided.
- The healthcare cost trend assumption was updated.

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.

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

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

Downtown Development Board Fund – to account for receipt, custody, and expenditure of property taxes levied and collected in the DDB special district.

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.

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

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

**City of Clearwater, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024**

	Special Revenue Funds					
	Downtown CRA	North Greenwood CRA	Downtown Development Board	SHIP Local Housing Assistance Trust	Pinellas County Local Housing Assistance Trust	Total
ASSETS						
Cash and investments	\$ 326,217	\$ 5,575	\$ 817,549	\$ 753,517	\$ 103,112	\$ 2,005,970
Receivables:						
Accrued interest	57,335	-	2,491	3,575	310	63,711
Mortgage notes	3,100,000	-	-	3,806,831	115,273	7,022,104
Due from other governments - other	-	-	3,493	-	-	3,493
Advances to other funds	-	-	48,000	-	-	48,000
Total assets	<u>\$ 3,483,552</u>	<u>\$ 5,575</u>	<u>\$ 871,533</u>	<u>\$ 4,563,923</u>	<u>\$ 218,695</u>	<u>\$ 9,143,278</u>
LIABILITIES						
Accounts and contracts payable	\$ 6,162	\$ 5,575	\$ 13,355	\$ 7,700	\$ -	\$ 32,792
Advances from other funds	373,440	-	-	-	-	373,440
Total liabilities	<u>379,602</u>	<u>5,575</u>	<u>13,355</u>	<u>7,700</u>	<u>-</u>	<u>406,232</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - mortgage notes	-	-	-	3,806,831	115,273	3,922,104
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,806,831</u>	<u>115,273</u>	<u>3,922,104</u>
FUND BALANCES						
Restricted	3,103,950	-	858,178	749,392	103,422	4,814,942
Total fund balances	<u>3,103,950</u>	<u>-</u>	<u>858,178</u>	<u>749,392</u>	<u>103,422</u>	<u>4,814,942</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,483,552</u>	<u>\$ 5,575</u>	<u>\$ 871,533</u>	<u>\$ 4,563,923</u>	<u>\$ 218,695</u>	<u>\$ 9,143,278</u>

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

Debt Service Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
Notes and Mortgages	Spring Training Facility Revenue Bonds	Non-Ad Valorem Revenue Bonds	Total	Downtown CRA	North Greenwood CRA	Total	
\$ -	\$ 490,947	\$ 1,160,963	\$ 1,651,910	\$ 15,458,173	\$ 3,345,263	\$ 18,803,436	\$ 22,461,316
-	1,507	-	1,507	-	-	-	65,218
-	-	-	-	-	-	-	7,022,104
-	-	-	-	-	-	-	3,493
-	-	-	-	-	-	-	48,000
<u>\$ -</u>	<u>\$ 492,454</u>	<u>\$ 1,160,963</u>	<u>\$ 1,653,417</u>	<u>\$ 15,458,173</u>	<u>\$ 3,345,263</u>	<u>\$ 18,803,436</u>	<u>\$ 29,600,131</u>
\$ -	\$ -	\$ -	\$ -	\$ 14,432	\$ -	\$ 14,432	\$ 47,224
-	-	-	-	-	-	-	373,440
-	-	-	-	14,432	-	14,432	420,664
-	-	-	-	-	-	-	3,922,104
-	-	-	-	-	-	-	3,922,104
-	492,454	1,160,963	1,653,417	15,443,741	3,345,263	18,789,004	25,257,363
-	492,454	1,160,963	1,653,417	15,443,741	3,345,263	18,789,004	25,257,363
<u>\$ -</u>	<u>\$ 492,454</u>	<u>\$ 1,160,963</u>	<u>\$ 1,653,417</u>	<u>\$ 15,458,173</u>	<u>\$ 3,345,263</u>	<u>\$ 18,803,436</u>	<u>\$ 29,600,131</u>

City of Clearwater, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Funds					Total
	Downtown CRA	North Greenwood CRA	Downtown Development Board	SHIP Local Housing Assistance Trust	Pinellas County Local Housing Assistance Trust	
REVENUES						
Taxes:						
Property	\$ -	\$ -	472,882	\$ -	\$ -	472,882
Intergovernmental:						
State	-	-	-	1,003,041	-	1,003,041
Local	2,577,489	158,148	-	-	-	2,735,637
Investment earnings (loss):						
Interest	429,520	-	18,440	32,585	3,791	484,336
Net appreciation (depreciation) in fair value	496,697	-	26,833	123,700	17,301	664,531
Total investment earnings (loss)	926,217	-	45,273	156,285	21,092	1,148,867
Miscellaneous	-	-	2,864	-	-	2,864
Total revenues	3,503,706	158,148	521,019	1,159,326	21,092	5,363,291
EXPENDITURES						
Current:						
Economic environment	75,432	5,575	280,330	2,291,431	161,983	2,814,751
Debt service:						
Principal	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-
Total expenditures	75,432	5,575	280,330	2,291,431	161,983	2,814,751
Excess (deficiency) of revenues over (under) expenditures	3,428,274	152,573	240,689	(1,132,105)	(140,891)	2,548,540
OTHER FINANCING SOURCES (USES)						
Transfers in	5,348,367	192,690	363,521	-	-	5,904,578
Transfers out	(7,026,191)	(345,263)	(447,878)	(148,032)	-	(7,967,364)
Proceeds from the sale of capital assets	1,350,000	-	-	-	-	1,350,000
Total other financing sources (uses)	(327,824)	(152,573)	(84,357)	(148,032)	-	(712,786)
Net change in fund balances	3,100,450	-	156,332	(1,280,137)	(140,891)	1,835,754
Fund balances - beginning (as previously reported)	3,500	-	-	2,029,529	244,313	2,277,342
Adjustments and restatements	-	-	701,846	-	-	701,846
Fund balances - beginning (restated)	3,500	-	701,846	2,029,529	244,313	2,979,188
Fund balances - ending	\$ 3,103,950	\$ -	\$ 858,178	\$ 749,392	\$ 103,422	\$ 4,814,942

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

Debt Service Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
Notes and Mortgages	Spring Training Facility Revenue Bonds	Non-Ad Valorem Revenue Bonds	Total	Downtown CRA	North Greenwood CRA	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	472,882
-	500,004	-	500,004	-	-	-	1,503,045
-	-	-	-	-	-	-	2,735,637
-	10,898	-	10,898	-	-	-	495,234
-	21,101	-	21,101	-	-	-	685,632
-	31,999	-	31,999	-	-	-	1,180,866
-	-	-	-	-	-	-	2,864
-	532,003	-	532,003	-	-	-	5,895,294
-	-	-	-	612,832	-	612,832	3,427,583
262,754	325,000	205,000	792,754	-	-	-	792,754
3,897	162,103	1,327,050	1,493,050	-	-	-	1,493,050
266,651	487,103	1,532,050	2,285,804	612,832	-	612,832	5,713,387
(266,651)	44,900	(1,532,050)	(1,753,801)	(612,832)	-	(612,832)	181,907
266,651	-	1,821,925	2,088,576	5,943,719	3,345,263	9,288,982	17,282,136
-	-	-	-	(3,162,406)	-	(3,162,406)	(11,129,770)
-	-	-	-	-	-	-	1,350,000
266,651	-	1,821,925	2,088,576	2,781,313	3,345,263	6,126,576	7,502,366
-	44,900	289,875	334,775	2,168,481	3,345,263	5,513,744	7,684,273
-	447,554	871,088	1,318,642	13,275,260	-	13,275,260	16,871,244
-	-	-	-	-	-	-	701,846
-	447,554	871,088	1,318,642	13,275,260	-	13,275,260	17,573,090
\$ -	\$ 492,454	\$ 1,160,963	\$ 1,653,417	\$ 15,443,741	\$ 3,345,263	\$ 18,789,004	\$ 25,257,363

City of Clearwater, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (GAAP Basis)
Downtown Community Redevelopment Agency
For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental - Local	\$ 2,581,329	\$ 2,577,489	\$ 2,577,489	\$ -
Investment earnings (loss):				
Interest	265,000	312,673	429,520	116,847
Net appreciation (depreciation) in fair value	-	-	496,697	496,697
Total investment earnings (loss)	<u>265,000</u>	<u>312,673</u>	<u>926,217</u>	<u>613,544</u>
Total revenues	<u>2,846,329</u>	<u>2,890,162</u>	<u>3,503,706</u>	<u>613,544</u>
EXPENDITURES				
Current - Economic environment	<u>625,212</u>	<u>625,721</u>	<u>75,432</u>	<u>550,289</u>
Total expenditures	<u>625,212</u>	<u>625,721</u>	<u>75,432</u>	<u>550,289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,221,117</u>	<u>2,264,441</u>	<u>3,428,274</u>	<u>1,163,833</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,597,650	3,598,367	5,348,367	1,750,000
Transfers out	(5,818,767)	(5,862,808)	(7,026,191)	(1,163,383)
Proceeds from the sale of capital assets	-	-	1,350,000	-
Total other financing sources (uses)	<u>(2,221,117)</u>	<u>(2,264,441)</u>	<u>(327,824)</u>	<u>586,617</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	3,100,450	3,100,450
Fund balances - beginning	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ 3,103,950</u>	<u>\$ 3,100,450</u>

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

City of Clearwater, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (GAAP Basis)
North Greenwood Community Redevelopment Agency
For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental - Local	\$ -	\$ 156,641	\$ 158,148	\$ 1,507
Total revenues	<u>-</u>	<u>156,641</u>	<u>158,148</u>	<u>1,507</u>
EXPENDITURES				
Current - Economic environment	-	24,000	5,575	18,425
Total expenditures	<u>-</u>	<u>24,000</u>	<u>5,575</u>	<u>18,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>132,641</u>	<u>152,573</u>	<u>19,932</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,190,848	192,690	(2,998,158)
Transfers out	-	(3,323,489)	(345,263)	2,978,226
Total other financing sources (uses)	<u>-</u>	<u>(132,641)</u>	<u>(152,573)</u>	<u>(19,932)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

City of Clearwater, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (GAAP Basis)
Downtown Development Board
For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 474,698	\$ 474,698	\$ 472,882	\$ (1,816)
Investment earnings (loss):				
Interest	500	500	18,440	17,940
Net appreciation (depreciation) in fair value	-	-	26,833	26,833
Total investment earnings (loss)	<u>500</u>	<u>500</u>	<u>45,273</u>	<u>44,773</u>
Miscellaneous	<u>500</u>	<u>500</u>	<u>2,864</u>	<u>2,364</u>
Total revenues	<u>475,698</u>	<u>475,698</u>	<u>521,019</u>	<u>45,321</u>
EXPENDITURES				
Current - Economic environment	<u>475,698</u>	<u>1,054,544</u>	<u>280,330</u>	<u>774,214</u>
Total expenditures	<u>475,698</u>	<u>1,054,544</u>	<u>280,330</u>	<u>774,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(578,846)</u>	<u>240,689</u>	<u>819,535</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	363,012	363,012	363,521	509
Transfers out	<u>(363,012)</u>	<u>(363,012)</u>	<u>(447,878)</u>	<u>(84,866)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(84,357)</u>	<u>(84,357)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	(578,846)	156,332	735,178
Fund balances - beginning (as previously reported)	-	-	-	-
Adjustments and restatements	<u>701,846</u>	<u>701,846</u>	<u>701,846</u>	<u>-</u>
Fun balances - beginning (restated)	<u>701,846</u>	<u>701,846</u>	<u>701,846</u>	<u>-</u>
Fund balances - ending	<u>\$ 701,846</u>	<u>\$ 123,000</u>	<u>\$ 858,178</u>	<u>\$ 735,178</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, 2024

	<u>Marine Operations</u>	<u>Aviation Operations</u>	<u>Parking System</u>	<u>Clearwater Harbor Marina</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and investments	\$ 30,332,493	\$ 872,428	\$ 44,700,624	\$ 2,497,698	\$ 78,403,243
Accrued interest receivable	99,175	16,154	137,621	9,460	262,410
Lease receivables	4,269,725	4,150,901	-	-	8,420,626
Other receivables	22,414	-	-	-	22,414
Due from other governments	516,714	134,765	-	156,266	807,745
Inventories, at cost	65,198	-	-	-	65,198
Total current assets	<u>35,305,719</u>	<u>5,174,248</u>	<u>44,838,245</u>	<u>2,663,424</u>	<u>87,981,636</u>
Noncurrent assets:					
Net pension asset	527,007	4,266	1,270,408	251,036	2,052,717
Capital assets:					
Land and other nondepreciable assets	3,876,722	1,631,377	1,441,108	183,535	7,132,742
Capital assets, net of accumulated depreciation	249,247	3,728,748	1,302,340	10,691,853	15,972,188
Total noncurrent assets	<u>4,652,976</u>	<u>5,364,391</u>	<u>4,013,856</u>	<u>11,126,424</u>	<u>25,157,647</u>
Total assets	<u>39,958,695</u>	<u>10,538,639</u>	<u>48,852,101</u>	<u>13,789,848</u>	<u>113,139,283</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pension	96,387	780	232,352	45,913	375,432
Deferred outflows - other postemployment benefits	1,287	21	3,124	712	5,144
Total deferred outflows of resources	<u>97,674</u>	<u>801</u>	<u>235,476</u>	<u>46,625</u>	<u>380,576</u>
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	1,036,423	70,793	147,315	14,794	1,269,325
Accrued payroll	32,938	673	60,331	14,125	108,067
Deposits	17,659	-	-	47,212	64,871
Current portion of long-term liabilities:					
Compensated absences	49,183	-	60,993	10,512	120,688
Other postemployment benefits	10,841	174	26,309	5,998	43,322
Due to other funds	4,893	-	-	-	4,893
Total current liabilities	<u>1,151,937</u>	<u>71,640</u>	<u>294,948</u>	<u>92,641</u>	<u>1,611,166</u>
Noncurrent liabilities:					
Compensated absences	40,583	-	50,327	8,674	99,584
Other postemployment benefits	194,570	3,126	472,164	107,638	777,498
Advances from other funds	15,548	-	-	-	15,548
Total noncurrent liabilities	<u>250,701</u>	<u>3,126</u>	<u>522,491</u>	<u>116,312</u>	<u>892,630</u>
Total liabilities	<u>1,402,638</u>	<u>74,766</u>	<u>817,439</u>	<u>208,953</u>	<u>2,503,796</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pension	249,555	2,020	601,581	118,874	972,030
Deferred inflows - other postemployment benefits	109,868	1,765	266,617	60,780	439,030
Deferred inflows - leases	4,233,693	4,116,545	-	-	8,350,238
Total deferred inflows of resources	<u>4,593,116</u>	<u>4,120,330</u>	<u>868,198</u>	<u>179,654</u>	<u>9,761,298</u>
NET POSITION					
Net investment in capital assets	3,366,617	5,289,442	2,743,448	10,856,344	22,255,851
Restricted for:					
Pensions	527,007	4,266	1,270,408	251,036	2,052,717
Unrestricted	30,166,991	1,050,636	43,388,084	2,340,486	76,946,197
Total net position	<u>\$ 34,060,615</u>	<u>\$ 6,344,344</u>	<u>\$ 47,401,940</u>	<u>\$ 13,447,866</u>	<u>\$ 101,254,765</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, 2024

