



PO Box 296
Largo, FL 33779
Largo.com

Community Development Department
Economic Development Division

May 15, 2023

Ken Burke, CPA
Pinellas County Clerk of the Circuit Court
Official Records
315 Court Street
Fifth Floor
Clearwater, Florida 33756

Re: Independent Audit – Largo Community Redevelopment Agency FY 2022 Annual Report

Dear Mr. Burke:

Enclosed, please find an independent audit that was completed of the City of Largo Community Redevelopment Agency Annual Report for Fiscal Year 2022.

The independent audit report is available for inspection during business hours via the office of the Largo City Clerk, and is available online, through the City of Largo's website at www.largo.com/redevelopment.

Should you have any questions regarding the document, please do not hesitate to contact me at the number below.

Sincerely,

Bryan Pederson
Economic Development Manager
bpederson@largo.com | (727) 586-7360, Option 2

Enclosure: Independent Audit of Largo Community Redevelopment Agency Annual Report for Fiscal Year 2022



YOUR COMMUNITY OF CHOICE
Naturally



LARGO COMMUNITY REDEVELOPMENT AGENCY

Annual Financial Report



FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

**Community Redevelopment Agency
City of Largo, Florida
Annual Financial Report
September 30, 2022**

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**Community Redevelopment Agency
City of Largo, Florida
Annual Financial Report
September 30, 2022**

Community Redevelopment Agency Board

(City of Largo City Commission)

Dr. Woody Brown, Mayor

Michael Smith, Vice Mayor

John L. Carroll

Samantha Fenger

Eric Gerard

Donna Holck

Jamie Robinson

Community Redevelopment Agency Staff

City Manager Henry P. Schubert

Assistant City Manager Margaret Paluch

Community Development Director Cheryl C. Reed

Community Development Assistant Director Robert Klute

Economic Development Manager Bryan Pederson

Office of Performance & Budget Director Meridy Semones

Finance Director Rebecca Spuhler



Carr, Riggs & Ingram, LLC
600 Cleveland Street
Suite 1000
Clearwater, FL 33755

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor, Members of the City Commission, and City Management
Largo Community Redevelopment Agency
City of Largo, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and major fund of the Largo Community Redevelopment Agency ("Agency") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements 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 and major fund of the Largo Community Redevelopment Agency, as of September 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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.

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 Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency'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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated May 5, 2023, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

May 5, 2023

**Community Redevelopment Agency
City of Largo, Florida
Management's Discussion and Analysis
September 30, 2022**

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) INTRODUCTION

This MD&A summarizes key financial information for the Largo Community Redevelopment Agency (CRA), which is doing well, financially.

FINANCIAL OVERVIEW

Fund Balance & Net Position: *The accumulation of financial resources for the future.*

Fund balance and net position (called *equity* in the private sector) represent the financial capacity to respond to unexpected events, such as recessions and disasters or to seize unforeseen opportunities.

Fund balance increased approximately 41% to \$4.2 million, due to delayed capital projects and preparation for FY2023 projects. Revenue was slightly over-budget.

Debt: *The financial impacts of borrowing.*

The City and the CRA approved an interlocal agreement to memorialize the terms by which the CRA shall pay or reimburse the City from tax increment revenues for costs related to the Horizon Complex (new city hall and parking garage) project in the total amount of \$7,250,000 with annual installments commenced in 2023 and continuing through 2030.

Operating Results: *The degree to which revenue and expenditures/expenses met expectations.*

Several revenues were slightly over-budget and all expenditures were under-budget.

FINANCIAL STATEMENTS OVERVIEW (*"Primer" on governmental accounting and reporting.*)

This section is intended to help readers understand governmental financial statements and is essentially a "primer" on governmental financial reporting. It also provides an overview of the CRA's reporting structure.

Unlike private sector companies, state and local governments present **two sets** of financial statements, which provide two different financial perspectives: *Big picture (government-wide)* and *Small picture (fund level)*.

Government Financial Statements - State & local governments present *two sets* of financial statements:

- **Government-wide financial statements** (*long-term focus, big picture*)
- Similar to, but not identical to consolidated financial reporting in the private sector
- Reports Governmental Activities and Business-type Activities, not individual funds
- Measures the flow of economic resources using the full-accrual basis of accounting similar to private sector accounting
- **Individual fund financial statements** (*small picture and usually most interesting to readers*)
- Governmental funds – Measures flow of current financial resources using the modified-accrual basis of accounting
- Proprietary and Fiduciary funds – Measures flow of economic resources (long-term focus) using the full-accrual basis of accounting similar to private sector accounting and identical to the Government-wide statements

**Community Redevelopment Agency
City of Largo, Florida
Management's Discussion and Analysis
September 30, 2022**

Fund Accounting. The CRA uses fund accounting to enhance accountability over public resources and to demonstrate compliance with legal requirements. Fund accounting also helps maintain greater control over resources dedicated to specific activities.

Governmental fund. The CRA is reported as a Special Revenue Fund. Governmental fund financial statements focus on short-term inflows and outflows of financial resources (mostly cash) and on available resources at year end. A budget schedule is presented.

Minimum Financial Reporting. Local governments must present the following financial information:

a. Management Discussion and Analysis (MD&A) - An MD&A is required supplementary information.

b. Government-wide statements. Government-wide statements (the CRA as a whole) include two statements, two Activities and information is reported using the accrual basis of accounting.

i. Statement of Net Position. Presents assets, liabilities and deferred inflows/outflows with the difference being *net position* ("equity").

ii. Statement of Activities. Presents the changes in net position from revenues and expenses, which are reported as soon as an event occurs, regardless of when cash is received or paid.

i. Governmental Activities. Activities primarily supported by taxes. The CRA's GA includes economic development activities.

ii. Business-type Activities. Activities primarily supported by charges for services (user fees). The CRA reports no BTA activities.

c. Fund statements. The CRA reports one governmental type fund (Special Revenue Fund).

d. Financial statement reconciliation. Governmental Activities and Governmental Fund statements are prepared with different bases of accounting; therefore, a reconciliation of the differences is provided for the position statements and operating statements.

e. Notes to the financial statements (the "notes"). The Notes provide information that is essential to gaining a full understanding of the government-wide and individual fund financial statements.

f. Other Required Supplementary Information (RSI). The CRA reports no RSI.

GOVERNMENT-WIDE STATEMENTS SUMMARY (*The CRA as a whole, "big-picture" focus.*)

This section summarizes information from the government-wide statements (the CRA as a whole) by focusing on Governmental Activities not on individual funds (the CRA reports no Business-type Activities). *Governmental Activities* combine all governmental funds adjusted from the modified accrual basis of accounting to the accrual basis of accounting.

Government-wide Statement of Net Position. This statement flows downward to arrive at total net position. The largest change for *Governmental Activities* was cash increasing by approximately \$1,052,000 and total net position increased approximately \$1,215,000, due to reduced capital spending during the year.

**Community Redevelopment Agency
City of Largo, Florida
Management's Discussion and Analysis
September 30, 2022**

**Statement of Net Position
September 30
Governmental Activities**

	<u>2022</u>	<u>2021</u>
Assets		
Current	\$ 4,774,548	\$ 3,898,396
Total assets	<u>4,774,548</u>	<u>3,898,396</u>
Liabilities		
Current	564,076	724,534
Total liabilities	<u>564,076</u>	<u>724,534</u>
Unavailable revenue	-	178,685
Total deferred inflows	-	178,685
Net position		
Nonspendable	979,669	979,669
Restricted	3,230,503	2,015,508
Total net position	<u>\$ 4,210,172</u>	<u>\$ 2,995,177</u>

Government-wide Statement of Activities. This statement summarizes revenues and expenses, which are responsible for the change in total net position reported above.

