



MINUTES OF THE CITY COUNCIL REGULAR MEETING
CITY OF NEW PORT RICHEY

NEW PORT RICHEY CITY HALL COUNCIL CHAMBERS
5919 MAIN STREET, NEW PORT RICHEY, FLORIDA

March 4, 2025

6:00 PM

ORDER OF
BUSINESS

1. Call to Order – Roll Call

The meeting was called to order by Mayor Chopper Davis at 6:00 p.m. Those in attendance were Deputy Mayor Kelly Mothershead, Councilwoman Matt Murphy, Councilman Peter Altman and Councilman Bertell Butler, IV.

Also in attendance were City Manager Debbie L. Manns, City Attorney Timothy Driscoll, City Clerk Judy Meyers, Finance Director Crystal Dunn, Fire Chief Chris Fitch, Assistant Public Works Director Colin Eichenmuller, Police Chief Bob Kochen, Library Director Andi Figart, Community and Development Director Dale Hall, Assistant Parks & Recreation Director Kevin Trapp, Technology Solutions Director Leanne Mahadeo, and Human Resources Director Arnel Wetzel.

2. Pledge of Allegiance

3. Moment of Silence

4. Approval of February 18, 2025 Regular Meeting Minutes

Motion was made to approve the minutes as presented.

Motion made by Kelly Mothershead and seconded by Bertell Butler. The Motion Passed. 5-0. Ayes: Altman, Butler, Davis, Mothershead, Murphy

5. Proclamation - Irish American Heritage Month

Brendan Kelly accepted the parchment from Mayor Davis.

6. Audit Presentation by Mauldin Jenkins

Wade Sansbury presented the audit findings to Council via electronically.

7. Presentation by Tampa Bay Regional Planning Council RE: Resiliency

Cara Serra from the TBRPC made a presentation to Council on resiliency. Councilman Altman made

a motion for the City Manager and staff to review the RRAP and bring it back before Council after determining its merits. Councilman Butler added that an amendment to the motion be made that as a courtesy to alert the Environmental Committee that this is happening and the committee could make a recommendation.

Motion made by Pete Altman and seconded by Bertell Butler. The Motion Passed. 5-0. Ayes: Altman, Butler, Davis, Mothershead, Murphy

8 Vox Pop for Items Not Listed on the Agenda or Listed on Consent Agenda

City Attorney Driscoll read aloud the rules governing Vox Pop. Mayor Davis then opened the floor for public comment. The following people came forward to speak:

- Alexandria Chase, 5013 Taylor St., St. Petersburg, FL spoke regarding rezoning and the moratorium ordinance.

With no one else coming forward for public comment, Mayor Davis closed Vox Pop.

- a Speakers must identify themselves prior to speaking by stating their name and full address for the record. Speakers shall address the City Council as a whole and refrain from addressing individual members of the City Council or the City staff. Speakers shall afford the utmost courtesy to the City Council, to City employees, and to the public, and shall refrain at all times, from rude and derogatory remarks, reflections as to integrity, abusive comments, and statements as to motives and personalities.

9 Consent Agenda

Motion was made to accept the Consent Agenda.

Motion made by Kelly Mothershead and seconded by Matt Murphy. The Motion Passed. 5-0. Ayes: Altman, Butler, Davis, Mothershead, Murphy

- a Purchases/Payments for City Council Approval

10 Public Reading of Ordinances

- a First Reading, Ordinance No. 2025-2316: Repealing ORD 2024-2305 Moratorium for Leisure Lane/Van Doren Avenue

City Attorney Driscoll read the proposed ordinance by title only. City Manager Manns introduced Community and Development Director Dale Hall who then presented the item to Council. He stated the purpose of this agenda item was to conduct a first reading of an ordinance to repeal Ordinance No. 2024-2305 that established a moratorium on building permits for annexed property along Leisure Lane and Van Doren Drive. He stated on November 19, 2024, the City Council adopted Ordinance No. 2024-2305, which established a 180-day moratorium on building permits for recently annexed land along Leisure Lane and Van Doren Drive. The moratorium was established in order for staff to have sufficient time to prepare the required land use amendment and rezoning. Mr. Hall stated the moratorium is no longer necessary. The Land Development Review Board recommended repealing the moratorium at their December 19, 2024 meeting. Upon opening the floor to public comment, no one came forward therefore Mayor Davis returned the floor to Council. Motion was made to approve the ordinance upon its first reading.