	<u>Marine Operations</u>	<u>Aviation Operations</u>	<u>Parking System</u>	<u>Clearwater Harbor Marina</u>	<u>Totals</u>
Operating revenues:					
Sales to customers	\$ 3,975,105	\$ -	\$ 9,366,271	\$ 1,173	\$ 13,342,549
User charges to customers	171,072	-	-	24,783	195,855
Rentals	2,133,753	208,536	-	996,080	3,338,369
Other	459,267	14,993	1,580,502	358	2,055,120
Total operating revenues	<u>6,739,197</u>	<u>223,529</u>	<u>10,946,773</u>	<u>1,022,394</u>	<u>18,931,893</u>
Operating expenses:					
Personal services	1,292,079	12,673	2,649,530	588,720	4,543,002
Purchases for resale	2,554,645	-	-	830	2,555,475
Operating materials and supplies	198,184	9,044	97,593	49,210	354,031
Transportation	29,571	11,265	75,484	2,492	118,812
Utility service	550,127	-	97,259	88,205	735,591
Depreciation	27,179	150,841	251,061	371,294	800,375
Interfund administrative charges	266,390	17,930	2,438,467	38,340	2,761,127
Other current charges:					
Professional fees	51,450	97,523	739,156	60,776	948,905
Advertising and marketing	1,856	-	-	583	2,439
Communications	21,753	-	35,806	323	57,882
Printing and binding	3,763	-	1,469	335	5,567
Insurance	48,550	12,743	66,593	32,126	160,012
Repairs and maintenance	59,759	2,925	189,210	11,134	263,028
Rentals	54	-	22,159	-	22,213
Miscellaneous	182,744	6,352	855,181	35,858	1,080,135
Data processing charges	102,070	17,310	196,010	34,100	349,490
Taxes	29,958	-	-	-	29,958
Total other current charges	<u>501,957</u>	<u>136,853</u>	<u>2,105,584</u>	<u>175,235</u>	<u>2,919,629</u>
Total operating expenses	<u>5,420,132</u>	<u>338,606</u>	<u>7,714,978</u>	<u>1,314,326</u>	<u>14,788,042</u>
Operating income (loss)	<u>1,319,065</u>	<u>(115,077)</u>	<u>3,231,795</u>	<u>(291,932)</u>	<u>4,143,851</u>
Nonoperating revenues (expenses):					
Investment earnings (loss):					
Interest	790,831	125,341	1,000,903	65,314	1,982,389
Net appreciation (depreciation) in fair value	500,373	33,998	1,942,726	235,038	2,712,135
Total investment earnings (loss)	<u>1,291,204</u>	<u>159,339</u>	<u>2,943,629</u>	<u>300,352</u>	<u>4,694,524</u>
Interest expense	(731)	-	-	-	(731)
Total nonoperating revenue (expenses)	<u>1,290,473</u>	<u>159,339</u>	<u>2,943,629</u>	<u>300,352</u>	<u>4,693,793</u>
Income (loss) before contributions and transfers	2,609,538	44,262	6,175,424	8,420	8,837,644
Capital grants and contributions	516,714	271,692	-	167,587	955,993
Transfers in	11,515,000	-	-	-	11,515,000
Transfers out	(389,980)	(18,440)	(1,285,658)	(53,400)	(1,747,478)
Change in net position	<u>14,251,272</u>	<u>297,514</u>	<u>4,889,766</u>	<u>122,607</u>	<u>19,561,159</u>
Net position - beginning	19,809,343	6,046,830	42,512,174	13,325,259	81,693,606
Net position - ending	<u>\$ 34,060,615</u>	<u>\$ 6,344,344</u>	<u>\$ 47,401,940</u>	<u>\$ 13,447,866</u>	<u>\$ 101,254,765</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, 2024

	<u>Marine Operations</u>	<u>Aviation Operations</u>	<u>Parking System</u>	<u>Clearwater Harbor Marina</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 6,668,199	\$ 176,453	\$ 10,946,773	\$ 1,030,132	\$ 18,821,557
Cash payments to suppliers	(2,923,867)	(43,361)	(1,961,577)	(287,673)	(5,216,478)
Cash payments to employees	(1,375,346)	(31,453)	(2,841,719)	(619,052)	(4,867,570)
Cash payments to other funds	(515,958)	(61,838)	(2,950,145)	(121,823)	(3,649,764)
Net cash provided by (used) operating activities	<u>1,853,028</u>	<u>39,801</u>	<u>3,193,332</u>	<u>1,584</u>	<u>5,087,745</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	11,515,000	-	-	-	11,515,000
Transfers to other funds	(389,980)	(18,440)	(1,285,658)	(53,400)	(1,747,478)
Payment of cash on loans to/from other funds	(4,756)	-	-	-	(4,756)
Net cash provided (used) by noncapital financing activities	<u>11,120,264</u>	<u>(18,440)</u>	<u>(1,285,658)</u>	<u>(53,400)</u>	<u>9,762,766</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Interest paid	(731)	-	-	-	(731)
Acquisition of capital assets	(1,853,334)	(229,877)	(399,940)	(1,194,373)	(3,677,524)
Capital contributed by other governmental entities	-	158,004	-	11,321	169,325
Capital contributed by other sources	-	8,923	-	-	8,923
Net cash provided (used) by capital and related financing activities	<u>(1,854,065)</u>	<u>(62,950)</u>	<u>(399,940)</u>	<u>(1,183,052)</u>	<u>(3,500,007)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	1,247,628	145,504	2,926,533	302,380	4,622,045
Net cash provided (used) by investing activities	<u>1,247,628</u>	<u>145,504</u>	<u>2,926,533</u>	<u>302,380</u>	<u>4,622,045</u>
Net increase (decrease) in cash and cash equivalents	12,366,855	103,915	4,434,267	(932,488)	15,972,549
Cash and cash equivalents at beginning of year	17,965,638	768,513	40,266,357	3,430,186	62,430,694
Cash and cash equivalents at end of year	<u>\$ 30,332,493</u>	<u>\$ 872,428</u>	<u>\$ 44,700,624</u>	<u>\$ 2,497,698</u>	<u>\$ 78,403,243</u>
Cash and cash equivalents classified as:					
Cash and investments	<u>\$ 30,332,493</u>	<u>\$ 872,428</u>	<u>\$ 44,700,624</u>	<u>\$ 2,497,698</u>	<u>\$ 78,403,243</u>
Total cash and cash equivalents	<u>\$ 30,332,493</u>	<u>\$ 872,428</u>	<u>\$ 44,700,624</u>	<u>\$ 2,497,698</u>	<u>\$ 78,403,243</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, 2024

	<u>Marine Operations</u>	<u>Aviation Operations</u>	<u>Parking System</u>	<u>Clearwater Harbor Marina</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,319,065	\$ (115,077)	\$ 3,231,795	\$ (291,932)	\$ 4,143,851
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	27,179	150,841	251,061	371,294	800,375
Change in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in accounts receivable	(22,414)	-	-	-	(22,414)
(Increase) decrease in lease receivables	646,116	(3,152,326)	-	-	(2,506,210)
(Increase) decrease in inventory	15,751	-	-	-	15,751
(Increase) decrease in prepaid expenses	80	-	-	20	100
(Increase) decrease in net pension asset	(479,033)	1,013	(1,140,860)	(228,352)	(1,847,232)
(Increase) decrease in deferred outflows	139,718	25,674	403,781	65,774	634,947
Increase (decrease) in accounts and contracts payable	645,218	69,893	(97,335)	(55,204)	562,572
Increase (decrease) in accrued payroll	34,598	258	29,104	7,664	71,624
Increase (decrease) in deposits	(19,878)	-	-	7,738	(12,140)
Increase (decrease) in other postemployment benefits	(32,199)	(33,849)	(87,231)	(3,360)	(156,639)
Increase (decrease) in deferred inflows	(421,173)	3,093,374	603,017	127,942	3,403,160
Total adjustments	<u>533,963</u>	<u>154,878</u>	<u>(38,463)</u>	<u>293,516</u>	<u>943,894</u>
Net cash provided by operating activities	<u>\$ 1,853,028</u>	<u>\$ 39,801</u>	<u>\$ 3,193,332</u>	<u>\$ 1,584</u>	<u>\$ 5,087,745</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, 2024

	<u>Garage</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and investments	\$ 13,732,543	\$ 22,662,507	\$ 19,746,949	\$ 42,377,940	\$ 98,519,939
Accrued interest receivable	43,952	66,941	59,422	132,653	302,968
Other receivables	50,025	-	9,327	2,527	61,879
Due from other funds	-	-	-	361,604	361,604
Inventories, at cost	517,321	-	-	-	517,321
Prepaid expenses and other assets	-	640	-	4,753,846	4,754,486
Total current assets	<u>14,343,841</u>	<u>22,730,088</u>	<u>19,815,698</u>	<u>47,628,570</u>	<u>104,518,197</u>
Noncurrent assets:					
Advances to other funds	-	-	-	1,136,603	1,136,603
Net pension asset	1,417,187	3,547,417	1,183,140	185,927	6,333,671
Capital assets:					
Land and other nondepreciable assets	815,949	536,480	-	-	1,352,429
Capital assets, net of accumulated depreciation	21,653,860	2,196,457	21,597	-	23,871,914
Intangible right-to-use lease assets, net of accumulated amortization	-	996,843	-	215,205	1,212,048
Intangible right-to-use subscription software assets, net of accumulated amortization	-	4,586,825	-	96,527	4,683,352
Total noncurrent assets	<u>23,886,996</u>	<u>11,864,022</u>	<u>1,204,737</u>	<u>1,634,262</u>	<u>38,590,017</u>
Total assets	<u>38,230,837</u>	<u>34,594,110</u>	<u>21,020,435</u>	<u>49,262,832</u>	<u>143,108,214</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pension	259,198	648,808	216,391	34,005	1,158,402
Deferred outflows - other postemployment benefits	2,466	5,467	2,329	446	10,708
Total deferred outflows of resources	<u>261,664</u>	<u>654,275</u>	<u>218,720</u>	<u>34,451</u>	<u>1,169,110</u>
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	1,122,021	1,880,811	697,763	1,576,400	5,276,995
Accrued payroll	71,759	160,795	79,278	15,133	326,965
Accrued interest payable	16,431	32,539	36	1,262	50,268
Current portion of long-term liabilities:					
Compensated absences	111,553	362,155	87,482	14,900	576,090
Other postemployment benefits	20,769	46,044	19,615	3,755	90,183
Financed purchases	1,353,040	-	-	-	1,353,040
Lease liability	-	548,798	-	77,234	626,032
Subscription software liability	-	1,989,806	-	27,486	2,017,292
Due to other funds	3,381,480	532,784	7,078	-	3,921,342
Claims payable	-	-	-	4,454,720	4,454,720
Total current liabilities (payable from current assets)	<u>6,077,053</u>	<u>5,553,732</u>	<u>891,252</u>	<u>6,170,890</u>	<u>18,692,927</u>
Noncurrent liabilities:					
Compensated absences	92,047	298,827	72,185	12,295	475,354
Other postemployment benefits	372,729	826,335	352,022	67,396	1,618,482
Lease liability	-	491,976	-	139,303	631,279
Subscription software liability	-	1,129,974	-	59,604	1,189,578
Advances from other funds	8,624,219	602,614	7,149	-	9,233,982
Claims payable	-	-	-	6,241,042	6,241,042
Total noncurrent liabilities	<u>9,088,995</u>	<u>3,349,726</u>	<u>431,356</u>	<u>6,519,640</u>	<u>19,389,717</u>
Total liabilities	<u>15,166,048</u>	<u>8,903,458</u>	<u>1,322,608</u>	<u>12,690,530</u>	<u>38,082,644</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pension	671,086	1,679,820	560,256	88,043	2,999,205
Deferred inflows - other postemployment benefits	210,470	466,608	198,777	38,057	913,912
Total deferred inflows of resources	<u>881,556</u>	<u>2,146,428</u>	<u>759,033</u>	<u>126,100</u>	<u>3,913,117</u>
NET POSITION					
Net investment in capital assets	20,571,701	4,076,728	21,597	8,105	24,678,131
Restricted for:					
Pensions	1,417,187	3,547,417	1,183,140	185,927	6,333,671
Unrestricted	456,009	16,574,354	17,952,777	36,286,621	71,269,761
Total net position	<u>\$ 22,444,897</u>	<u>\$ 24,198,499</u>	<u>\$ 19,157,514</u>	<u>\$ 36,480,653</u>	<u>\$ 102,281,563</u>

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

City of Clearwater, Florida
Combining Statement of Revenue, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2024