**Statement of Governmental Activities
Fiscal Year Ended September 30**

	<u>2022</u>	<u>2021</u>
Program revenue		
Capital grants/contribution	\$ 898,268	\$ 1,282,515
Total program revenue	898,268	1,282,515
General revenue		
Property taxes	767,961	717,388
Investment earnings (losses)	(85,682)	4,276
Other (net)	46,950	1,602
Total general revenue	<u>729,229</u>	<u>723,266</u>
Total revenue	1,627,497	2,005,781
Expenses		
Economic development	412,502	1,591,346
Total expenses	<u>172,502</u>	<u>1,591,346</u>
Change in net position	1,214,995	414,435
Net position - beginning	2,995,177	2,580,742
Net position - ending	<u>\$ 4,210,172</u>	<u>\$ 2,995,177</u>

**Community Redevelopment Agency
City of Largo, Florida
Management's Discussion and Analysis
September 30, 2022**

Actual to Budget Comparison - September 30, 2022

Revenues	Total Revenues	Final Budget	Variance Over (Under) Budget \$	Variance Over (Under) Budget %
Taxes	\$ 767,961	\$ 769,100	\$ (1,139)	(0.2)%
Intergovernmental	898,268	741,900	156,368	21.1%
Investment earnings (losses)	(85,682)	10,000	(95,682)	(956.7%)
Other	46,950	-	46,950	100%
Total revenues	1,627,497	1,521,000	106,497	(7.0%)

Expenditures	Total Expenditures	Final Budget	Variance Over (Under) Budget \$	Variance Over (Under) Budget \$
Economic development	412,502	866,900	(454,398)	(52.4%)
Public works	-	2,500	(2,500)	(100%)
Capital outlay	-	254,512	(254,512)	(100%)
Total expenditures	412,502	1,123,912	(711,410)	(63.3%)

Net Change in Fund Balance	\$ 1,214,995	\$ 397,088	\$ 817,907	206%
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Fund Level Comparison. The CRA manages two community redevelopment districts. The West Bay Drive Community Redevelopment District (WBD-CRD) is primarily funded through tax increment revenues (TIF), and most of those funds are dedicated to infrastructure improvements. Properties located in the WBD-CRD do not pay additional property taxes. Rather, a portion of the annual City and County taxes collected in the redevelopment area are transferred to the CRA for a trust fund for redevelopment activities. Total revenue was over budget by \$106,497, or 7.0% of budget, due primarily to higher than budgeted TIF allocations.

About half of the capital expenditure budget variance is related to outstanding encumbrances for the West Bay Drive Trail-head project (a multi-modal transportation improvement), which was re-budgeted in FY2022 for remaining CRA Fund Expenses. The CRA awarded a HIP grant for the construction of 16 townhomes. The first payment, \$40,000, was paid out on FY21 as the owner met the first condition of receiving issuance of the building permits.

CAPITAL ASSETS & LONG-TERM DEBT

The CRA is reporting no capital assets or long-term debt as governmental debt is held by the City, not the CRA. The City and the CRA approved an interlocal agreement to memorialize the terms by which the CRA shall pay or reimburse the City from tax increment revenues for costs related to the Horizon Complex (new city hall and parking garage) project in the total amount of \$7,250,000 with annual installments commenced in 2023 and continuing through 2030.

**Community Redevelopment Agency
City of Largo, Florida
Management's Discussion and Analysis
September 30, 2022**

ECONOMIC CONDITIONS, NEXT YEAR'S BUDGET AND NEXT YEAR'S RATES (FEES)

Economic Conditions. The CRA is cautiously optimistic about future economic conditions, excluding any potential impact from the Covid-19 pandemic on property values and revenues, which appears will be minimal at the present. The local housing market remains strong, property values are increasing, significant commercial and residential development is projected in the downtown and unemployment is relatively low.

Next Year's Budget and Rates.

- The City of Largo's FY23 property tax rate was reduced to 5.52 mills, from 5.58 mills in FY22, which impacts the CRA's tax revenue.
- FY23 property tax revenue growth is projected at 11.5% for the CRA, even with the reduction in millage rate.

Long-term Projections. Private development is taking shape in the downtown area, including the eventual move of City Hall to the downtown area. Revenues are projected to grow at an above average rate, due to the strong housing market and increased development activity. Fund balance is projected to remain adequate to support enhanced development activity for the next several years.

ADDITIONAL INFORMATION

Additional information is available on the City's website, at: www.largo.com. Telephone inquiries may be directed to the Finance Director at (727) 587-6747. Written requests for information may be addressed to the Finance Director, PO Box 296, Largo, FL 33779-0296 or may be emailed to: fidirector@largo.com.

Community Redevelopment Agency
City of Largo, Florida
Statement of Net Position
September 30, 2022

		Governmental Activities
Assets		
Cash and investments	\$	3,783,962
Accrued interest receivable		10,617
Property held for resale		<u>969,669</u>
Total assets		4,774,248
 Liabilities		
Accounts and accrued interest payable		28,696
Accrued payroll and vacation		3,380
Due to City of Largo		<u>532,000</u>
Total liabilities		564,076
 Net position		
Nonspendable		969,669
Restricted for economic development		<u>3,240,503</u>
Total net position	\$	<u>4,210,172</u>

**Community Redevelopment Agency
City of Largo, Florida
Statement of Activities
September 30, 2022**

Functions/Programs	Expenses	Program Revenues Capital Grants and Contributions	Net (Expense) Changes in Net Position
Governmental activities:			
Economic development	\$ 412,502	\$ 898,268	\$ 485,766
Total governmental activities	<u>412,502</u>	<u>898,268</u>	<u>485,766</u>
General revenues:			
Property tax			767,961
Investment earnings (losses)			(85,682)
Miscellaneous			<u>46,950</u>
Total general revenues			<u>729,229</u>
Change in net position			1,214,995
Net position - beginning			<u>2,995,177</u>
Net position - ending			<u>\$ 4,210,172</u>

**Community Redevelopment Agency
City Of Largo, Florida
Balance Sheet
September 30, 2022**

Assets

Cash and investments	\$ 3,783,962
Accrued interest	10,617
Property held for resale	<u>979,669</u>
Total assets	<u><u>\$ 4,774,248</u></u>

Liabilities

Accounts payable	\$ 28,696
Accrued payroll	3,380
Due to City of Largo	<u>532,000</u>
Total liabilities	<u><u>564,076</u></u>

Fund balances

Nonspendable	<u>969,669</u>
Restricted	<u>3,240,503</u>
Total fund balances	<u>4,210,172</u>
Total liabilities and fund balances	<u><u>\$ 4,774,248</u></u>

**Community Redevelopment Agency
City of Largo, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
Fiscal Year Ended September 30, 2022**

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

Ending fund balance – governmental funds	\$ 4,210,172
Net position of governmental activities	<u>\$ 4,210,172</u>

**Community Redevelopment Agency
City Of Largo, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Fiscal Year Ended September 30, 2022**

Revenues		
Taxes		\$ 767,961
Intergovernmental		898,268
Investment earnings (losses)		(85,682)
Other		46,950
Total revenues		<u>1,627,497</u>
Expenditures		
Current:		
Economic development		<u>412,502</u>
Total expenditures		<u>412,502</u>
Net change in fund balance		1,214,995
Fund balance - beginning		<u>2,995,177</u>
Fund balance - ending		<u>\$ 4,210,172</u>