Motion made by Matt Murphy and seconded by Pete Altman. The Motion Passed. 5-0. Ayes: Altman, Butler, Davis, Mothershead, Murphy

- b First Reading, Ordinance No. 2025-2321: Rezoning of 5422 Charles Street from Office to MF-10

City Attorney Driscoll read the proposed ordinance by title only. City Manager Manns introduced Community and Development Director Dale Hall who then presented the item to Council. He stated the purpose of this agenda item was to conduct a first reading of an ordinance to rezone the property

located at 5422 Charles Street from Office to MF-10. Mr. Hall began his presentation by giving a statement of facts. He then highlighted the zoning and future land use maps. He then highlighted the rezoning guidelines. Mr. Hall then highlighted the consistency. On January 23, 2025 the DRC reviewed the item and recommended approval. The item was presented to the LDRB at their meeting on February 20, 2025. At the time, the LDRB was presented with an incorrect recommendation of MF-14 instead of MF-10. Staff is recommending that Council approve the MF-10. Upon opening the floor to public comment, no one came forward therefore Mayor Davis returned the floor to Council. Motion was made to approve the ordinance upon its first reading.

Motion made by Pete Altman and seconded by Kelly Mothershead. The Motion Passed. 5-0. Ayes: Altman, Butler, Davis, Mothershead, Murphy

11 Business Items

a 2025 Fitzgerald's St. Patrick's Day Celebration Alcoholic Beverage Special Event Application, Railroad Square Usage & Wet-Zone Approval

City Manager Manns introduced Assistant Parks & Recreation Director Kevin Trapp who then presented the item to Council. He stated that the purpose of this agenda item was to review the Alcoholic Beverage Special Event Application, Railroad Square Usage Request and "Wet Zone" Extension for the Fitzgerald's St. Patrick's Day three-day March 15th-17th. She stated Fitzgerald's is requesting to sell alcohol in Railroad Square as follows:

- Saturday, March 15th: 11:00am - 2:00am
- Sunday, March 16th: 11:00am - 2:00am
- Monday, March 17th: 11:00am - 2:00am

In addition, an extension of a "wet zone" will need to be approved for the Monday, March 17th event festivities. The "wet zone" would span along Railroad Square from Adams Street to Grand Boulevard. A hard closure throughout the three-day event would be in place upon approval of the event. A temporary extension of hours would also be needed to be approved for this event. City Manager Manns stated it was her understanding that a question would be asked in relation to the extension of Railroad Square and that should be addressed independent of the current request.

Upon opening the floor to public comment, the organizers came forward to speak about the event. Tara from Steamworks spoke regarding the extension of the "wet zone" to include the other side of Grand to Bank St. to include behind The Social and Bourbon on Main. City Manager Manns asked if they would be programming the space. Jennifer from The Social stated they were not planning on having any bands just a few street performers. Alana from Hits 106 stated they were thinking of having a dedicated area for golf cart parking along with a sword performer. City Manager Manns stated the understanding would be that the parking lot for Bourbon on Main would be closed and Kristi from Bourbon on Main replied yes. City Manager Manns then asked who would be responsible for the costs associated with police, fire and public works personnel and Jennifer from The Social stated they would be responsible. City Manager Manns then asked if the group was asking for this closure to occur in concurrence with the hours that Fitzgerald's is asking over the three day period of time and the group responded yes.