	<u>Garage</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
Operating revenues:					
Billings to departments	\$ 17,827,153	\$ 17,087,557	\$ 7,080,211	\$ 35,843,884	\$ 77,838,805
Rentals	26,651	-	-	-	26,651
Other	47,082	-	7,669	6,202,756	6,257,507
Total operating revenues	<u>17,900,886</u>	<u>17,087,557</u>	<u>7,087,880</u>	<u>42,046,640</u>	<u>84,122,963</u>
Operating expenses:					
Personal services	2,647,899	6,160,237	2,652,092	599,120	12,059,348
Purchases for resale	5,951,330	-	-	-	5,951,330
Operating materials and supplies	345,362	466,525	867,053	225,062	1,904,002
Transportation	434	69,229	234,890	-	304,553
Utility service	128,301	-	284,549	4,811	417,661
Depreciation	8,508,324	922,361	13,037	-	9,443,722
Amortization of intangible right-to-use lease assets	-	646,755	-	88,096	734,851
Amortization of intangible right-to-use subscription software assets	-	2,551,402	-	24,148	2,575,550
Interfund administrative charges	276,197	4,000	-	-	280,197
Other current charges:					
Professional fees	973,611	3,136,761	5,176,290	4,069,487	13,356,149
Communications	21,504	1,196,273	51,610	11,971	1,281,358
Printing and binding	137	31,422	1,055	1,417	34,031
Insurance:					
Premiums	47,567	33,585	50,722	7,051,652	7,183,526
Claims incurred	-	-	-	28,842,035	28,842,035
Repairs and maintenance	447,670	398,532	388,849	20,834	1,255,885
Rentals	27,827	102,683	80,969	10,418	221,897
Miscellaneous	93,020	355,793	54,750	32,969	536,532
Data processing charges	247,630	389,940	199,450	38,660	875,680
Taxes	10,494	-	-	7,871	18,365
Total other current charges	<u>1,869,460</u>	<u>5,644,989</u>	<u>6,003,695</u>	<u>40,087,314</u>	<u>53,605,458</u>
Total operating expenses	<u>19,727,307</u>	<u>16,465,498</u>	<u>10,055,316</u>	<u>41,028,551</u>	<u>87,276,672</u>
Operating income (loss)	<u>(1,826,421)</u>	<u>622,059</u>	<u>(2,967,436)</u>	<u>1,018,089</u>	<u>(3,153,709)</u>
Nonoperating revenues (expenses)					
Investment earnings (loss):					
Interest	316,442	485,951	431,845	1,006,005	2,240,243
Net appreciation (depreciation) in fair value	772,970	1,009,388	850,960	1,969,980	4,603,298
Total investment earnings (loss)	<u>1,089,412</u>	<u>1,495,339</u>	<u>1,282,805</u>	<u>2,975,985</u>	<u>6,843,541</u>
Interest expense	(302,139)	(181,537)	(195)	(6,891)	(490,762)
Gain (loss) on disposal of capital assets	734,833	-	-	-	734,833
Total nonoperating revenue (expenses)	<u>1,522,106</u>	<u>1,313,802</u>	<u>1,282,610</u>	<u>2,969,094</u>	<u>7,087,612</u>
Income (loss) before contributions and transfers	(304,315)	1,935,861	(1,684,826)	3,987,183	3,933,903
Transfers in	4,045,612	-	5,395,971	-	9,441,583
Transfers out	(2,186,963)	(20,000)	-	(175,000)	(2,381,963)
Change in net position	<u>1,554,334</u>	<u>1,915,861</u>	<u>3,711,145</u>	<u>3,812,183</u>	<u>10,993,523</u>
Net position - beginning	20,890,563	22,282,638	15,446,369	32,668,470	91,288,040
Net position - ending	<u>\$ 22,444,897</u>	<u>\$ 24,198,499</u>	<u>\$ 19,157,514</u>	<u>\$ 36,480,653</u>	<u>\$ 102,281,563</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, 2024

	<u>Garage</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from other funds	\$ 17,900,886	\$ 17,087,557	\$ 7,078,553	\$ 42,089,390	\$ 84,156,386
Cash payments to suppliers	(7,342,362)	(3,926,644)	(6,768,572)	(41,282,187)	(59,319,765)
Cash payments to employees	(2,798,356)	(6,698,432)	(2,690,720)	(608,478)	(12,795,986)
Cash payments to other funds	(932,412)	(851,929)	(552,144)	(74,799)	(2,411,284)
Net cash provided (used) by operating activities	<u>6,827,756</u>	<u>5,610,552</u>	<u>(2,932,883)</u>	<u>123,926</u>	<u>9,629,351</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	3,545,612	-	-	-	3,545,612
Transfers to other funds	(1,686,963)	(20,000)	5,395,971	(175,000)	3,514,008
Receipt of cash on loans to/from other funds	4,481,509	143,832	-	353,303	4,978,644
Payment of cash on loans to/from other funds	(4,909,126)	(491,561)	(7,009)	-	(5,407,696)
Net cash provided (used) by noncapital financing activities	<u>1,431,032</u>	<u>(367,729)</u>	<u>5,388,962</u>	<u>178,303</u>	<u>6,630,568</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on debt	(1,800,850)	-	(1,906)	-	(1,802,756)
Interest paid	(323,595)	(149,188)	(222)	(5,629)	(478,634)
Acquisition of capital assets	(9,573,943)	(3,390,330)	-	(107,995)	(13,072,268)
Proceeds from sale of capital assets	745,319	-	-	-	745,319
Net cash provided (used) by capital and related financing activities	<u>(10,953,069)</u>	<u>(3,539,518)</u>	<u>(2,128)</u>	<u>(113,624)</u>	<u>(14,608,339)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	1,088,765	1,489,056	1,275,806	2,962,579	6,816,206
Net cash provided (used) by investing activities	<u>1,088,765</u>	<u>1,489,056</u>	<u>1,275,806</u>	<u>2,962,579</u>	<u>6,816,206</u>
Net increase (decrease) in cash and cash equivalents	(1,605,516)	3,192,361	3,729,757	3,151,184	8,467,786
Cash and cash equivalents at beginning of year	<u>15,338,059</u>	<u>19,470,146</u>	<u>16,017,192</u>	<u>39,226,756</u>	<u>90,052,153</u>
Cash and cash equivalents at end of year	<u>\$ 13,732,543</u>	<u>\$ 22,662,507</u>	<u>\$ 19,746,949</u>	<u>\$ 42,377,940</u>	<u>\$ 98,519,939</u>
Cash and cash equivalents classified as:					
Cash and investments	<u>\$ 13,732,543</u>	<u>\$ 22,662,507</u>	<u>\$ 19,746,949</u>	<u>\$ 42,377,940</u>	<u>\$ 98,519,939</u>
Total cash and cash equivalents	<u>\$ 13,732,543</u>	<u>\$ 22,662,507</u>	<u>\$ 19,746,949</u>	<u>\$ 42,377,940</u>	<u>\$ 98,519,939</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, 2024

	<u>Garage</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (1,826,421)	\$ 622,059	\$ (2,967,436)	\$ 1,018,089	\$ (3,153,709)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	8,508,324	922,361	13,037	-	9,443,722
Amortization of intangible right-to-use lease assets	-	646,755	-	88,096	734,851
Amortization of intangible right-to-use subscription software assets	-	2,551,402	-	24,148	2,575,550
Change in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in accounts receivable	(46,629)	-	(9,327)	42,283	(13,673)
(Increase) decrease in due from other governments	-	-	-	467	467
(Increase) decrease in inventory	3,099	-	-	-	3,099
(Increase) decrease in prepaid expenses	-	(280)	-	(697,942)	(698,222)
(Increase) decrease in net pension asset	(1,267,277)	(3,200,059)	(1,061,302)	(164,522)	(5,693,160)
(Increase) decrease in deferred outflows	471,559	1,042,652	377,297	70,744	1,962,252
Increase (decrease) in accounts and contracts payable	339,840	1,406,450	69,471	(341,857)	1,473,904
Increase (decrease) in accrued payroll	78,242	154,788	94,405	9,584	337,019
Increase (decrease) in other postemployment benefits	(81,723)	(165,628)	(17,706)	(12,314)	(277,371)
Increase (decrease) in deferred inflows	648,742	1,630,052	568,678	87,150	2,934,622
Total adjustments	<u>8,654,177</u>	<u>4,988,493</u>	<u>34,553</u>	<u>(894,163)</u>	<u>12,783,060</u>
Net cash provided (used) by operating activities	<u>\$ 6,827,756</u>	<u>\$ 5,610,552</u>	<u>\$ (2,932,883)</u>	<u>\$ 123,926</u>	<u>\$ 9,629,351</u>
Non-cash investing, capital and financing activities:					
Additions to intangible right-to-use lease assets	\$ -	\$ 703,419	\$ -	\$ 242,105	\$ 945,524
Additions to intangible right-to-use subscription software assets	-	2,118,800	-	-	2,118,800

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, 2024

	<u>Defined Benefit Pension Trust Funds</u>		<u>Defined Contribution Pension Trust Funds</u>		<u>Total Pension Trust Funds</u>	<u>Custodial Fund</u>
	<u>Employees'</u>	<u>Firefighters'</u>	<u>Police</u>	<u>Firefighters'</u>		
	<u>Pension Fund</u>	<u>Relief and Pension Fund</u>	<u>Supplemental Pension Fund</u>	<u>Supplemental Pension Fund</u>		
ASSETS						
Cash and cash equivalents	\$ 4,422,425	\$ 170,398	\$ 10,858	\$ -	\$ 4,603,681	\$ 188,682
Receivables:						
Interest and dividends	3,939,937	31,545	28,150	45,386	4,045,018	-
Unsettled investment sales	1,894,905	-	-	-	1,894,905	-
Securities lending earnings	52,158	-	-	-	52,158	-
Total receivables	<u>5,887,000</u>	<u>31,545</u>	<u>28,150</u>	<u>45,386</u>	<u>5,992,081</u>	<u>-</u>
Managed investment accounts, at fair value:						
Cash and cash equivalents	23,516,802	-	520,749	1,680,932	25,718,483	-
Government bonds	75,812,278	-	-	1,326,247	77,138,525	-
Index linked government bonds	3,282,053	-	-	-	3,282,053	-
Agency bonds	3,898,852	2,503,529	-	-	6,402,381	-
Municipal bonds	2,380,674	-	-	66,574	2,447,248	-
Domestic corporate bonds	109,453,210	-	-	2,072,880	111,526,090	-
International equity securities	128,218,671	-	-	537,952	128,756,623	-
Domestic stocks	317,631,802	-	-	4,182,516	321,814,318	-
Mortgage backed bonds	126,635,387	-	-	1,929,913	128,565,300	-
Government issued commercial mortgage backed bonds	21,344	-	-	-	21,344	-
Asset backed securities	15,702,713	-	-	-	15,702,713	-
Domestic equity mutual funds	311,130,026	-	16,025,193	7,740,463	334,895,682	-
International equity mutual funds	14,513,865	-	3,541,189	1,440,619	19,495,673	-
Infrastructure	97,060,786	-	-	-	97,060,786	-
Real estate	113,136,440	-	1,511,899	3,517,862	118,166,201	-
Total managed investment accounts	<u>1,342,394,903</u>	<u>2,503,529</u>	<u>21,599,030</u>	<u>24,495,958</u>	<u>1,390,993,420</u>	<u>-</u>
Securities lending collateral	<u>105,535,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,535,854</u>	<u>-</u>
Total assets	<u>1,458,240,182</u>	<u>2,705,472</u>	<u>21,638,038</u>	<u>24,541,344</u>	<u>1,507,125,036</u>	<u>188,682</u>
LIABILITIES						
Accounts payable	1,023,696	-	-	-	1,023,696	-
Unsettled investment purchases	5,992,034	-	-	-	5,992,034	-
Obligations under securities lending	<u>105,535,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,535,854</u>	<u>-</u>
Total liabilities	<u>112,551,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,551,584</u>	<u>-</u>
NET POSITION						
Restricted for:						
Pensions	1,345,688,598	2,705,472	21,638,038	24,541,344	1,394,573,452	-
Individuals and organizations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,682</u>
Total net position	<u>\$ 1,345,688,598</u>	<u>\$ 2,705,472</u>	<u>\$ 21,638,038</u>	<u>\$ 24,541,344</u>	<u>\$ 1,394,573,452</u>	<u>\$ 188,682</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, 2024

	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		
ADDITIONS						
Contributions:						
Employer	\$ 14,203,472	\$ -	\$ -	\$ -	\$ 14,203,472	\$ -
Employer - state tax	12,000	-	1,957,219	2,025,634	3,994,853	-
Employees	9,721,164	-	-	-	9,721,164	-
Individuals, organizations and other governments	-	-	-	-	-	3,809
Total contributions	<u>23,936,636</u>	<u>-</u>	<u>1,957,219</u>	<u>2,025,634</u>	<u>27,919,489</u>	<u>3,809</u>
Investment earnings (loss):						
Net increase (decrease) in fair value of investments	208,268,553	48,065	3,034,567	2,254,822	213,606,007	-
Interest, dividends and other	21,773,977	99,109	376,899	1,013,778	23,263,763	-
Securities lending income	6,033,219	-	-	-	6,033,219	-
Total investment earnings (loss)	<u>236,075,749</u>	<u>147,174</u>	<u>3,411,466</u>	<u>3,268,600</u>	<u>242,902,989</u>	<u>-</u>
Less investment costs:						
Investment management / custodian fees	(6,985,304)	-	(26,143)	(112,474)	(7,123,921)	-
Securities lending costs	(5,736,899)	-	-	-	(5,736,899)	-
Net investment earnings (loss)	<u>223,353,546</u>	<u>147,174</u>	<u>3,385,323</u>	<u>3,156,126</u>	<u>230,042,169</u>	<u>-</u>
Miscellaneous	-	-	33,402	-	33,402	-
Total additions	<u>247,290,182</u>	<u>147,174</u>	<u>5,375,944</u>	<u>5,181,760</u>	<u>257,995,060</u>	<u>3,809</u>
DEDUCTIONS						
Benefits	63,804,511	192,615	1,624,396	997,942	66,619,464	-
Refunds and transfers to other systems	1,269,107	-	-	-	1,269,107	-
Administrative expenses	352,172	2,750	22,398	40,139	417,459	-
Total deductions and administrative expenses	<u>65,425,790</u>	<u>195,365</u>	<u>1,646,794</u>	<u>1,038,081</u>	<u>68,306,030</u>	<u>-</u>
Net increase (decrease) in fiduciary net position	<u>181,864,392</u>	<u>(48,191)</u>	<u>3,729,150</u>	<u>4,143,679</u>	<u>189,689,030</u>	<u>3,809</u>
Fiduciary net position - beginning (as previously reported)	1,163,824,206	2,753,663	17,908,888	20,397,665	1,204,884,422	886,719
Adjustments and restatements	-	-	-	-	-	(701,846)
Fiduciary net position - beginning (as restated)	<u>1,163,824,206</u>	<u>2,753,663</u>	<u>17,908,888</u>	<u>20,397,665</u>	<u>1,204,884,422</u>	<u>184,873</u>
Fiduciary net position - ending	<u>\$ 1,345,688,598</u>	<u>\$ 2,705,472</u>	<u>\$ 21,638,038</u>	<u>\$ 24,541,344</u>	<u>\$ 1,394,573,452</u>	<u>\$ 188,682</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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Primary Government</u>										
Governmental activities										
Net investment in capital assets	\$ 262,934	\$ 263,810	\$ 271,834	\$ 256,608	\$ 267,703	\$ 271,011	\$ 283,538	\$ 296,599	\$ 328,830	\$ 325,617
Restricted	57,003	52,936	119,003	145,996	129,078	136,164	295,044	53,555	66,417	184,277
Unrestricted	121,033	128,785	72,595	57,072	102,030	132,181	48,583	291,427	245,564	170,646
Total governmental activities net position	<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>	<u>\$ 640,811</u>	<u>\$ 680,540</u>
Business-type activities										
Net investment in capital assets	\$ 226,571	\$ 231,591	\$ 254,503	\$ 250,410	\$ 284,905 ^a	\$ 292,925	\$ 285,264	\$ 284,557	\$ 289,246	\$ 290,479
Restricted	45,503	36,803	47,946	54,034	36,271	36,576	48,861	11,608	13,888	30,447
Unrestricted	164,135	194,997	183,726	194,547	225,022 ^a	260,807	291,320	330,029	369,984	407,325
Total business-type activities net position	<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>	<u>\$ 673,118</u>	<u>\$ 728,251</u>
Primary government										
Net investment in capital assets	\$ 489,505	\$ 495,401	\$ 526,337	\$ 507,018	\$ 552,608	\$ 563,936	\$ 568,802	\$ 581,156	\$ 618,076	\$ 616,096
Restricted	102,506	89,739	166,949	200,030	165,349	172,740	343,905	65,163	80,305	214,724
Unrestricted	285,168	323,782	256,321	251,619	327,052	392,988	339,903	621,456	615,548	577,971
Total primary government net position	<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>	<u>\$ 1,313,929</u>	<u>\$ 1,408,791</u>

Note:
Fiscal years prior to 2018 are not restated for GASB-75.