**Community Redevelopment Agency
City of Largo, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Fiscal Year Ended September 30, 2022**

Amounts reported for governmental activities in the statement of revenues, expenditures and changes in fund balances are the same:

Net change in fund balances – total governmental funds	\$ 1,214,995
Changes in net position of governmental activities (statement of activities)	<u>\$ 1,214,995</u>

Community Redevelopment Agency
City of Largo, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes	\$ 769,100	\$ 769,100	\$ 767,961	\$ (1,139)
Intergovernmental	741,900	741,900	898,268	156,368
Investment earnings (losses)	10,000	10,000	(85,682)	(95,682)
Other	-	-	46,950	46,950
Total revenues	<u>1,521,000</u>	<u>1,521,000</u>	<u>1,627,497</u>	<u>106,497</u>
Expenditures				
Public works	2,500	2,500	-	(2,500)
Economic development	505,900	866,900	412,502	(454,398)
Capital outlay	-	254,512	-	(254,512)
Total expenditures	<u>508,400</u>	<u>845,812</u>	<u>412,502</u>	<u>(673,310)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,050,700</u>	<u>1,123,912</u>	<u>1,214,995</u>	<u>(711,410)</u>
Net change in fund balance	<u>\$ 1,012,600</u>	<u>\$ 397,088</u>	1,214,995	<u>\$ 817,907</u>
Fund Balance - beginning			<u>2,995,177</u>	
Fund Balance - ending			<u>\$ 4,210,172</u>	

**Community Redevelopment Agency
City of Largo, Florida
Notes to the Financial Statements
September 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The Largo Community Redevelopment Agency (CRA) was established by the City of Largo, Florida Ordinance 1997-34, pursuant to Chapter 163, Part III, Florida Statutes. The purpose of the CRA is to organize and direct redevelopment activities of the City of Largo's West Bay Drive downtown area and Clearwater/Largo Road redevelopment area. The seven member City of Largo City Commission acts as the CRA's governing board, and as such, establishes the CRA's operating plan, operating budget, operating policies and conducts all official business of the CRA.

The CRA is a component unit to the City of Largo, which is a full-service municipality and a political subdivision of the State of Florida, located in Pinellas County on Florida's Sun-coast, located within the Tampa Bay metropolitan area. The City was incorporated in 1905, has a current permanent population of approximately 85,000 and is approximately 20 square miles in area.

A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit may be another organization for which the nature, and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include or exclude a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles (GAAP) applicable to governmental entities, including whether the primary government is financially accountable, which is determined by: (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

In conformity with applicable Governmental Accounting Standards Board (GASB) requirements, the financial statements of the CRA are included as a blended component unit of the City of Largo. The financial activities of the CRA are reported in a special revenue fund in the City's Comprehensive Annual Financial Report, titled the Downtown Tax Increment Financing Fund. A blended component unit, although a legally separate entity is, in substance, part of the primary government's operations; therefore, the CRA's financial information is combined with information of the primary government, because of the significance of operational and financial relationships with the City.

**Community Redevelopment Agency
City of Largo, Florida
Notes to the Financial Statements
September 30, 2022**

B. Generally Accepted Accounting Principles

The financial statements of the CRA have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The GASB is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the CRA are described below.

The CRA uses fund accounting to report its financial position and results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate compliance with financially related legal requirements and to aid in financial management by segregating transactions related to certain activities.

C. Government-wide and individual fund financial statements

1. Government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the CRA as governmental activities, which normally are supported mostly by taxes and intergovernmental revenues. The statement of activities demonstrates the degree to which the direct expenses of a function are offset by program revenues. Direct expenses are those that are clearly identifiable with a function.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the CRA, 2) operating grants and contributions that pay for operating activities and 3) capital grants and contributions that pay for the acquisition, construction or refurbishment of capital assets. Revenues that are not classified as program revenues are reported as general revenues.

2. Fund financial statements

The CRA only reports one fund, which is a General Fund.

3. Reconciliation of Government-wide and governmental fund statements

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is provided which briefly explains the adjustments necessary to reconcile the results of governmental fund accounting to the government-wide presentations.

**Community Redevelopment Agency
City of Largo, Florida
Notes to the Financial Statements
September 30, 2022**

D. Measurement focus, basis of accounting and financial statement presentation

1. Government-wide financial statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 are met.

2. Governmental fund financial statements

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 (within 60 days of the end of the fiscal period). Grant revenues and donations are recognized in the fiscal year in which all eligibility criteria have been satisfied. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures (if any) are recorded when payment is due.

Most intergovernmental revenues and interest income are considered susceptible to accrual and have been recognized as revenues of the current period. All other revenues are considered measurable and available when cash is received, including property taxes.

E. Assets, liabilities, fund equity, deferred inflows and deferred outflows

1. Cash and investments

The CRA participates in the City of Largo's cash and investment pool (the Pool), whereby cash for City funds and the CRA are combined and invested similar to a mutual fund. Formal accounting records detail the daily equity of all participating funds, including the CRA. Interest earned is allocated based on the average equity in pooled balances. Each fund's individual equity in the Pool is considered to be a cash equivalent, since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Florida Statute 218.261 authorizes the CRA and the City of Largo to invest in negotiable direct obligations of, or guaranteed by, the US Government; interest-bearing time or savings deposits in federal or state chartered banks or savings and loan associations provided that any such deposits are secured by collateral as may be prescribed by law; obligations of certain federal agencies and

Community Redevelopment Agency
City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

instrumentalities; and repurchase agreements.

The Pool maintains a buy and hold investment strategy, the objectives of which are safety of principal, liquidity and investment earnings, in that order of priority. The Pool utilizes a laddered maturity policy, whereby investment purchases are made throughout the year to avoid any form of market timing, and to provide a relatively consistent maturity of investments throughout the year. This policy is intended to enhance liquidity and mitigate volatility in valuations. The policy limits interest rate risk by limiting the final maturity for any individual investment to no more than 60 months and by limiting the weighted average maturity for the portfolio to 24 months or less. All investments are reported at fair value.

2. Accounts receivable

All receivables are shown net of an allowance for uncollectibles, which is generally insignificant.

3. Due to/due from the City of Largo

During the course of normal operations, transactions may occur between the CRA and the City of Largo. These receivables and payables are classified as "due to/from the City of Largo".

4. Prepaid items

Advance payments to vendors, if any, reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and individual fund financial statements.

5. Unearned revenue

Inflows that do not meet the criteria for revenue recognition such as business taxes collected in advance, if any, are recorded as unearned revenue in the government-wide and the fund statements.

6. Fund equity

Fund equity at the governmental fund reporting level is referred to as "fund balance" and as "net position" for other reporting levels. Generally, fund balance represents the difference between current assets and current liabilities, while net position represents the difference between all assets and all liabilities.

7. Nature and purpose of classifications of fund balance

Governmental funds report fund balance classifications that comprise a hierarchy based primarily on constraints on the purposes for which fund balance amounts can be spent.

**Community Redevelopment Agency
City of Largo, Florida
Notes to the Financial Statements
September 30, 2022**

Restricted fund balances are constrained to specific purposes placed either by (a) creditors, grantors, contributors, and laws or regulations of other governments or (b) imposed by constitutional provisions or enabling legislation.