^a 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

Expenses	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
General government	\$ 16,818	\$ 13,488	\$ 14,876	\$ 18,323	\$ 15,982	\$ 13,110	\$ 12,020	\$ 14,810	\$ 20,434	\$ 23,230
Public safety	99,056	71,718	66,795	67,737	71,645	72,720	37,949	96,123	121,526	96,293
Physical environment	3,273	4,142	3,993	4,055	551	5,934	3,077	4,245	1,940	2,843
Transportation	19,366	14,532	14,339	17,020	15,957	12,424	12,247	18,497	19,600	14,508
Economic environment	4,895	4,019	5,305	6,205	7,671	7,298	4,545	4,861	6,496	11,584
Human services	249	526	455	462	574	598	505	746	2,163	2,109
Culture and recreation	40,783	36,894	36,497	50,485	45,595	36,528	38,751	47,192	53,120	60,273
Interest on long-term debt	689	740	748	745	808	617	528	1,215	1,770	1,906
Total governmental activities expenses	<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>	<u>227,049</u>	<u>212,746</u>
Business-type activities:										
Water and sewer utility	69,550	64,866	73,253	82,197	68,458	66,362	72,634	88,561	94,447	105,361
Gas utility	33,352	29,195	30,716	35,569	35,553	32,671	37,233	43,643	37,731	30,568
Solid waste utility	22,486	17,989	17,626	17,053	19,328	18,580	22,062	22,090	23,279	22,800
Stormwater utility	16,110	13,664	13,148	14,550	11,730	12,308	13,384	11,875	12,109	12,942
Recycling	2,455	2,958	2,864	3,042	1,594	2,675	3,282	3,164	3,810	3,491
Marine	4,182	3,476	3,781	4,119	4,212	3,677	4,548	6,187	5,648	5,426
Aviation	399	415	470	640	502	486	518	538	478	339
Parking system	4,724	4,097	4,379	4,817	5,054	5,732	5,832	5,031	7,761	7,749
Clearwater Harbor Marina	911	848	823	895	919	947	1,125	1,141	1,259	1,314
Total business-type activities expenses	<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>	<u>186,522</u>	<u>189,990</u>
Total primary government expenses	<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>	<u>\$ 413,571</u>	<u>\$ 402,736</u>

Notes:

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)

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	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Program revenues										
Charges for services:										
General government	\$ 23,668	\$ 23,030	\$ 23,380	\$ 24,391	\$ 26,013	\$ 25,869	\$ 25,752	\$ 26,543	\$ 29,116	\$ 27,202
Public safety	10,593	11,952	11,788	11,318	11,769	12,739	13,858	13,695	14,022	15,298
Physical environment	196	137	67	237	120	65	83	33	32	194
Transportation	327	150	157	127	182	175	157	160	136	232
Economic environment	109	105	105	312	165	149	124	1,323	133	122
Culture and recreation	7,103	7,751	8,336	8,384	8,892	6,401	6,421	9,073	11,213	11,102
Operating grants and contributions	6,893	6,236	7,012	7,456	8,630	6,925	12,540	31,435	11,427	15,903
Capital grants and contributions	2,326	2,642	3,894	7,146	6,257	2,519	2,595	1,821	3,709	1,349
Total governmental activities program revenues	<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>	<u>69,788</u>	<u>71,402</u>
Business-type activities:										
Charges for services:										
Water and sewer utility	70,848	75,203	81,514	83,994	87,242	91,069	96,837	102,430	106,133	109,709
Gas utility	41,143	38,598	40,602	45,120	45,762	42,785	43,034	47,355	47,172	41,212
Solid waste utility	20,401	21,602	22,492	23,234	24,504	24,646	26,501	28,028	29,481	30,774
Stormwater utility	17,162	17,854	18,512	18,397	18,503	17,248	17,435	17,300	17,573	18,200
Recycling	2,261	2,390	2,546	2,316	2,444	2,710	3,032	3,251	2,874	1,653
Marine	4,352	4,054	4,444	5,065	5,284	4,885	5,896	7,090	6,881	6,739
Aviation	283	291	311	317	323	333	314	335	269	224
Parking system	6,215	6,638	7,027	6,348	7,128	7,653	10,721	10,963	11,155	10,947
Clearwater Harbor Marina	664	717	799	804	850	872	893	971	940	1,022
Operating grants and contributions	50	208	83	83	664	166	83	84	49	-
Capital grants and contributions	4,662	3,487	3,564	3,785	3,973	1,764	2,546	5,183	2,559	2,292
Total business-type activities program revenues	<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>	<u>225,086</u>	<u>222,772</u>
Total primary government program revenues	<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>	<u>\$ 294,874</u>	<u>\$294,174</u>

City of Clearwater, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting, in thousands of dollars)

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	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Net (Expenses) / Revenue										
Governmental activities	\$ (132,905)	\$ (92,924)	\$ (87,041)	\$ (104,252)	\$ (94,877)	\$ (92,294)	\$ (48,092)	\$ (103,605)	\$ (157,262)	\$ (141,344)
Business-type activities	13,872	33,534	34,834	26,581	49,327	50,693	46,674	40,759	38,563	32,782
Total primary government net (expense) / revenue	<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>\$ (62,846)</u>	<u>\$ (118,699)</u>	<u>\$ (108,562)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 40,925	\$ 43,580	\$ 46,853	\$ 50,610	\$ 64,050	\$ 68,614	\$ 73,093	\$ 76,821	\$ 86,168	\$ 96,047
Sales taxes	16,833	17,595	18,009	19,015	19,839	19,311	22,842	26,167	26,876	26,368
Utility taxes	14,095	14,518	14,835	15,544	16,449	17,166	17,746	18,467	19,945	19,489
Communications services taxes	4,919	4,618	4,512	4,721	4,371	4,369	4,175	4,190	4,559	4,505
Local business tax ^b	2,029	662 ^a	1,913	1,956	2,077	2,028	2,127	2,067	2,082	2,126
Local option gas tax ^b	1,490	1,532	1,546	1,536	1,526	1,382	1,439	1,461	1,483	1,441
Intergovernmental:										
State revenue sharing ^b	3,441	3,520	3,707	3,826	3,969	3,694	4,274	5,339	5,584	5,359
Investment earnings	3,279	2,285	698	(136)	8,617	4,550	(642)	(25,822) ^c	9,640	21,348
Miscellaneous	26	108	36	100	182	94	304	114	146	163
Extraordinary item	6,480	-	-	-	-	-	-	-	-	-
Transfers	9,330	9,069	12,831	10,341	12,932	11,631	10,543	9,217	9	5,042
Total governmental activities	<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>	<u>156,492</u>	<u>181,888</u>
Business-type activities:										
Investment earnings	4,086	2,715	783	(350)	10,811	5,047	(994)	(30,793) ^c	7,888	27,393
Transfers	(9,330)	(9,069)	(12,831)	(10,341)	(12,932)	(11,631)	(10,543)	(9,217)	(9)	(5,042)
Total business-type activities	<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>	<u>7,879</u>	<u>22,351</u>
Total primary government	<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>	<u>\$ 164,371</u>	<u>\$ 204,239</u>
Change in Net Position										
Governmental activities	\$ (30,058)	\$ 4,563	\$ 17,899	\$ 3,261	\$ 39,135	\$ 40,545	\$ 87,809	\$ 14,416	\$ (770)	\$ 40,544
Business-type activities	8,628	27,180	22,786	15,890	47,206	44,109	35,137	749	46,442	55,133
Total primary government change in net position	<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>	<u>\$ 45,672</u>	<u>\$ 95,677</u>

Notes:

^a 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.^b Amounts previously reported as "Other Taxes" in fiscal years 2015-2019 have been separately itemized.^c 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)

Function/Program	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
General government	\$ 23,668	\$ 23,030	\$ 23,432	\$ 24,398	\$ 26,298	\$ 25,869	\$ 25,877	\$ 49,027	\$ 29,116	\$ 27,201
Public safety	13,201	15,439	14,778	14,455	16,363	15,547	19,693	16,484	17,610	20,702
Physical environment	1,311	986	1,538	1,729	1,690	415	329	394	135	204
Transportation	1,024	927	1,312	2,889	1,759	1,007	1,397	1,665	1,405	1,510
Economic environment	1,713	1,426	2,014	1,725	1,315	1,327	4,386	4,781	5,279	8,113
Human services	350	333	368	431	400	421	347	391	627	797
Culture and recreation	9,948	9,862	11,297	13,744	14,203	10,256	9,501	11,341	15,616	12,875
Subtotal governmental activities	<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>	<u>69,788</u>	<u>71,402</u>
Business-type activities:										
Water and sewer utility	74,146	77,312	82,531	86,706	89,115	92,057	98,541	107,296	108,646	111,045
Gas utility	41,143	38,598	40,602	45,120	45,762	42,785	43,034	47,355	47,172	41,212
Solid waste utility	20,401	21,727	22,492	23,234	25,166	24,646	26,501	28,028	29,481	30,774
Stormwater utility	17,805	19,029	21,053	19,358	20,575	17,907	17,519	17,300	17,573	18,200
Recycling	2,261	2,473	2,629	2,399	2,444	2,876	3,115	3,335	2,874	1,653
Marine	4,357	4,055	4,447	5,070	5,286	4,885	5,896	7,090	6,930	7,256
Aviation	999	377	314	424	351	450	1,072	652	315	495
Parking system	6,215	6,704	7,027	6,348	7,128	7,653	10,721	10,963	11,155	10,947
Clearwater Harbor Marina	714	767	799	804	850	872	893	971	940	1,190
Subtotal business-type activities	<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>	<u>225,086</u>	<u>222,772</u>
Total primary government	<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>	<u>\$ 294,874</u>	<u>\$ 294,174</u>

City of Clearwater, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting, in thousands of dollars)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund:										
Nonspendable	\$ 40	\$ 59	\$ 62	\$ 76	\$ 49	\$ 64	\$ 46	\$ 84	\$ 101	\$ 51
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	447	352	232	436	452	338	630	737	752	665
Unassigned	<u>31,540</u>	<u>33,243</u>	<u>28,276</u>	<u>27,176</u>	<u>38,168</u>	<u>48,933</u>	<u>67,749</u>	<u>58,465</u>	<u>60,804</u>	<u>75,055</u>
Total General Fund	<u>\$ 32,027</u>	<u>\$ 33,654</u>	<u>\$ 28,570</u>	<u>\$ 27,688</u>	<u>\$ 38,669</u>	<u>\$ 49,335</u>	<u>\$ 68,425</u>	<u>\$ 59,286</u>	<u>\$ 61,657</u>	<u>\$ 75,771</u>
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 192	\$ -	\$ -	\$ 12,273	\$ -
Restricted	53,900	52,936	58,681	67,328	76,094	72,163	76,215	88,455	69,767	73,135
Committed	20,167	22,360	22,132	19,829	19,661	25,539	24,597	45,806	34,333	53,773
Assigned	7,815	7,475	7,094	3,043	5,828	6,921	9,400	609	2,903	3,014
Unassigned	<u>(2,553)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 79,329</u>	<u>\$ 82,771</u>	<u>\$ 87,907</u>	<u>\$ 90,200</u>	<u>\$ 101,593</u>	<u>\$ 104,815</u>	<u>\$ 110,212</u>	<u>\$ 134,870</u>	<u>\$ 119,276</u>	<u>\$ 129,922</u>

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues										
Total Governmental Funds:										
Property taxes	\$ 40,919	\$ 43,614	\$ 46,852	\$ 50,710	\$ 64,050 ^a	\$ 68,522	\$ 73,096	\$ 76,856	\$ 86,167	\$ 96,021
Sales taxes	10,188	10,715	11,014	11,670	12,278	12,087	14,296	16,586	16,876	16,868
Utility taxes	14,094	14,518	14,835	15,544	16,449	17,166	17,746	18,467	19,945	19,489
Communications services taxes	4,919	4,618	4,512	4,721	4,371	4,368	4,175	4,190	4,559	4,505
Other taxes	3,519	2,194	3,459	3,493	3,603	3,409	3,566	3,527	3,565	3,567
Franchise fees	9,873	9,311	9,394	9,992	10,643	10,312	10,355	10,787	13,049	11,823
Licenses, permits, and fees	4,408	3,339	3,893	3,748	3,995	4,439	5,265	6,419	4,483	4,045
Intergovernmental revenues	27,573	28,293	30,236	34,277	34,770	29,730	36,442	56,637	39,846	40,714
Charges for services	15,830	16,536	17,304	17,381	17,719	15,461	17,106	18,265	19,815	19,915
Fines and forfeitures	1,638	2,116	1,727	2,165	2,605	2,321	2,308	2,387	1,938	2,001
Investment earnings (loss)	2,160	1,486	460	194	5,292 ^b	2,963	(387) ^c	(18,025) ^e	7,427	14,544
Rents and leases	-	-	-	-	-	-	2,048 ^d	2,538	3,030	4,076
Miscellaneous	3,886	3,714	4,051	4,499	4,289	3,592	1,137	1,496	3,038	1,962
Total revenues	<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>	<u>223,738</u>	<u>239,530</u>
Expenditures										
Total Governmental Funds:										
Current:										
General government	13,159	12,917	16,277	17,250	17,521	12,648	13,248	14,514	19,743	21,693
Public safety	66,886	69,575	71,752	74,486	74,164	78,002	81,172	87,269	94,959	102,771
Physical environment	3,158	3,594	4,185	4,403	3,488	3,938	4,003	4,003	3,644	2,835
Transportation	9,925	9,554	9,626	9,629	9,956	8,453	8,427	14,019	14,800	11,504
Economic environment	3,993	3,473	4,826	4,106	4,831	6,602	4,711	4,758	6,329	9,971
Human services	223	525	466	490	594	634	595	728	2,125	2,121
Culture and recreation	28,339	31,279	33,868	43,030	40,080	34,971	35,218	38,899	42,102	50,554
Debt service:										
Principal	928	979	1,088	1,271	1,486	1,508	1,617	1,347	1,287	1,235
Interest & fiscal charges	501	459	414	380	348	308	260	222	1,187	1,568
Bond issuance costs	-	-	-	-	-	-	-	482	-	-
Capital outlay	12,132	12,062	13,015	8,921	12,068	15,916	19,029	51,822	49,445	10,840
Total expenditures	<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>	<u>233,781</u>	<u>215,092</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>(10,043)</u>	<u>24,438</u>
Other Financing Sources (Uses)										
Total Governmental Funds:										
Transfers in	39,386	32,824	45,413	49,202	45,697	47,307	45,071	103,139	70,324	76,431
Transfers out	(31,190)	(25,074)	(38,658)	(43,895)	(40,396)	(42,979)	(40,354)	(102,303)	(75,585)	(78,448)
Proceeds from sale of capital assets	-	314	-	-	1,545	1,746	537	635	211	1,372
Issuance of debt for lease obligations	-	-	-	-	-	-	-	755 ^f	1,540	-
Issuance of debt for subscription software obligations	-	-	-	-	-	-	-	-	330 ^g	1,783
Other long term debt issued	82	968	1,077	1,677	-	964	-	31,226	-	-
Total other financing sources (uses)	<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>	<u>(3,180)</u>	<u>1,138</u>
Extraordinary Item:										
BP Oil settlement proceeds	6,480	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	<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>	<u>\$ (13,223)</u>	<u>\$ 25,576</u>
Debt service as a percentage of noncapital expenditures	1.1%	1.1%	1.1%	1.1%	1.2%	1.2%	1.3%	0.9%	1.3%	1.4%

Notes:

Fiscal years prior to 2018 are not restated for GASB-75.

^a 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.

^b 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.

^c 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 .

^d Rents and leases were separated from Miscellaneous Revenues in fiscal year 2021.

^e 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.

^f GASB-87 implemented in fiscal year 2022.

^g GASB-96 implemented in fiscal year 2023.

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 ^a						Less:		Total Taxable Assessed Value	Total Direct Tax Rate ^c	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 ^b	Less: Tax Exempt Property				
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%
2023	17,750,873	3,750,153	274,103	1,757,218	958,385	193,414	5,668,813	3,842,942	15,172,391	5.8850	17,849,872	85.0%
2024	20,130,679	4,092,380	334,507	1,877,994	1,010,551	202,742	6,712,297	4,085,547	16,851,009	5.8850	19,824,716	85.0%

^a Properties are assessed at approximately 85% of market value to reflect cost of sales, personal property included in market value, etc.

^b 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.

^c 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 ^a
	Operating	Total Direct	Pinellas County	Pinellas County Schools	Pinellas Transit District	Emergency Medical Services	Other Districts	
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	0.9700
2023	5.8850	5.8850	4.8188	5.9630	0.7500	0.8775	1.0978	0.9700
2024	5.8850	5.8850	4.6660	5.8220	0.7342	0.8050	1.0359 ^b	0.9700

Source: Pinellas County Tax Collector

^a A separate taxing district established by referendum which affects only downtown properties.

^b "Other" includes Pinellas County Planning Council 0.0200; Juvenile Welfare Board 0.8250; SW Florida Water Management District 0.1909.

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
2015	\$ 42,294,009	\$ 40,832,366	96.54%	\$ 62,629	\$ 40,894,995	96.69%
2016	45,099,493	43,545,722	96.55%	54,148	43,599,870	96.67%
2017	48,457,539	46,762,216	96.50%	46,946	46,809,162	96.60%
2018	52,482,716	50,620,131	96.45%	39,028	50,659,159	96.53%
2019	66,457,374	64,014,536	96.32%	106,944	64,121,480	96.49%
2020	70,939,266	68,396,543	96.42%	52,299	68,448,842	96.49%
2021	75,735,461	73,035,751	96.44%	40,955	73,076,706	96.49%
2022	79,805,351	76,777,645	96.21%	12,406	76,790,051	96.22%
2023	89,289,531	86,129,520	96.46%	13,851	86,143,371	96.48%
2024	99,168,200	95,517,338	96.32%	-	95,517,338	96.32%

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**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>REAL PROPERTY</u>						
WYNDHAM VACATION RESORTS INC	\$ 128,355,000	1	0.79%			
JEMB POCONO LLC	121,500,000	2	0.75%			
JOHN S TAYLOR PROPERTIES LLC	108,955,000	3	0.67%	\$ 48,253,900	3	0.62%
US HWY 19N FL PARTNERS LLC	104,750,000	4	0.64%			
COUNTRYSIDE MALL LLC	103,985,000	5	0.64%			
P E F P SOLARIS KEY LLC	90,800,000	6	0.56%			
DC CLEARWATER BEACH 1 PROPERTY LLC	89,750,000	7	0.55%			
B W C HOSPITALITY LLC	89,665,525	8	0.55%			
ADREX CLEARWATER MANAGER LLC	88,357,000	9	0.54%			
BAYSIDE ARBORS XII LLC (1)	85,048,925	10	0.52%	38,847,415	7	0.50%
BELLWETHER PROP FLA				142,630,438	1	1.84%
301 S GULFVIEW LLC				62,540,609	2	0.80%
STANDARD GRAND RESERVE LLC				41,551,200	4	0.53%
SAND KEY ASSOC LTD PARTNERSHIP				40,841,700	5	0.53%
CENTRO NP CLEARWATER MALL LLC				39,231,675	6	0.50%
SANDPEARL RESORT LLC				38,161,389	8	0.49%
NWP CLEARWATER HOLDINGS LLC				28,962,900	9	0.37%
WEINGARTEN NOSTAT INC				27,535,000	10	0.35%
Total	\$1,011,166,450		6.21%	\$ 508,556,226		6.54%

Notes:

(1) Bayside Arbors XII LLC was listed as ZOM Bayside Arbors LLC in 2015.

Source: Pinellas County Property Appraiser

Schedule 8b

**City of Clearwater, Florida
Principal Personal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
PERSONAL PROPERTY						
DUKE ENERGY FLORIDA	\$ 113,039,377	1	19.37%	\$ 77,434,728	1	17.91%
FRONTIER FLORIDA LLC (1)	26,184,133	2	4.49%	30,939,166	2	7.15%
SPECTRUM SUNSHINE STATE LLC (2)	17,694,759	3	3.03%	14,422,829	3	3.34%
BAUSCH & LOMB INC	14,715,102	4	2.52%			
INSTRUMENT TRANSFORMERS INC	12,396,382	5	2.12%	9,762,948	4	2.26%
MONIN INC	9,412,608	6	1.61%	6,560,228	7	1.52%
KNOWBE4 INC	8,853,327	7	1.52%			
PUBLIX SUPER MARKET	8,537,264	8	1.46%	8,346,711	5	1.93%
AEROSONIC CORP	7,296,551	9	1.25%			
WYNDHAM GRAND CLEARWATER BEACH	7,153,216	10	1.23%			
FLORIDA GAS TRANSMISSION				7,787,632	6	1.80%
HYATT REGENCY CLEARWATER BEACH				5,550,113	8	1.28%
WOW! INTERNET, CABLE & PHONE				5,489,616	9	1.27%
MODEL SCREW PRODUCTS INC				5,338,444	10	1.23%
Total	<u>\$ 225,282,719</u>		<u>38.60%</u>	<u>\$ 171,632,415</u>		<u>39.69%</u>

Notes:

- (1) Frontier Florida LLC was listed as Verizon Florida LLC in 2014.
- (2) Spectrum Sunshine State LLC was listed as Bright House Networks LLC in 2014.

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	Financed Purchases	Lease Liabilities	Subscription Liabilities	Water/Sewer Revenue Bonds	Gas Revenue Bonds	Stormwater Revenue Bonds	Financed Purchases				
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	2.63%	1,592	
2021	3,826	-	12,787	-	-	126,027	7,875	21,354	893	172,762	2.24%	1,467	
2022	3,521	31,210	7,380	1,356 ^b	-	121,070	7,165	12,561	533	184,796	2.30%	1,550	
2023	3,203	31,146	3,515	2,649	3,746 ^c	115,971	6,430	11,618	319	178,597	2.09%	1,502	
2024	2,871	30,877	1,449	2,619	5,013	110,757	5,685	10,633	145	170,049	*	1,435	

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.

^b GASB-87 implemented in fiscal year 2022.

^c GASB-96 implemented in fiscal year 2023.

* 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)
2015	\$ -	\$ -	\$ -	-	\$ -
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	30,000	30,000	0.22%	252
2023	-	30,000	30,000	0.20%	252
2024	-	29,795	29,795	0.18%	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, 2024
(amounts in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes	\$ -	n/a	\$ -
Other debt			
Pinellas County Government Capital Leases	30,541	13.6%	4,158
Pinellas County Government SBITA's	5,077	13.6%	691
Pinellas County School District Certificates of Participation	121,172	13.6%	16,498
Pinellas County School District Capital Leases	3,226	13.6%	<u>439</u>
Subtotal, overlapping debt			21,786
City direct debt			<u>42,829</u>
Total direct and overlapping debt			<u><u>\$ 64,615</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.

^a 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)**

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as Percentage of Debt Limit
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%
2023	3,611,227	159,041	3,452,186	4.40%
2024	3,985,035	149,489	3,835,546	3.75%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed valuation of all real property	\$	19,925,175
Debt Limit (20% of assessed valuation per City Charter)		3,985,035
Debt applicable to limit:		
Bonds payable	\$	154,455
Financed purchases		1,594
Less: Amount set aside for repayment of bonded debt		<u>(6,560)</u>
		149,489
Legal debt margin	<u>\$</u>	<u>3,835,546</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

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenues</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
Spring Training Facility Revenue Bonds ^(a)						
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
2023	514	-	514	310	179	1.05
2024	532	-	532	325	162	1.09

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 ^(a)
				Principal	Interest		
Water & Sewer Utility Revenue Bonds							
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	
2023	111,511	77,487	34,024	4,310	4,446	3.89	
2024	123,751	89,243	34,508	4,470	4,287	3.94	
Gas Utility Revenue Bonds							
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
2023	47,881	33,059	14,822	735	181	16.18	7.08
2024	43,427	30,142	13,285	745	163	14.63	6.34
Stormwater Utility Revenue Bonds							
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 ^(b)	840	1.55	
2021	17,084	8,579	8,505	1,360	743	4.04	
2022	13,547	7,244	6,303	8,735 ^(c)	583	0.68	
2023	18,700	8,106	10,594	890	429	8.03	
2024	21,326	9,001	12,325	935	386	9.33	

^(a) 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.

^(b) 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.

^(c) 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**

Year	Population (a)	Personal Income (thousands of dollars)	Per Capita Personal Income (b)	Median Age (c)	School Enrollment (d)	Unemployment Rate (e)
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	7,149,942	60,584	48.4	12,013	5.7%
2021	117,800	7,711,777	65,465	48.5	11,897	4.3%
2022	119,208	8,035,692	67,409	48.8	11,735	2.5%
2023	118,904	8,549,673	71,904	49.4	11,416	3.3%
2024	118,463	*	*	*	10,915	3.6%

(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 2014-2022 is from the Florida Office of Economic and Demographic Research.

(c) Median age data for Pinellas County for 2014-2021 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^a
Current Year and Nine Years Ago**

Employer	2024 ^b			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Baycare (including all hospitals and subsidiaries)	15,619	1	2.96%			
Pinellas County School Board (district office and schools)	13,071	2	2.48%	15,836	1	3.88%
Publix (including pharmacy and liquor stores)	7,641	3	1.45%			
Pinellas County Government ¹	5,703	4	1.08%			
U.S. Dept. of Veterans Administration (including VA district office and healthcare system)	5,055	5	0.96%	4,459	2	1.09%
Walmart (including Sam's Club and Walmart Neighborhood Grocery Stores)	4,809	6	0.91%			
Raymond James Financial (all subsidiaries)	4,541	7	0.86%	2,650	6	0.65%
Johns Hopkins All Children's Hospital (all subsidiaries)	3,767	8	0.71%	3,200	3	0.78%
City of St. Petersburg	3,716	9	0.70%	3,165	4	0.78%
HCA Florida Healthcare (including all hospitals and subsidiaries)	3,600	10	0.68%			
St. Petersburg College				2,413	8	0.59%
Pinellas County Sheriff				2,682	5	0.66%
Morton Plant Hospital				2,550	7	0.62%
Home Shopping Network				2,150	9	0.53%
Mease Hospital				2,100	10	0.51%
Total Employment	527,535			408,252		

^a Data is for Pinellas County. City data is not available.

^b Source: Florida Research and Economic Database and Pinellas County Department of Economic Development. Baycare and HCA provided directly.