8. Fund balance reserve policy

The CRA maintains an adequate fund balance to accommodate unanticipated expenditures, expenditures of a non-recurring nature, unanticipated revenue declines, and cash flow needs.

9. Property taxes

Property taxes are levied on November 1 on non-exempt property assessed as of January 1 of the same year. Property taxes are payable in arrears beginning in November through the following March 31, with a 1% discount for each month paid prior to March (4% maximum discount), after which time the taxes become delinquent. A lien is placed against properties by the County Tax Collector's office if taxes are not paid prior to June 1 and tax certificates are eventually sold if the lien is not paid.

10. Property held for resale

Property held for resale reflects land intended to be sold for redevelopment purposes.

11. Capital Assets

The CRA does not hold any capital assets. Capital purchases made by the CRA are transferred to the City of Largo.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets. An annual budget is prepared for all governmental funds on a basis consistent with GAAP and approved the CRA Board. Any change that alters the total expenditures/expenses must be approved by the CRA Board through a budget amendment. All budget amounts presented in the accompanying financial statements are adjusted for amendments. Supplemental Appropriations were enacted during the year for the CRA in the amount of \$480,000.

Every appropriation, except a capital expenditure appropriation, lapses at the close of the fiscal year to the extent that the appropriation has not been expended or encumbered. Appropriations for capital expenditure continue in force until the purpose has been accomplished or abandoned, or if three years pass without any disbursement or encumbrance of the appropriation, whichever occurs first; however, it is Management's policy to request the CRA Board to re-appropriate unexpended or unencumbered appropriations in the succeeding year's budget.

Community Redevelopment Agency
City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

New Accounting Pronouncements. For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, "Leases", Implementation Guide No. 2019-3 "Leases", No. 92 "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates". GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" , and No. 98, "The Annual Comprehensive Financial Report".

GASB Statement No. 87 Leases and Implementation Guide No. 2019-3 Leases - Issued in June 2017, this Statement and implementation guide will be effective for the CRA beginning with its fiscal year ending September 30, 2022. This Statement increases the usefulness of the CRA 's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. under this Statements, the CRA, as a lessee, is required to recognize a lease liability and an intangible right-to-use lease asset, and as a relevance and consistency of information about the CRA's leasing activities. The changes were incorporated into the CRA 's 2022 financial statements; however, the CRA does not have any agreements in place that would require implementation of this standard.

GASB Statement No. 92 Omnibus 2020 enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. These items include leases, intra-entity transfers of assets, reporting assets accumulated for postemployment benefits, reporting by public entity risk pools and terminology used to refer to derivative instruments. The changes were incorporated into the CRA's 2022 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 93 addresses accounting and other financial reporting obligations that result from the replacement of an interbank offered rate. The changes were incorporated into the CRA 's 2022 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 97 increases consistency and comparability related to reporting of fiduciary component units. The changes were incorporated into the CRA 's 2022 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 98, establishes the term annual comprehensive financial report and it's acronym ACFR. The changes were incorporated into the CRA 's 2022 financial statements.

Community Redevelopment Agency
City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

Future Accounting Pronouncements. The Governmental Accounting Board has issued statements that will become effective in FY 2023 and FY2024. The statements include:

- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements
- GASB Statement No. 99, Omnibus 2022
- GASB Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62
- GASB Statement No. 101, Compensated Absences
- Implementation Guide No. 2021-1, "Implementation Guidance Update 2021"

The CRA is currently evaluating the effects that these statements will have in its future financial statements.

IV. DETAILED NOTES

A. Deposits and investments

The CRA participates in the City of Largo's Pooled Cash and Investment account (the Pool) for all operating cash needs. As a Pool member, the CRA receives interest on its Pool deposits at the same rate of return as other City funds, based on its proportional balance in the Pool. As a Pool member, the CRA has complete access to all of its Pool deposits without restrictions and can liquidate its total share in the Pool at any time without penalties.

At September 30, 2022, the CRA's proportional balance of the Pool was approximately 2.1%, or \$3,783,962. For more information on the Pool please refer to the City of Largo Annual Comprehensive Financial Report (ACFR) for fiscal year 2022.

B. Construction commitments

The CRA has one committed construction project as of September 30, 2022, a portion of the Horizon City Hall complex parking garage. On December 21, 2021, the City and the CRA approved an interlocal agreement to memorialize the terms by which the CRA shall pay or reimburse the City from tax increment revenues for costs related to the Horizon Complex (new city hall and parking garage) project in the total amount of \$7,250,000 with annual installments commenced in 2023 and continuing through 2030. During the year ended September 30, 2022 the CRA transferred \$240,000 to the City. These payments are included in the Economic Development expenses. On January 20, 2022 the City issued Capital Improvement Revenue Bonds Series 2022A and 2022B (taxable) in the amount of \$47,665,000 and \$4,035,000, respectively. The Bonds were issued with coupons ranging from 0.86% to 5%. The proceeds were used to repay the City for expenditures incurred to date and to pay for upcoming construction costs for the Horizon Complex. The Bonds mature in varying amounts from 2022 to 2051.

**Community Redevelopment Agency
City of Largo, Florida
Notes to the Financial Statements
September 30, 2022**

All capital assets purchased or constructed by the CRA are transferred to the City of Largo, because the CRA does not use the capital assets in its operations.

The commitments below are financed from existing resources (amount below reflects only the portion of the project cost allocated to the CRA):

Project	Total Incurred	Remaining Commitment
Horizon City Hall Complex Parking Garage	\$240,000	\$7,010,000
Total	<u>\$240,000</u>	<u>\$7,010,000</u>

D. Fund equity

All fund equity is restricted to CRA purposes in accordance with the enabling legislation. The nonspendable portion represents the balance of property held for resale.

E. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets. Significant encumbrances as of September 30, 2022 include:

Downtown Lighting Improvements	\$86,080
Housing Infill Program Grant Expenses	120,000
Trailhead Improvements	176,762
Other	77,781
Total Encumbrances	<u>\$460,623</u>

V. OTHER DISCLOSURES

A. Contingent Liabilities

Litigation. The CRA is not a defendant in any lawsuits.

B. Tax Abatements

The CRA has not entered into any property tax abatements with local businesses under the s. 3, Article VII of the Florida State Constitution. This article provides the CRA the ability to grant community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses.

**Community Redevelopment Agency
City of Largo, Florida
Notes to the Financial Statements
September 30, 2022**

C. Subsequent Events

On March 21, 2023, The City and the CRA approved the fourth amendment to the repurchase agreement with Largo Central LLC for the 500 block of West Bay Drive. The Repurchase Agreement for 500 West Bay Drive details the terms under which, if the site is not developed within a certain time frame, the CRA has the right to repurchase the site. During the past year, staff have negotiated terms and conditions for the Development Agreement for a mixed use, 276-unit development. If the milestones within the Fourth Amendment to the Repurchase Agreement are not met, the CRA has the right to repurchase the property at the purchase price.



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

Honorable Mayor, Members of the City Commission, and City Management
Largo Community Redevelopment Agency
City of Largo, 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 and major fund of the Largo Community Redevelopment Agency ("Agency"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated May 5, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

May 5, 2023



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MANAGEMENT LETTER

Honorable Mayor, Members of the City Commission, and City Management
Largo Community Redevelopment Agency
City of Largo, Florida

Report on the Financial Statements

We have audited the financial statements of the Largo Community Redevelopment Agency (“Agency”), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated May 5, 2023.

Auditors’ Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountants’ Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 5, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

Section 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 Agency has met one of more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Agency 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 Agency’s financial condition, and our financial condition assessment was based in part on representations made by management and the 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 do not have any such recommendations.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Largo Community Redevelopment Agency reported:

- a. The total number of district employees compensated in the last pay period of the Agency's fiscal year as -0-.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as -0-.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$-0-.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$-0-.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported. The District is paying part of the debt service on the Horizon City Hall Complex, FY2022 total cost to the CRA was \$240,000.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General included in the District's basic financial statements.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Largo Community Redevelopment Agency reported:

- a. The millage rate imposed by the Agency as 5.58.
- b. The total amount of ad valorem taxes collected on behalf of the Agency as \$767,961.
- c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds as \$-0- (Bonds are City of Largo debt but CRA is contributing towards debt service. See e. above).

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.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
May 5, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Honorable Mayor, Members of the City Commission, and City Management
Largo Community Redevelopment Agency
City of Largo, Florida

We have examined the Largo Community Redevelopment Agency ("Agency"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the Agency's compliance with the requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency 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 Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
May 5, 2023



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH COMMUNITY TRUST FUND**

Honorable Mayor, Members of the City Commission, and City Management
Largo Community Redevelopment Agency
City of Largo, Florida

We have examined the Largo Community Redevelopment Agency's (the "Agency"), compliance with the requirements of Sections 163.387(6) and 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2022. Management of the Agency is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency 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 Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

Carr, Riggs & Ingram, LLC

CARR, RIGGS & INGRAM, LLC
Clearwater, Florida
May 5, 2023

FISCAL YEAR 2022



LARGO COMMUNITY REDEVELOPMENT AGENCY

Annual Report



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MAYOR'S MESSAGE

Our Vision to be the Community of Choice in Tampa Bay



Fiscal Year 2022 was a year of hard work and planning for the Community Redevelopment Agency (CRA) and the City of Largo is excited to provide a snapshot of all the development activity and improvements, both public and private. Communities locally in Pinellas County and across the world are still feeling the lingering effects of the COVID-19 pandemic. Although the past three years have been challenging for small businesses everywhere, the businesses community in Largo has shown to be resilient and the private sector continues to demonstrate interest in investing in the Community Redevelopment Districts (CRD).

Horizon West Bay, our new mixed-use municipal center and public parking garage, is officially under construction! Phase 2, or the design and schematic phase of the project, is complete with the City entering into Phase 3 of the new mixed-use Horizon West Bay, which includes construction. Phase 3 of Horizon West Bay is scheduled to continue through Fiscal Year 2023 and is expected to be completed in Fiscal Year 2025. In addition, the City entered into an agreement with Colliers International for landlord representation services to assist with the leasing of ground-floor retail space in Horizon West Bay.

Along Clearwater-Largo Road, we saw the new Alta Belleair Apartments open its doors, providing 225 apartment units with 15% of units reserved for workforce housing over the next 30 years. Similarly, the 88-unit Grand Oaks Apartments held their grand opening at the end of 2022 with 20% of units that will be reserved for workforce housing. The construction of the Blue Sky Apartments, a 90-unit apartment complex on the former site of the Blue Skies Mobile Home Park is also underway. On West Bay Drive, the Skyview Townhomes are currently under construction for 16 single-family townhomes featuring roof top decks. The Clearwater-Largo Road and West Bay Drive CRDs also saw three new businesses open and the CRA is excited to continue its work into Fiscal Year 2023. The City of Largo will continue to work towards expanding the Clearwater-Largo Road CRD and establishing a tax increment financing fund.

The City is excited to see the volume of public and private investments forthcoming in the years ahead and look forward to seeing what new ventures and opportunities are in store for 2023.

Sincerely,

Mayor Woody Brown

CRA FINANCIALS

For the Year Ending in September 30, 2022

City of Largo, Florida Largo Community Redevelopment Agency

Balance Sheet

Assets

Cash and investments	\$3,784,450
Receivables	--
Accrued interest	10,129
Due from other Governments	--
Property held for resale	<u>979,669</u>
Total assets	<u>\$4,774,248</u>

Liabilities

Accounts payable	\$28,696
Accrued payroll	3,380
Due to other funds	<u>532,000</u>
Total liabilities	<u>564,076</u>

Deferred inflows

Unavailable revenue	--
Total deferred inflows	--

Fund balances

Restricted	<u>996,669</u>
Total fund balances	<u>3,240,503</u>
Total fund balances	<u>4,210,172</u>
Total liabilities and fund balances	<u>\$4,774,248</u>

Statement of Revenues, Expenditures and Changes in Fund Balance

Revenues

Taxes	\$767,961
Intergovernmental	898,268
Investment earnings	(85,682)
Sale of property held for resale	--
Other	46,950
Total revenues	<u>\$1,627,497</u>

Expenditures

Current:	
Economic development	217,879
Capital outlay	<u>1,373,469</u>
Total expenditures	1,591,348

Other financing sources/uses

Transfers Out	(240,000)
Total other financing sources/uses	<u>(240,000)</u>

Net change in fund balance

Net change in fund balance	1,214,995
Fund balance - beginning	2,995,117
Fund balance - ending	<u>\$4,210,172</u>



PROJECT EXPENDITURES

For the West Bay Drive Community Redevelopment District

Phase 3: Construction of Horizon West Bay

Phase 2 of the project is complete with the City entering into Phase 3 of the new mixed-use Horizon West Bay, which includes the construction of the building and Parking ramp. The City will continue working with ASD|SKY on the construction management portion of the project who will be ensuring that the building is being built per the specifications, as well as working to make any modifications to the plans as part of the construction. In addition to ASD|SKY, Biltmore Construction Co. will be providing the construction manager at risk (CMAR) services for the project. In Fiscal Year 2022 the City entered into a purchase contract for bond issuance in the amount of \$62,000,000 with an additional \$18,000,000 taken in debt. WBD-CRD funds will be utilized towards the construction of the public parking garage.

Fiscal Year 2022 Project Cost:

General Fund: \$322,117

City Hall Capital Project Fund: \$2,840,280

\$111,743 (Wastewater Connection Fees)

(\$240,000 WBD-CRD Fund Transfer to Debt Services Fund)

Total: \$3,274,140



PROGRAM EXPENDITURES

For the West Bay Drive Community Redevelopment District

Downtown Largo Events and Promotion Assistance Program

The WBD-CRD helps underwrite events that bring activity to Downtown Largo. In Fiscal Year 2022 there was one event that was held and awarded a grant.