City of Clearwater, Florida
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government	281.8	287.3	295.9	298.8	301.3	301.3	301.8	307.8	315.3	321.0
Public safety:										
Fire	201.0	201.0	204.0	204.0	205.0	204.0	204.0	204.0	205.0	208.0
Police	364.0	362.5	367.5	373.3	373.3	374.3	375.3	375.3	387.3	396.3
Physical environment	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	9.0 ^a	8.0
Transportation	34.0	34.0	35.0	35.0	35.0	36.0	36.0	36.0	62.0 ^a	65.0
Economic environment	10.0	12.0	10.4	11.0	11.0	11.0	11.0	12.0	12.5	13.5
Culture and recreation:										
Library	74.4	81.4	82.3	85.1	84.0	84.0	83.6	83.3	83.3	83.3
Parks & Rec	204.6	209.7	219.0	241.4	240.9	240.9	243.4	245.4	249.8	244.7
Water & Sewer Utility	184.0	187.0	188.0	196.0	196.0	196.0	196.0	196.0	198.0	198.0
Gas Utility	87.0	92.0	104.0	110.0	110.0	110.0	110.0	110.0	97.0	91.0
Solid Waste Utility	111.5	111.5	111.5	111.5	111.5	111.5	111.5	112.5	110.5	111.8
Stormwater Utility	49.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	51.0	51.0
Recycling	22.0	22.0	22.0	22.0	22.0	22.0	22.0	21.0	21.0	20.0
Marine	24.6	27.7	28.3	18.6	18.9	18.9	15.6	15.6	18.5	18.8
Clearwater Harbor Marina	5.6	6.7	6.7	6.7	6.3	6.5	8.8	8.8	9.1	10.4
Aviation	1.4	1.4	1.4	1.4	1.6	1.6	2.6	2.6	2.9	0.3
Parking System	33.7	35.8	41.3	44.8	44.8	45.6	45.4	45.4	45.6	45.6
Total	<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>	<u>1,877.8</u>	<u>1,886.7</u>

Source: City of Clearwater Office of Management and Budget

^a Reorganization and creation of a Public Works Department.

City of Clearwater, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program											
General government:											
Planning	Commercial building permits issued	1,854	1,706	1,757	1,902	2,425	1,931	1,886	1,939	1,561	1,243
	Residential building permits issued	6,546	6,987	9,134	8,702	8,856	8,536	9,141	9,096	8,779	9,487
Public safety:											
Police	Average officer training hours	120	115	150	194	170	82	121	145	135	143
	Total volunteer training hours	246	1034	58	679	209	144	34	107	2	31
Fire	Percentage of fire responses under 7.5 minutes	93%	91%	89%	89%	89%	82%	79%	82%	84%	85%
Physical environment	Square feet of sidewalks repaired/constructed	35,611	36,694	48,075	39,335	41,268	33,658	28,250	20,843	21,376	20,675
Transportation	Miles of roadway resurfaced	0	15.89	6.2	16.88	17.66	12	11.4	2.47	10.54	4.24
Economic environment	Code enforcement cases brought to compliance	4,458	4,736	4,771	4,642	4,561	5,187	4,947	3,733	3,889	4,075
Human services	City employees that mentor in area schools	5	16	13	17	20	0	19	9	0	4
Culture and recreation:											
Library system	Library visits	636,006	562,387	522,014	582,315	625,411	389,063	280,977	372,527	431,168	305,726
	Circulation	987,430	869,469	891,597	857,232	865,987	742,493	694,440	692,288	711,218	596,253
Parks and recreation	Recreation center visitations	696,094	714,657	689,750	708,562	718,261	386,282	307,880	498,551	508,677	587,027
	Athletic program visitations	1,066,767	1,093,090	1,104,126	916,355	1,054,200	859,860	877,982	978,996	1,177,709	1,181,855
Water and Sewer Utility:											
	Water customers	44,236	44,743	45,275	45,486	45,587	45,760	46,087	46,203	46,212	46,295
	Volume of water pumped (million gallons/day)	12.1	11.7	11.9	11.4	11.2	11.9	11.7	11.9	12.1	
	Sewer customers	33,390	33,763	33,947	34,111	34,183	34,442	34,654	34,712	34,724	34,834
	Miles of sewers cleaned	172	160	251	161	109	138	136	94	121	127
Gas Utility:	Number of customers	21,277	21,973	23,031	24,620	26,438	28,243	30,001	31,548	32,991	31,808
Solid Waste Utility:	Solid waste tonnage collected and disposed	117,214	124,917	123,425	122,890	127,008	118,461	124,233	122,566	118,077	113,170
Stormwater Utility:	Number of equivalent residential units	101,663	102,798	103,742	104,105	104,621	105,161	105,581	105,589	106,416	106,676
Recycling Utility:	Marketable tons recycled	12,079	13,467	13,438	11,503	4,169	3,275	3,843	3,623	8,627	11,327

* **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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Public safety:										
Fire										
Stations	8	8	8	8	8	8	8	8	8	8
Police										
Stations	7	7	7	6	6	6	6	6	5	5
Transportation:										
Paved streets (miles)	321	322	322	324	327	327	324	329	324	324
Culture and recreation:										
Library system										
Volumes in collection (thousands)	564	519	528	469	473	439	428	455	452	449
Parks and recreation										
Parks acreage	1455	1457	1457	1457	1457	1457	1875	1875	1774	1782
Recreational paths (miles)	22	22	22	22	22	22	19	19	19	19
Playgrounds	27	27	26	26	26	26	27	27	27	27
Baseball and softball fields	32	32	32	32	32	32	34	34	34	34
Soccer and football fields	20	20	21	21	21	21	18	16	17	17
Recreation centers	5	5	5	6	6	6	6	6	6	6
Water & Sewer Utility :										
Water mains (miles)	588.57	587.75	584.6	582.63	586.14	595.72	586.42	587.69	588.02	589.86
Sanitary sewer mains (miles)	364.27	368.98	370.2	370.0	370.44	372.14	372.15	372.3	372.11	372.35
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)	884	908	930	965	994	1,021	1,056	1,075	1,085	1,102
Stormwater Utility:										
Stormwater mains (miles)	152.63	153.74	153.99	154.59	154.12	155.47	156.49	157.55	157.4	158.84
Marine:										
Boat slips	189	189	189	189	190	198	198	198	198	154 ^c
Clearwater Harbor Marina:										
Boat slips	126	126	126	126	126	127	127	127	127	127
Aviation:										
Airpark spaces	177	177	177	177	177	174	174	174	174	174
Parking system:										
Parking spaces	2312	2302	2345	2462	3073	3108	3004	2580 ^a	2815 ^b	2754 ^d

^a Decrease in parking spaces due to temporary closure of lot 11 for Imagine Clearwater construction, as well as the sale of spaces in the North Beach Parking Garage.

^b Increase in parking spaces due to reopening of lot 11 with additional spaces, as well as additional spaces on Drew Street and the 300 block of Cleveland Street.

^c Decrease of 44 boat slips destroyed by Hurricane Helene in September 2024.

^d Decrease in parking spaces due to closure of lot 25.

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**

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, 2024 is based on a Natural Gas Rate Study completed in December 2023, and adopted by Ordinance 9739-23 to be effective for all gas bills and services rendered on or after February 1, 2024. The PGA was decreased 5.6 cents per therm, the ECA was decreased 0.8 cents per therm, the RIA was decreased 0.6 cents per therm, and the UIA was decreased 5.0 cents per therm, while the Non-Fuel Energy charge (NFE) was increased 12.0 cents per therm. All rate adjustments were designed to be revenue neutral, ensuring financial stability without generating excess revenue.

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 January 31, 2024 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. As of September 30, 2024, contract rates applied to 139 customer accounts impacting 4% of total revenues.

CLEARWATER GAS SYSTEM
NATURAL GAS RATE BILLING FACTORS
 FOR Aug 1, 2024 - Oct 31, 2024 BASED ON APPROVED GAS ADJUSTMENT FACTORS

	Firm Natural Gas Rate Schedules											SL w/M&Relight NA	NGV (Non-Res) NA	NSS (Non-Res) NA	Interr. NG Rate IS 100,000 & up	Contract NG Rate CNS NA	
	RS	SMF	MMF	LMF	SGS	MGS	LGS	RAC	GAC	LAC	SL						
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	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)
Non-Fuel Energy Charge/Therm																	
Non-Fuel Energy Charge	\$0.56	\$0.56	\$0.56	\$0.56	\$0.50	\$0.46	\$0.42	NA	NA	NA	\$0.26	\$0.41	By Contract	\$0.44	\$0.28		By Contract
Energy Conservation Adj. (ECA)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	NA	NA	NA	NA	NA	NA	NA	NA		NA
Regulatory Imposition Adj. (RIA)	0.02	0.02	0.02	0.02	0.02	0.02	0.02	NA	NA	NA	NA	NA	NA	NA	NA		NA
Usage & Inflation Adj. (UIA)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>		<u>NA</u>
Total Non-Fuel Energy Charge	\$0.68	\$0.68	\$0.68	\$0.68	\$0.62	\$0.58	\$0.54	NA	NA	NA	\$0.26	\$0.41	By Contract	\$0.44	\$0.28		By Contract
Purchased Gas Adjustment (PGA)	<u>0.44</u>	<u>0.44</u>	<u>0.44</u>	<u>0.44</u>	<u>0.44</u>	<u>0.44</u>	<u>0.44</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>0.44</u>	<u>0.44</u>	<u>By Contract</u>	<u>0.44</u>	<u>0.35</u>		<u>0.35</u>
Total Energy Charge/Therm	1.12	1.12	1.12	1.12	1.06	1.02	0.98	NA	NA	NA	0.70	0.85	By Contract	0.88	0.63		0.35
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) + FAC	\$20.00 (\$30.00) + FAC	By Contract (By Contract) + FAC	\$50.00 (\$75.00) + FAC	\$250.00 (\$400.00) + Non-Fuel Therm Rate for Contract # of Therms		+ Non-Fuel Customer Charge + Non-Fuel Therm Rate for Contract # of Therms
Compares to LP/Gallon Rate of with 6.0% Franchise	\$ 1.02 \$ 1.09	\$ 1.02 \$ 1.09	\$ 1.02 \$ 1.09	\$ 1.02 \$ 1.09	\$ 0.97 \$ 1.03	\$ 0.93 \$ 0.99	\$ 0.90 \$ 0.95	NA	NA	NA	\$ 0.64 \$ 0.68	\$ 0.78 \$ 0.82		NA \$ 0.81 \$ 0.85	\$ 0.58 \$ 0.61		
Utility Tax Note:																	
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	\$0.371	\$0.371	\$0.371	\$0.371	\$0.371	\$0.371	\$0.371	NA	NA	NA	\$0.371	\$0.371	(\$0.069)	\$0.371	\$0.295		\$0.281
BTU FACTOR = THERMS/100 CUBIC FEET (CCF)																	
	<u>10/2023</u>	<u>11/2023</u>	<u>12/2023</u>	<u>01/2024</u>	<u>02/2024</u>	<u>03/2024</u>	<u>04/2024</u>	<u>05/2024</u>	<u>06/2024</u>	<u>07/2024</u>	<u>08/2024</u>	<u>09/2024</u>	FY 23/24 Avg.				
Firm & Interruptible Service Rates	1.021	1.020	1.030	1.023	1.026	1.026	1.026	1.022	1.020	1.022				1.024			

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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) MMBtu Per Day 2/01/17 - 1/31/27	Phase III (FTS-2) MMBtu Per Day 2/1/14 - 2/28/25	Total 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

Service Area

The Clearwater Gas System (CGS) is owned and operated as an enterprise utility by the City of Clearwater. CGS operates over 1,100 miles of underground gas main and handles the supply and distribution of natural 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 101 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 approximately 32,000 customers in a 330 square mile service territory, which includes 16 municipalities in addition to Clearwater 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 approximately 90% of our customer base.

City of Clearwater, Florida
Continuing Disclosure - Gas System Revenue Bonds
Series 2013 and 2014

As of September 30, 2024 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	645	2.03%
Belleair Beach	306	0.96%
Belleair Bluffs	60	0.19%
Belleair Shores	32	0.10%
Clearwater	7,915	24.86%
Dunedin	1,749	5.49%
Indian Rocks Beach	263	0.83%
Indian Shores	165	0.52%
Largo	1,226	3.85%
New Port Richey	92	0.29%
North Redington Beach	113	0.35%
Oldsmar	171	0.54%
Port Richey	16	0.05%
Redington Beach	257	0.81%
Redington Shores	126	0.40%
Safety Harbor	781	2.45%
Tarpon Springs	1,734	5.45%
Unincorporated Areas Pasco	7,437	23.36%
Central Pasco	5,035	15.81%
Unincorporated Areas Pinellas	3,719	11.68%
Total	<u>31,842</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, 2024.