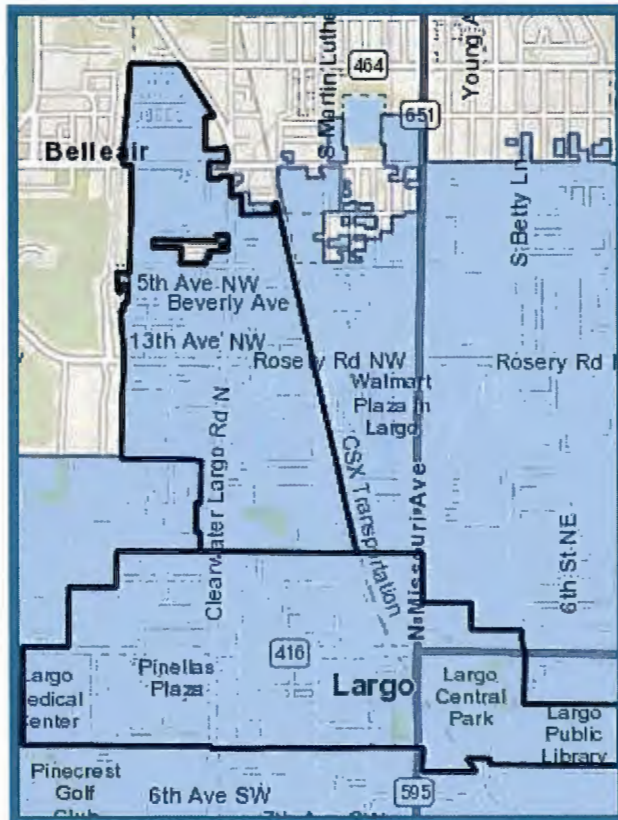
Grant Costs:

An Old Fashioned Christmas Parade: \$1,681



DISTRICT PROFILES

For the Clearwater-Largo Road and the West Bay Drive Community Redevelopment Districts



The Redevelopment Districts

The CRA manages two community redevelopment districts. The WBD-CRD is primarily funded through tax increment revenues, and most of those funds are dedicated to infrastructure improvements. Properties located in the WBD-CRD do not pay additional property taxes. Rather, a portion of the annual City and County taxes collected in the redevelopment area are transferred to the CRA for a trust fund for redevelopment activities.

Largo's Tax Increment Financing (TIF) District for the WBD-CRD was established in 2000 and is used to leverage public funds to promote private sector activity, redevelopment and infrastructure projects in accordance with the redevelopment plan.

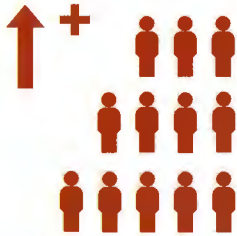
Expansion of the Clearwater-Largo Road Community Redevelopment District (CLR-CRD)

While Largo continues to make investments from the City's General Fund and other sources in the CLR-CRD, no TIF funding is currently in place for the CLR-CRD. The City has begun the process of expanding the CLR-CRD and creating a TIF fund. A Professional Services Agreement with Kimley-Horn and Associates, Inc. was approved for the completion of a Finding of Necessity (FON) analysis for the CLR-CRD Expansion Area. The FON was completed in Fiscal Year 2021 and was adopted by the City Commission. The FON was transmitted to Pinellas County for review and additional supporting documentation for the existing CLR-CRD boundary was requested. The City provided the additional documentation requested by Pinellas County, which included an Existing Community Redevelopment District Assessment Summary Memorandum. The Summary Memorandum along with the FON was completed in Fiscal Year 2022 and was adopted by City Commission.

In 2023, the City is expected to begin the process for consultant services to develop a public involvement process and new redevelopment plan for the existing and expanded District. Adoption of the updated redevelopment plan is expected to occur in 2025.

DISTRICT PROFILES

Source: City of Largo GIS, 2022



Population

WBD-CRD: 2,031
CLR-CRD: 3,635



Households

WBD-CRD: 1,120
CLR-CRD: 1,621



Median Household Income

WBD-CRD: \$53,582
CLR-CRD: \$43,739



Housing Units

WBD-CRD: 1,282
CLR-CRD: 1,845



Median Age

WBD-CRD: 48.7
CLR-CRD: 45.9



Median Home Value

WBD-CRD: \$198,500
CLR-CRD: \$180,896



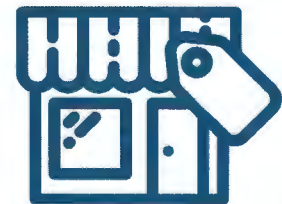
Families

WBD-CRD: 546
CLR-CRD: 743



Daytime Population

WBD-CRD: 5,111
CLR-CRD: 3,002



No. of Businesses

WBD-CRD: 324
CLR-CRD: 144

DISTRICT PROFILE

Largo Library, Central Park and Central Park Performing Arts Center

Central Park Performing Arts Center (CPPAC)

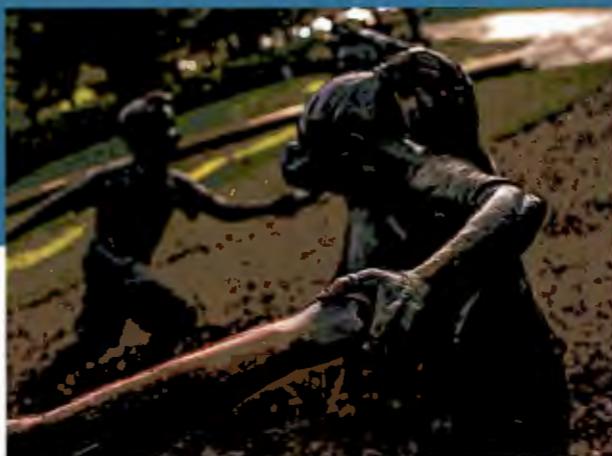
The Central Park Performing Arts Center is the area's premier cultural and entertainment facility, hosting the Eight O'Clock Theater, the Children's Educational Series sponsored by the Suncoast Performing Arts Foundation, and many other headliners each year. Due to COVID-19 many of the events had to be cancelled or postponed to the following year.

- In FY 2021 CPPAC hosted 111 performances
- 23,175 people attended performances
- 8,342 people utilized the rentals at the facility
- The average ticket price was \$31
- 96 youth participated in the Youth Programming
- 2,661 volunteer hours

Largo Library

The Largo Library is the largest municipal library in Pinellas County, and is located within the Central Park Complex. The Library offers a Children's Wing, Genealogy Department, a teen room, a 3D Printer, a cafe, *English as a Second Language* (ESL) classes, events, event space, meeting rooms and study rooms, and more.

- There were 339,240 visitors at the Largo Library
- A total of 3,426 library cards were distributed
- There were 17,606 youth served through various programs
- The circulation in Largo was 789,749



DISTRICT PROFILE

Events in the West Bay Drive Community Redevelopment District

Events

Every year, the City of Largo hosts thousands of visitors at events in the West Bay Drive Community Redevelopment District. Due to COVID-19 many of these events were cancelled or postponed to the following year.

- Market (October and November), attendance: 3,000 per market
- Howl-O-Train & Carnival, attendance: 4,000
- Movies in the Park (3 in November), attendance: 250 per movie
- Veterans Day, attendance: 300
- Holiday Stroll, attendance: 45,000
- Holiday Lights, Largo Central Park, attendance: average of 7,000 on weeknights, 30,000 on weekends
- Jingle Train, Largo Central Park, attendance: 900
- Touch a Truck/Playing Unplugged, attendance: Cancelled
- Largo Car Show & Market, attendance: 6,500
- Movies in the Park (3 in February), Largo Central Park, attendance: 3,000 each night
- Pawfest Cosponsored Event, attendance: 4,200
- Independence Day Celebration, attendance: 60,000

“Holiday Lights at Largo Central Park is a must see and I would definitely recommend it!”

-Yelp Review



“The Howl-O-Train & Carnival is a great attraction for families with kids. the rest of the park is fabulous too!”

-Tripadvisor Review

NEW DEVELOPMENT

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ALTA Belleair

Located on the North side of the Clearwater-Largo Road Community Redevelopment District, the new 255-unit apartment complex was completed in Spring of 2022. The parcel was previously a Mobile Home Park in which the developer worked with the City's Housing Division to help residents transition out. The developer entered into an Affordable Housing Density Bonus Agreement with the City and committed to reserving 15% of units for workforce housing for 30 years. The remaining units are market rate. The project investment was nearly \$8 Million and features new pedestrian & bike access from Clearwater-Largo Road to the Pinellas Trail on the West side.