<u>Customer Name</u>	<u>Peak Monthly Therms</u>	<u>% of Gross Revenues</u>
Morton Plan Hospital	100,865.3	1.84%
Mease Hospital & Clinic	98,857.3	1.76%
Ajax Paving Industries	171,607.5	1.62%
CNG Filling Station Compression Resale Gas	51,718.7	1.43%
MI Metals, Inc.	65,871.6	1.41%

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, 2024:

	<u>Average No. Customers</u>	<u>Gas Volume</u>	<u>Gas Sales</u>
Interruptible (including CNG Station)	19	28.85%	14.75%
Residential	29,209	20.59%	37.75%
Commercial (excluding CNG Station)	2,614	50.56%	47.51%
	<u>Therms</u>	<u>Revenues</u>	
Interruptible (including CNG Station)	7,695,620.6	\$ 4,974,385	
Residential	5,492,583.2	12,733,469	
Commercial (excluding CNG Station)	13,488,626.0	16,027,289	
Totals	<u>26,676,829.8</u>	<u>\$ 33,735,143</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)

<u>FY</u>	<u>City Wells</u>	<u>County</u>	<u>Total</u>
2020	7.7	4.2	11.9
2021	6.7	5.0	11.7
2022	6.8	5.1	11.9
2023	7.3	4.8	12.1
2024	6.7	5.4	12.1

Historical Growth in Number of Water Customers

(all figures are as of September of the year indicated)

<u>FY</u>	<u>Potable Water Service Customers</u>	<u>Reclaimed Water Service Customers</u>	<u>Total Water Service Customers</u>
2020	37,951	7,809	45,760
2021	38,244	7,843	46,087
2022	38,320	7,883	46,203
2023	38,306	7,907	46,213
2024	38,370	7,925	46,295

Ten Largest Water Customers
Fiscal Year Ending September 30, 2024

<u>Name of User</u>	<u>Water Used (in 100 Cubic Feet)</u>	<u>Revenues Produced</u>
1. CITY OF CLEARWATER	90,826	\$ 1,616,194
2. CHURCH OF SCIENTOLOGY	144,444	1,293,523
3. MORTON PLANT HOSPITAL	99,896	1,110,982
4. PINELLAS COUNTY SCHOOLS	40,702	549,032
5. INFINITY THE STANDARD LLC	51,813	477,652
6. THE SANDPEARL RESORT	49,020	400,534
7. PINELLAS COUNTY GOVERNMENT	11,030	319,259
8. JEMB POCONO LLC	29,717	313,435
9. SPT WAH WELLINGTON, LLC	32,823	287,069
10. THE GENESIS APARTMENT LLC	32,280	273,520
	<u>582,551</u>	<u>\$ 6,641,200</u>

Reclaimed Water System:

<u>Year</u>	<u>Average Daily Flow MGD</u>
2020	6.1
2021	5.5
2022	5.8
2023	5.6
2024	3.6

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
2020	12.7	34,442
2021	12.2	34,654
2022	12.0	34,712
2023	12.6	34,724
2024	12.8	34,834

Ten Largest Sewer Customers
Fiscal Year Ending September 30, 2024

Name of User	Sewer Used (in 100 Cubic Feet)	Revenues Produced
1. MORTON PLANT HOSPITAL	85,577	\$ 1,055,006
2. CHURCH OF SCIENTOLOGY	110,692	1,039,434
3. CITY OF CLEARWATER	38,581	918,405
4. PINELLAS COUNTY SCHOOLS	38,042	676,135
5. INFINITY THE STANDARD	51,813	472,823
6. THE SANDPEARL RESORT	49,020	447,334
7. JEMB POCONO LLC	29,717	321,511
8. CCRC REGENCY OAKS, LLC	31,742	321,485
9. PINELLAS COUNTY GOVERNMENT	7,238	317,646
10. THE GENESIS APARTMENT LLC	32,279	312,752
	474,701	\$ 5,882,531

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 2024 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

Residential and Nonresidential Water Rates	October 1, <u>2020</u>	October 1, <u>2021</u>	October 1, <u>2022</u>	October 1, <u>2023</u>	October 1, <u>2024</u>
<u>Size of Meter</u>					
Minimum - Under 1 inch	\$ 24.09	\$ 25.05	\$ 25.80	\$ 26.58	\$ 27.39
1 inch	56.21	58.45	60.20	62.02	63.91
1.5 inch	803.00	835.00	860.00	886.00	913.00
2 inch	1,870.99	1,945.55	2,003.80	2,064.38	2,127.29
3 or 2 inch manifold	2,882.77	2,997.65	3,087.40	3,180.74	3,277.67
4 inch	5,548.73	5,769.85	5,942.60	6,122.26	6,308.83
6 inch	14,253.25	14,821.25	15,265.00	15,726.50	16,205.75
8 inch	24,090.00	25,050.00	25,800.00	26,580.00	27,390.00

Additional charges are assessed for usage in excess of designated minimums.

Rates for Irrigation (Lawn) Meters	October 1, <u>2020</u>	October 1, <u>2021</u>	October 1, <u>2022</u>	October 1, <u>2023</u>	October 1, <u>2024</u>
<u>Size of Meter</u>					
Minimum - Under 1 inch	\$ 8.59	\$ 8.94	\$ 9.21	\$ 9.48	\$ 9.77
1 inch	25.79	26.82	27.62	28.45	29.31
1.5 inch	129.04	134.20	138.23	142.37	146.64
2 inch	361.32	375.78	387.05	398.67	410.62
3 or 2 inch manifold	714.02	742.58	764.86	787.80	811.44
4 inch	1,376.44	1,431.50	1,474.45	1,518.68	1,564.24
6 inch	4,155.13	4,321.34	4,450.98	4,584.51	4,722.04

Sewer Rates	October 1, <u>2020</u>	October 1, <u>2021</u>	October 1, <u>2022</u>	October 1, <u>2023</u>	October 1, <u>2024</u>
<u>Size of Meter</u>					
Minimum - Under 1 inch	\$ 33.18	\$ 34.50	\$ 35.55	\$ 36.60	\$ 37.71
1 inch	77.42	80.50	82.95	85.40	87.99
1.5 inch	1,106.00	1,150.00	1,185.00	1,220.00	1,257.00
2 inch	2,576.98	2,679.50	2,761.05	2,842.60	2,928.81
3 or 2 inch manifold	3,970.54	4,128.50	4,254.15	4,379.80	4,512.63
4 inch	7,642.46	7,946.50	8,188.35	8,430.20	8,685.87
6 inch	19,631.50	20,412.50	21,033.75	21,655.00	22,311.75
8 inch	33,180.00	34,500.00	35,550.00	36,600.00	37,710.00
Per 1,000 gallons of water used over the allowed minimum	11.06	11.50	11.85	12.20	12.57

Additional Indebtedness

No additional indebtedness was incurred for capital improvements to the water and sewer systems, or for the financed 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, 2011	\$13.04
October 1, 1998	4.00	October 1, 2012	13.40
October 1, 1999	4.17	October 1, 2013	13.77
October 1, 2000	4.35	October 1, 2014	14.15
October 1, 2001	4.54	October 1, 2015	14.33
January 1, 2002	6.13	October 1, 2016	14.51
October 1, 2002	7.16	October 1, 2017	14.58
October 1, 2003	8.01	October 1, 2018	14.65
October 1, 2004	8.65	October 1, 2019	13.40
October 1, 2005	9.35	October 1, 2020	13.40
October 1, 2006	9.71	October 1, 2021	13.40
October 1, 2007	10.51	October 1, 2022	13.64
October 1, 2008	11.14	October 1, 2023	13.87
October 1, 2009	11.80	October 1, 2024	14.98
October 1, 2010	12.51		

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Net Operating Revenues (Excluding Depreciation)	\$ 9,090,521	\$ 8,669,978	\$ 10,056,468	\$ 9,466,692	\$ 9,198,753
Interest Income and other					
Non-operating Revenues (Expenses)	804,165	(164,421)	(3,753,234)	1,127,274	3,126,501
Total Net Revenues	\$ 9,894,686	\$ 8,505,557	\$ 6,303,234	\$ 10,593,966	\$ 12,325,254
Maximum Annual Debt Service	\$ 2,175,028	\$ 2,175,028	\$ 1,375,312	\$ 1,375,312	\$ 1,375,312
Coverage	4.55	3.91	4.58	7.70	8.96

City of Clearwater, Florida
Continuing Disclosure - Non-Ad Valorem Revenue Bonds, Series 2022

	Historical Non-Ad Valorem Revenues				
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Taxes					
Electric Utility Taxes (Public Service Tax)	\$ 12,423,810	\$ 12,712,884	\$ 13,177,949	\$ 14,484,638	\$ 14,098,647
Water Utility Taxes (Public Service Tax)	4,000,713	4,246,078	4,497,067	4,678,161	4,607,670
Gas/Propane Utility Taxes (Public Service Tax)	741,067	786,621	792,079	782,045	782,755
Communications Services Taxes	4,368,536	4,174,817	4,190,145	4,558,837	4,504,832
Local Business Tax	2,027,827	2,127,380	2,066,475	2,082,520	2,125,618
Local Option Gas Tax ⁽¹⁾	1,381,690	1,438,852	1,460,864	1,483,005	1,440,896
Intergovernmental Revenues					
Infrastructure Sales Surtax ⁽²⁾	12,087,548	14,296,517	16,585,888	16,875,895	16,867,719
Half-Cent Sales Tax	7,223,098	8,545,241	9,581,538	10,000,390	9,500,798
State Revenue Sharing	3,694,083	4,274,388	5,339,006	5,583,615	5,358,740
County Fire Protection Tax ⁽³⁾	1,982,071	2,347,737	2,485,600	2,457,962	2,760,900
County EMS Tax ⁽⁴⁾	6,385,390	6,920,226	6,549,680	7,011,751	7,607,891
Other Intergovernmental ⁽⁵⁾	1,999,853	2,059,830	2,361,645	2,532,401	2,926,518
Permits and Fees					
Electric Franchise Fees	9,723,086	9,792,097	10,165,857	12,429,446	11,297,173
Gas Franchise Fees	588,685	563,190	621,152	619,290	525,933
Other Licenses and Permits	4,439,432	5,264,834	6,418,933	4,483,295	4,045,085
Charges for Services					
General Governmental	10,130,574	10,658,514	10,090,583	11,562,558	11,264,534
Public Safety	477,087	545,259	554,372	322,714	238,256
Physical Environment	25,157	45,825	36,930	37,016	35,052
Transportation	93,970	169,080	65,196	66,172	85,604
Culture and Recreation	3,508,054	4,241,205	5,600,062	5,822,324	6,120,113
Other					
Enterprise Fund Transfers ⁽⁶⁾	11,877,105	11,471,726	10,163,054	11,094,546	14,264,425
Rents and Leases	1,721,918	2,048,323	2,538,288	3,030,129	4,075,707
Fines and Forfeitures	1,479,026	1,688,182	1,607,344	1,426,817	1,539,610
Miscellaneous	2,174,890	604,175	(8,618,050) ⁽⁸⁾	4,873,050	10,485,544
Total Sources of Non-Ad Valorem Revenues ⁽⁷⁾	\$ 104,554,670	\$ 111,022,980	\$ 108,331,656	\$ 128,298,577	\$ 136,560,020

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 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenues					
Total Governmental Funds:					
Property taxes	\$ 68,522	\$ 73,096	\$ 76,856	\$ 86,167	\$ 96,021
Sales taxes	12,087	14,296	16,586	16,876	16,868
Utility taxes	17,166	17,746	18,467	19,667	19,489
Communications services taxes	4,368	4,175	4,190	4,559	4,505
Other taxes	3,409	3,566	3,527	3,566	3,566
Franchise fees	10,312	10,355	10,787	13,326	11,823
Licenses, permits, and fees	4,439	5,265	6,419	4,483	4,045
Intergovernmental revenues	29,730	36,442	56,637	39,846	39,221
Charges for services	15,461	17,106	18,265	19,815	20,025
Fines and forfeitures	2,321	2,308	2,387	1,938	2,001
Investment earnings	2,963	(387) ⁽¹⁾	(18,025) ⁽¹⁾	7,359	14,566
Miscellaneous	3,592	3,185	4,034	6,136	6,038
Total Revenues	<u>174,370</u>	<u>187,153</u>	<u>200,130</u>	<u>223,738</u>	<u>238,168</u>
Expenditures					
Total Governmental Funds:					
Current:					
General government	12,648	13,248	14,514	19,743	21,693
Public safety	78,002	81,172	87,269	94,959	102,771
Physical environment	3,938	3,644	4,003	1,804	2,835
Transportation	8,453	8,427	14,019	14,800	11,504
Economic environment	6,602	4,711	4,758	6,329	13,071
Human services	634	595	728	2,125	2,121
Culture and recreation	34,971	35,218	38,899	42,102	50,554
Debt service:					
Principal	1,508	1,617	1,347	1,287	1,235
Interest and issuance costs	308	260	704	1,187	1,568
Capital outlay:	15,916	19,029	51,822 ⁽²⁾	49,445 ⁽²⁾	10,840
Total Expenditures	<u>162,980</u>	<u>167,921</u>	<u>218,063</u>	<u>233,781</u>	<u>218,192</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,390</u>	<u>19,232</u>	<u>(17,933)</u>	<u>(10,043)</u>	<u>19,976</u>
Other Financing Sources (Uses)					
Total Governmental Funds:					
Transfers in	47,307	45,071	103,139	70,324	76,734
Transfers out	(42,979)	(40,354)	(102,302)	(75,586)	(78,750)
Proceeds from sale of capital assets	1,746	537	634	211	1,372
Proceeds from lease obligations	-	-	755	1,541	-
Proceeds from subscription obligations	-	-	-	330	1,783
Other long term debt issued	964	-	31,226 ⁽³⁾	-	-
Total other financing sources (uses)	<u>7,038</u>	<u>5,254</u>	<u>33,452</u>	<u>(3,180)</u>	<u>1,139</u>
Net Change in Fund Balances	<u>18,428</u>	<u>24,486</u>	<u>15,519</u>	<u>(13,223)</u>	<u>21,115</u>
Debt service as a percentage of noncapital expenditures	1.2%	1.3%	1.2%	1.3%	1.4%

Source: City of Clearwater, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

- (1) 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.
- (2) The increase in capital outlay expenditures in 2022 and 2023 was primarily due to expenditures for the Imagine Clearwater waterfront park and amphitheater project.
- (3) 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**

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, 2024, 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, 2024 are summarized below.

Total Revenue Received from Pinellas County Fire Protection Authority	\$ 2,760,900
Total Fire Service Expenditures for Fiscal Year Ended September 30, 2024	\$ 2,918,153

The Fire Service Program does not currently utilize an equipment reserve.

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Single Audit / Grants Compliance



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

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 City of Clearwater, Florida (the “City”), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated March 31, 2025. 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, 2024, as listed in the table of contents.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-004 to be a significant deficiency.

Report on Compliance and Other Matters

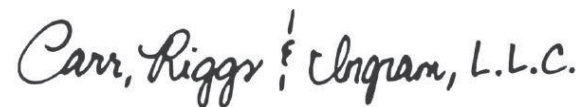
As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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, L.L.C.

Clearwater, Florida

March 31, 2025



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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND 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 Each Major State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Clearwater’s (the “City”) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements identified as subject to audit in the *State of Florida Department of Financial Services’ State Projects Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs and major state projects for the year ended September 30, 2024. The City’s major federal programs and major state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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 major state projects for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General, *Florida Single Audit Act Audits – Local Governmental Entity Audits*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditor's Responsibility 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 the 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*, and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and 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 the 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 the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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.

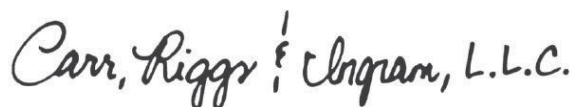
A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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.