HOUSING PROJECTS

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City of Largo Housing Division Projects

- 410 4th Ave NW-Affordable Housing Rehab and Resale for First Time Homebuyer. Complete.
- Washington Ave Area-Sidewalk and Lighting Project. Complete.
- Lot 7 Braginton St. Purchased and donated lot to Habitat for Humanity for resale to income eligible homebuyer. Complete. *Pictured below*
- Woodrow Ave-Home Replacement. State Housing Initiative Partnership funded. In-Progress
- 623 14th Ave NW-Affordable Housing Rehab and Resale for Owner-Occupied Affordable Housing. In-Progress
- 528 1st Ave NE-Affordable Housing Development and sale to First Time Homebuyer. In progress
- 1981 Pine Street-Affordable Housing Development and sale to First Time Homebuyer. In-Progress
- 1030 Clearwater-Largo Rd-Affordable Housing Rental Development- In Progress.
- Woodrow Park Improvement. In -progress
- CDBG Target Area Bus Shelter Improvements. Accessibility improvements. In-progress



NEW BUSINESSES

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Open for Business

The redevelopment districts are home to a diverse mix of restaurants, services, and shops. Fiscal Year 2022 saw businesses open in the medical, service, and restaurant categories:

- Clean Recovery Centers, 360 Clearwater-Largo Rd N
- HCA Florida Online, 249 Clearwater-Largo Rd N
- Coffe Amor LLC, 325 W Bay Dr 4B



FUTURE IMPROVEMENTS

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Horizon West Bay:

In Fiscal Year 2022 the City entered into a purchase contract for bond issuance in the amount of \$62,000,000 with an additional \$18,000,000 taken in debt. The CRA also entered into an inter-local agreement with the City of Largo for the payment of eight annual installments of \$906,300 each, commencing in Fiscal Year 2023 and continuing through Fiscal Year 2030. The \$906,300 annually in WBD-CRD funds will be utilized towards the construction of the public parking garage. Completion of Phase 3 is expected in the 4th Quarter of 2024.

Project Funding Breakdown (WBD-CRD contribution):

<u>FUND</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
WBD-CRD Fund	\$906,300	\$906,300	\$906,300	\$906,300	\$906,300
Project Total	\$906,300	\$906,300	\$906,300	\$906,300	\$906,300



FUTURE IMPROVEMENTS

Our Vision is To Be the Community of Choice in Tampa Bay

Clearwater-Largo Road Multimodal Improvements

The City will be retrofitting the roadway between Clearwater-Largo Road (CLR) from West Bay Drive to 4th Ave SW with median islands, streetscape and pedestrian crossing improvements similar to the completed northern CLR segment. This project has been moved up in prioritization as a result of the Downtown Connectivity Strategic Plan Project and is expected to begin in Fiscal Year 2024. The segment of the corridor would see enhanced pedestrian facilities to enhance multi-modal connectivity in the Downtown core.

Funding Breakdown:

<u>FUND</u>	<u>FY 2023</u>	<u>FY 2024</u>
WBD-CRD Fund	\$0	\$800,000
Project Total	\$0	\$800,000

Downtown Largo Activation

With the city’s goal of creating a cohesive and connected downtown, The overall Downtown Activation project focus is to create one cohesive design and communication that connects downtown amenities between Horizon West Bay, Ulmer Park, and the Pinellas Trailhead. The Downtown Activation project will include a redesign of Ulmer Park and will implement a wayfinding program to help residents and visitors navigate the corridor. The design phases of the project is proposed for Fiscal Years 2024 and 2025 with the construction of the project proposed to begin in Fiscal Year 2026.

Funding Breakdown:

<u>FUND</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
WBD-CRD Fund	\$0	\$100,000	\$100,000	\$600,000	\$500,000
Project Total	\$0	\$100,000	\$100,000	\$600,000	\$500,000

FUTURE IMPROVEMENTS

Our Vision is To Be the Community of Choice in Tampa Bay

Pinellas County - West Bay Drive Complete Streets Joint Project Agreement

The West Bay Drive Complete Streets Project is expected to begin in Fiscal Year 2024.

The County’s commitment to implementing complete streets improvements to the West Bay Drive corridor not only benefits Largo businesses and residents, it affords the City a rare opportunity to replace the aging clay pipe sanitary sewer collection system under the road. Complete replacement now avoids future road closures. New sanitary sewer assets will also greatly reduce the amount of time the Environmental Services Department staff will spend working near fast moving traffic.

Project Funding Breakdown:

<u>FUND</u>	<u>FY 2023</u>	<u>FY 2024</u>
Wastewater Operations Fund	\$0	\$3,077,000
WBD-CRD Fund	\$0	\$2,184,000
Tree Impact Fee Fund	\$0	<u>\$99,000</u>
Project Total	\$0	\$5,360,000



FUTURE IMPROVEMENTS

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West Bay Drive Pedestrian Improvements

With the goal of creating connections between downtown Largo and employment, education, and recreational hubs, the West Bay Drive Pedestrian Improvements will include the design and construction of pedestrian safety and mobility improvements in the West Bay Drive Community Redevelopment District. These improvements are in addition to the West Bay Drive Complete Streets Project and were committed to Pinellas County as part of the 2015 West Bay Drive CRA Mid-Plan Review

Funding Breakdown:					
<u>FUND</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
WBD-CRD Fund	\$0	\$0	\$0	\$0	\$947,000
Project Total	\$0	\$0	\$0	\$0	\$947,000

Clearwater-Largo Road Best Management Practices

The Clearwater-Largo Road Drainage District Study update, completed in 2013, proposed best management practice (BMP) alternatives to address areas that experienced significant flooding during seasonal summer rains and to comply with National Pollutant Discharge Elimination System (NPDES) regulations. Seven of the proposed BMP alternatives were identified for implementation based on jurisdictional considerations and general feasibility and include replacement or new construction of curb and gutter, swales, inlets, ponds and pipes. This project will provide flood protection for residents and businesses along the Clearwater-Largo Road corridor.

Funding Breakdown:	
<u>FUND</u>	<u>FY 2023</u>
LOST Fund	\$453,300
Project Total	\$453,300

ADDITIONAL REPORTING REQUIREMENTS

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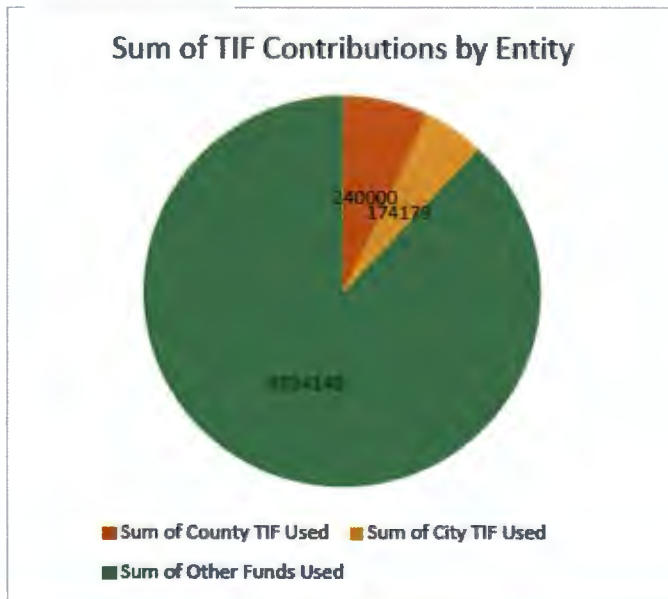
Total number of Activities started	1
Total number of Activities completed	2
Current Year Taxable Value in CRA	\$ 238,278,212.00
Actual expended increment revenue	
Base Year Taxable Value in CRA	\$ 92,870,800.00
Current Year Tax Increment Value	\$ 145,407,412.00
Total amount expended for low and middle Income affordable housing	\$ -

Community Redevelopment Agency Annual Report

Values

Sum of County TIF Used	\$240,000.00
Sum of City TIF Used	\$174,178.00
Sum of Other Funds Used	\$3,034,140.00

Sum of TIF Contributions by Entity



ADDITIONAL REPORTING REQUIREMENTS

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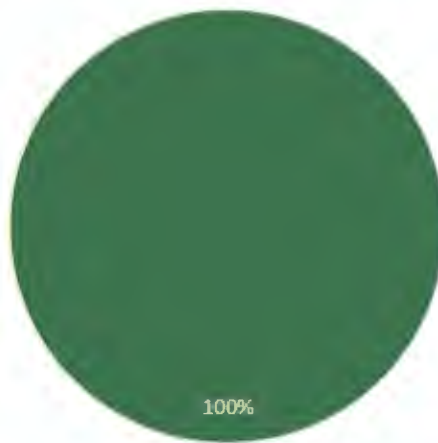
Community Redevelopment Agency Annual Report

COMPLETED (C) ACTIVITIES BY COUNT



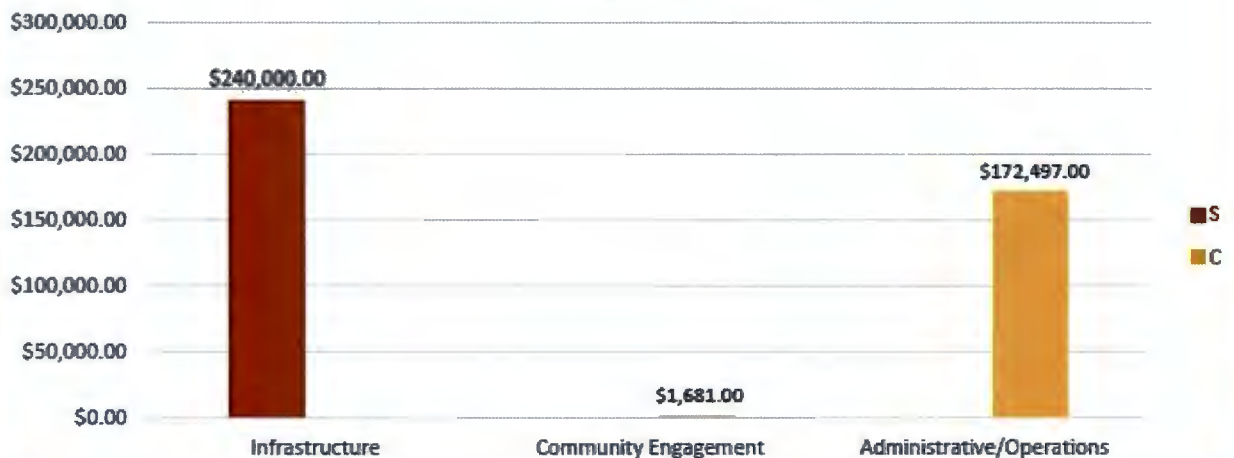
■ Community Engagement ■ Administrative/Operations

STARTED (S) ACTIVITIES BY COUNT



■ Infrastructure

ACTIVITIES SUMMARY (\$)



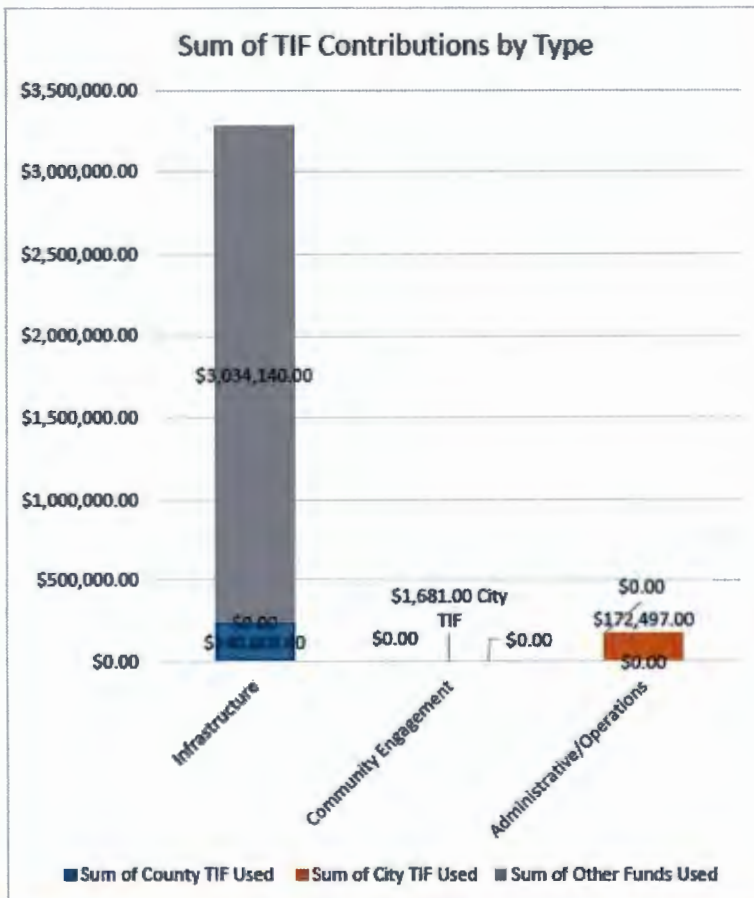
ADDITIONAL REPORTING REQUIREMENTS

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Community Redevelopment Agency Annual Report

Started (S) Completed (C) (Multiple Items)

	Sum of County TIF Used	Sum of City TIF Used	Sum of Other Funds Used
Infrastructure	\$240,000.00	\$0.00	\$3,034,140.00
Community Engagement	\$0.00	\$1,681.00	\$0.00
Administrative/Operations	\$0.00	\$172,497.00	\$0.00
Grand Total	\$240,000.00	\$174,178.00	\$3,034,140.00



LARGO CRA

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FY 2022 Community Redevelopment Agency Advisory Board

Beverly Gatewood Board Chair
 Laenice Scott, Vice Board Chair
 Anita McHenry, Board Member
 Brett Shortridge, Board Member
 Chris Desliets, Board Member
 Darlene Sheets, Board Member
 Laura Guroian, Board Member
 Stacey Shaffer, Board Member
 Mark Douglas, Board Member
 Eddie Dickey, Board Member
 Kathleen Pabst Robshaw, Board Member

FY 2022 Community Redevelopment Agency Board

Woody Brown, Mayor & CRA Board Chair
 Michael Smith, Vice Mayor
 Jaime Robinson, City Commissioner
 Donna Holck, City Commissioner
 John Carroll, City Commissioner
 Eric Gerard, City Commissioner
 Samantha Fenger, City Commissioner

FY 2022 Community Redevelopment Agency Staff

Henry Schubert, City Manager
 Maggie Paluch, Assistant City Manager
 Cheryl Reed, Director of Community Development
 Robert Klute, Assistant Director of Community Development
 Bryan Pederson, Economic Development Manager
 Becky Calomino, Economic Development Coordinator