Clearwater, Florida
March 31, 2025

City of Clearwater, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2024

Federal Grantor / Pass-through Grantor / Program Title	Assistance Listing Number ALN	Grant I.D. Number	Federal Share of Expenditures	Transfers to Subrecipients
FEDERAL AWARDS				
U.S. Department of Housing and Urban Development:				
COVID 19 - Community Development Block Grant - Entitlement - 2020	14.218	B-20-MW-12-0002	\$ 429,100	\$ 417,083
Community Development Block Grant - Entitlement - 2020	14.218	B-20-MC-12-0002	73,096	72,784
Community Development Block Grant - Entitlement - 2021	14.218	B-21-MC-12-0002	408,079	394,939
Community Development Block Grant - Entitlement - 2023	14.218	B-22-MC-12-0002	718,965	707,625
Community Development Block Grant - Entitlement - 2023	14.218	Program Income	174,275	-
Community Development Block Grant - Entitlement - 2024	14.218	B-23-MC-12-0002	694,138	498,706
Total Community Development Block Grants/Entitlement Grants Cluster			<u>2,497,653</u>	<u>2,091,137</u>
Home Investment Partnerships Program	14.239	M-16-MC-12-0230; M-20-MC-12-0230; M-21-MC-12-0230; M-22-MC-12-0230; M-21-MP-12-0230	1,629,384	-
Total Home Investment Partnerships Program			<u>1,629,384</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>4,127,037</u>	<u>2,091,137</u>
U.S. Department of Justice:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1 SPBJA-22-GG-00656-MUMU (R7127)	50,000	-
Total U.S. Department of Justice			<u>50,000</u>	<u>-</u>
U.S. Department of Transportation:				
Passed through Florida Dept of Transportation:				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	G2M61	27,233	-
Total U.S. Department of Transportation:			<u>27,233</u>	<u>-</u>
U.S. Department of Treasury:				
Passed through Florida Department of Law Enforcement				
Equitable Sharing Program	21.016	FLO520300	19,389	-
Total U.S. Department of Treasury			<u>19,389</u>	<u>-</u>
U.S. Department of Homeland Securities:				
Passed through the Florida Division of Emergency Management				
Hazard Mitigation Grant Program (HMGP)	97.039	FEMA-DR-4337-FL H0487	463,610	-
Hazard Mitigation Grant Program (HMGP)	97.039	FEMA-DR-4337-FL H0560	212,380	-
Total Hazard Mitigation Grant Program (HMGP)			<u>675,990</u>	<u>-</u>
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Hurricane Ian	316,244	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Hurricane Idalia	165,937	-
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			<u>482,181</u>	<u>-</u>
Total U.S. Dept of Homeland Security			<u>1,158,171</u>	<u>-</u>
U.S. Environmental Protection Agency:				
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements				
	66.818	02D09421	130,738	-
Total U.S. Environmental Protection Agency			<u>130,738</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 5,512,568</u>	<u>\$ 2,091,137</u>

State Grantor / Pass-through Grantor / Program Title	CSFA Number	Grant I.D. Number	State Share of Expenditures	Transfers to Subrecipients
STATE FINANCIAL ASSISTANCE				
Florida Housing Finance Corporation:				
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	\$ 3,383,561	\$ 26,875
Total Florida Housing Finance Corporation			3,383,561	26,875
Florida Department of Transportation:				
Aviation Grant Program (Security System Upgrade)	55.004	FPN: 438512-1-94-01Contract NumberG1K66	7,235	-
Aviation Grant Program (Terminal Building Design)	55.004	FPN: 452861-1-94-01 Contract Number G2I04	76,182	-
Aviation Grant Program (Parking Lot Expansion & Rehabilitation)	55.004	FPN: 453898-1-94-01Contract Number:G2O92	733	-
Aviation Grant Program (Apron Relayment)	55.004	FPN: 446805-1-94-01 Contract Number G2H31	104,370	-
Aviation Grant Program (Land Survey & Geotechnical Assessment)	55.004	FPN: 453895-1-94-01Contract Number:G2O86	74,248	-
Total Aviation Grant Program			262,768	-
Local Transportation Projects	55.039	FPN: 453243-1-94-01Contract Number:G2S84	516,714	-
Total Florida Department of Transportation			779,482	-
Florida Department of Economic Opportunity:				
Economic Development Partnerships	40.040	N/A	500,004	-
Total Florida Department of Economic Opportunity			500,004	-
Florida Department of Environmental Protection:				
Resilient Florida Programs	37.098	22PLN91	189,535	-
Total Florida Department of Environmental Protection:			189,535	-
Florida Department of Law Enforcement:				
Assistant with Investigative Operations	71.010	Z4011	231	-
FDLE Drone Replacement Program	71.092	3X026	7,758	-
State Assistance for Fentanyl Eradication (SAFE) in Florida	71.122	2023-SAFE-SF-065	175,159	-
Total Florida Department of Law Enforcement			183,148	-
Total State Financial Assistance			\$ 5,035,730	\$ 26,875
Total Expenditures of Federal Awards and State Financial Assistance Projects			\$ 10,548,298	\$ 2,118,012

City of Clearwater, Florida
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2024

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 2024, FEMA approved \$482,181 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	\$2,091,137

City of Clearwater, Florida
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance Projects
For the Year Ended September 30, 2024

NOTE 5 – Loans Receivable 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 \$12,595,910 allowance for uncollectable accounts, at September 30, 2024:

14.218	Community Development Block Grant	\$ 1,273,286
14.239	Home Investment Partnership Program	2,290,241
40.901	State Housing Initiative Partnership	<u>3,806,831</u>
		<u>\$ 7,370,358</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, 2024.

City of Clearwater, Florida Schedule of Findings and Questioned Costs

Part I – Summary of Auditor’s Results

Financial Statements:

1. Type of Auditor’s report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
c. Noncompliance material to the financial statements noted?	No

Federal Awards:

1. Type of Auditor’s report issued on compliance for major programs	Unmodified
2. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?	Yes
4. Identification of major programs:	
Federal Awards	ALN
Community Development Block Grants / Entitlement Grants Cluster	14.218
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 Auditor’s report issued on compliance for major programs:	Unmodified
2. Internal control over major programs:	
a. Material weaknesses identified?	No
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)(I)(4)?	No
4. Identification of major projects:	
State Projects	CSFA
State Housing Initiative Partnership	40.901
7. Dollar threshold used to distinguish between type A and type B programs:	\$750,000

City of Clearwater, Florida

Schedule of Findings and Questioned Costs

Part II – Financial Statement Findings

Material Weakness

Finding Number: 2024-001 Preparation of the Schedule of Federal Awards and State Financial Assistance

Criteria: 2 CFR 200.510(b), requires the auditee to prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements which must include the total Federal awards expended as determined in accordance with 2 CFR 200.502.

Condition: The City did not comply with the requirement to prepare an accurate schedule of expenditures of federal awards and state assistance (2 CFR 200.508(b)). Federal expenditures were overstated on the schedule of expenditures of federal awards and state financial assistance by approximately \$1,400,000 related to the following programs: ALN 14.239 and ALN 97.036.

Cause: The total cash draws were reported for ALN 14.239 instead of the expenditures incurred during the fiscal year. Additionally, for ALN 97.036, the total obligation for one FEMA project was reported on the SEFA. However, the full amount was not expended by September 30, 2024.

Effect: Misstatement of the expenditures reported on the schedule of expenditures of federal awards and state financial assistance.

Recommendation: We recommend the City improve its financial reporting close process to perform a final review the schedule of expenditures of federal awards and state financial assistance to ensure completeness and accuracy of information reported.

Response: See attached Corrective Action Plan.

Significant Deficiency

Finding Number: 2024-004 Financial Reporting

Criteria: The City is required to present its financial statements in accordance with generally accepted accounting principles.

Condition: As of September 30, 2023, the City incorrectly recognized grant revenue from a U.S. Department of HUD grant award.

Cause: The City was awarded grant funding from the U.S. Department of HUD for the construction of the Imagine Clearwater project. As of September 30, 2023, the City recognized \$1,493,242 in revenue. It was subsequently determined that the eligibility requirement per the award agreement to obtain an environmental review prior to incurring expenditures was not met in the previous year. The U.S. Department of HUD has since declined to fund the City under the grant award.

Effect: The City restated beginning fund balance of the Capital Improvement Fund in the amount of \$1,493,242.

Recommendation: We recommend the City improve its financial reporting close process to ensure all criteria for grant revenue recognition have been met in accordance with generally accepted accounting principles.

Response: See attached Corrective Action Plan.

City of Clearwater, Florida Schedule of Findings and Questioned Costs

Part III – Findings and Questioned Costs – Federal Programs

Significant Deficiency

Finding Number: 2024-002 (previously reported as 2023-001, material weakness)

ALN 14.218:

Federal Program: Community Development Block Grants / Entitlement Grants Cluster

Passed through: N/A

Contract Number and Year: Program Year 2024

Compliance Requirement: Reporting

Questioned Costs: N/A

Criteria: 2 CFR section 200.303 – Internal Controls of the Uniform Guidance states that the non-federal entity must (a) establish and maintain effective internal controls over federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in “Standards in Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)”.

2 CFR Part 170 requires non-federal entities making first-tier subawards of federal funding to comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (FFATA) (Public Law 109-282), as amended by section 6202 of Public Law 110-252. Compliance with FFATA requires prime recipients, to report certain information about subawards to the FFATA Subaward Reporting System (FSRS) by the end of the month, plus 30 days, in which the award is made.

Condition: The City did not report required information about subawards made under Assistance Listing No. 14.218 to the FSRS as required by FFATA within the timeline required for one subaward.

Population of subawards subject to FFATA reporting: 11 subawards, \$1,200,407

Subawards not reported: 1 subawards, \$99,904

Report not timely: 1 subawards, \$99,904

Sub award amount incorrect: 1 subawards, \$99,904

Subaward missing key elements: 1 subawards, \$99,904

Cause: The City’s internal controls did not prevent or detect a missed subaward for FFATA reporting to the FSRS.

Effect: Noncompliance with federal requirements.

Recommendation: We recommend that the City have policies in place to ensure information for all subawards that meet the required threshold is reported to the FSRS as required by FFATA.

Response: See attached Corrective Action Plan.

City of Clearwater, Florida

Schedule of Findings and Questioned Costs

Significant Deficiency

Finding Number: 2024-003

ALN 14.218:

Federal Program: Community Development Block Grants / Entitlement Grants Cluster

Passed through: N/A

Contract Number and Year: Program Year 2024

Compliance Requirement: Special Tests and Provisions – Wage Rate Requirements

Questioned Costs: N/A

Criteria: 2 CFR section 200.303 – Internal Controls of the Uniform Guidance states that the non-federal entity must (a) establish and maintain effective internal controls over federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in “Standards in Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)”.

2 CFR section 5.5(3)(ii)(A) requires nonfederal entities with construction contracts subject to the Wage Rate Requirements to obtain weekly from the contractor or subcontractor, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

Condition: The City did not consistently obtain the required certified payrolls from contractors and subcontractor on a weekly basis for each week contract work was performed, as required by 2 CFR section 5.5(3)(ii)(A).

Cause: The City was not aware that the certified payrolls were required to be obtained on a weekly basis for each week the work was performed.

Effect: Noncompliance with federal requirements.

Recommendation: We recommend that the City have policies in place to ensure the required certified payrolls are obtained on a weekly basis in accordance with federal requirements.

Response: See attached Corrective Action Plan.

Part IV – Findings and Questioned Costs – State Projects

None noted.



CITY OF CLEARWATER

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MUNICIPAL SERVICES BUILDING, 100 SOUTH MYRTLE AVENUE, CLEARWATER, FLORIDA 33756
TELEPHONE (727) 562-4530

Corrective Action Plans for the City of Clearwater, Florida for Fiscal Year 2024

The Corrective Action Plans, indicating the parties responsible for implementation, are presented as follows:

Finding Number 2024-001 – Material Weakness

Corrective Action Plan (ALN 14.239): A reconciliation of fiscal year expenditures incurred to fiscal year cash draws will be prepared by the Accountant for review and approval by the Interim Housing Manager to ensure that expenditures are reported accurately on the schedule of expenditures of federal awards and state financial assistance.

Responsible Party: Dylan Mayeux, Interim Housing Manager

Anticipated Date of Completion: September 30, 2025

Corrective Action Plan (ALN 97.036): A reconciliation by project of the amounts expended by the City to the obligated amounts by FEMA will be reviewed and approved by the Finance Director and Assistant Finance Director to ensure that the project expenses are accurately reported on the schedule of expenditures of federal awards and state financial assistance.

Responsible Party: Jay Ravins, Finance Director

Anticipated Date of Completion: September 30, 2025

Finding Number 2024-002 – Significant Deficiency

Corrective Action Plan: Management will implement an automated submission strategy within the Neighborly software system wherein subawards that meet the required threshold are reported within three weeks of agreement execution, verified by support staff, and then confirmed by the Interim Housing Manager, to ensure that all projects will be entered into the FSRS as required by FFATA.

Responsible Party: Dylan Mayeux, Interim Housing Manager

Anticipated Date of Completion: April 1, 2025

Finding Number 2024-003 – Significant Deficiency

Corrective Action Plan: Management will include the certified payrolls in the Housing Software Checklist to ensure that they have been received, reviewed and approved on a weekly basis.

Responsible Party: Dylan Mayeux, Interim Housing Manager

Anticipated Date of Completion: April 1, 2025

Ryan Cotton, Councilmember
Mike Mannino, Councilmember

Bruce Rector, Mayor



David Allbritton, Councilmember
Lina Teixeira, Councilmember

"Equal Employment and Affirmative Action Employer"

Finding Number 2024-004 – Significant Deficiency

Corrective Action Plan: Management will conduct a final formal review of all grant revenue accrued for the fiscal year-end, to be reviewed and approved by the Finance Director or Assistant Finance Director.

Responsible Party: Jay Ravins, Finance Director

Anticipated Date of Completion: September 30, 2025



Jay Ravins
Finance Director

City of Clearwater, Florida

Summary Schedule of Prior Audit Findings

Material Weakness

Finding Number: 2023-001

Federal Programs – ALN 14.218

Condition: The City did not report required information about subawards made under Assistance Listing No. 14.218 to the FSRS as required by FFATA within the timeline required.

Recommendation: We recommend that the City have policies in place to ensure information is reported to the FSRS as required by FFATA.

Current Status: Partially corrected. A similar finding was identified in the current audit as finding 2024-002.



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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, 2024, and have issued our report thereon dated March 31, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 31, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. However, the finding 2023-001 was not fully corrected and will be reported as 2024-002 in the current year 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 did not have any such recommendations.

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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, L.L.C.

Clearwater, Florida
March 31, 2025



CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

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

We have examined the 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, 2024. Management is responsible for the City’s compliance with the requirements. Our responsibility is to express an opinion on the City’s compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Clearwater, Florida
March 31, 2025