City Manager Manns stated she would suggest that if it's Council desire to approve this request it would be subject to a SET meeting with staff to iron out what details would need to be attended to. She was unsure if there would be adequate police available for the extended closure. With no one else coming forward Mayor Davis returned the floor to Council. City Attorney Driscoll stated he would recommend that Council would entertain two different motions. One would be to approve the agenda as it was presented by staff. The other would be to approve the extension of the "wet zone" subject to the City Manager's review of any detailed application and the SET committee's determination. He stated that may result in it being denied if it cannot meet safety standards and all of the other requirements.

Motion made by Deputy Mayor Mothershead to approve the item as originally presented. Motion seconded by Councilman Murphy. Motion passed 5-0.

Motion made by Deputy Mayor Mothershead to extend the "wet zone" and road closure from Grand to Bank subject to authorizing the City Manager after having the SET meeting to make a determination based on the SET meeting results. Motion seconded by Councilman Murphy. Motion passed 5-0.

Motion made by Kelly Mothershead and seconded by Matt Murphy. The Motion Passed. 5-0. Ayes: Altman, Butler, Davis, Mothershead, Murphy

b Request for Approval for the Recreation & Aquatic Center Artificial Turf Project

City Manager Manns introduced Assistant Parks & Recreation Director Kevin Trapp who then presented the item to Council. He stated that the purpose of this agenda item was to review and consider the approval of the attached proposal from Easy Turf a subsidiary of Coastal Synthetic Turf Inc, in the amount not to exceed \$47,966.20. The proposal includes artificial turf being installed in the three landscape islands as you enter the aquatic area. The proposed turf is the recreational equivalent to the Sims Park Amphitheater artificial turf and is intended to be a matching element between the two projects. Enhancements to the area will include upgraded seating options as well as additional large landscaping planters. Upon opening the floor to public comment, no one came forward therefore Mayor Davis returned the floor to Council. Motion was made to approve the item as presented.

Motion made by Bertell Butler and seconded by Matt Murphy. The Motion Passed. 5-0. Ayes: Altman, Butler, Davis, Mothershead, Murphy

12 Communications

Councilman Altman spoke regarding a proposed bill to eliminate CRA's. He stated he hopes it does not get out of committee. He spoke regarding the Red Cross building, a County project near the Rec Center and the Area Agency on Aging. He spoke briefly about the Harbors Plan and the Recreation & Aquatic Center. He also spoke about recreational activity at Schwettman. Councilman Altman spoke about the recent sold out shows at the theatre. He spoke to someone on the gateway side about improvements along the river. He stated he spoke with the owner of the Main Street Bakery about her BTR's and her \$250 fine. He spoke about businesses that are outside of the downtown. Councilman Murphy spoke regarding having our lobbyist coming to speak on some proposed bills. City Manager Manns stated she would extend an invitation to speak regarding things that will be coming as it is very early in the session. He stated the Mardi Gras event was outstanding. He stated he will pass along the updated MPO report when he receives it. Deputy Mayor Mothershead also stated the Mardi Gras event was great. She stated she will try the new Greek restaurant this week. She stated some of the business owners should work with the business owners creating the events to create something similar. Councilman Butler stated that businesses across US19 are also hosting events. He spoke regarding the special events process. He stated he felt there was an encroachment on the process with comments made earlier. He thanked police, fire and public works who worked the events over the weekend. Councilman Butler asked for the auditors report to be included with the minutes. Mayor Davis also spoke about the Mardi Gras event. He urged the businesses outside of the downtown to get together and work together like the businesses have downtown. City Manager Manns spoke regarding approaching Representative Yeager and Senator Hooper not only about CRA's but also the Sovereign Immunity. Councilman Butler suggested having The Southern Group submit a written report. City Manager Manns stated she spoke with County Administrator Carballa last week about the Red Cross building and county residents participating at the RAC and he said he will get back to her. She stated that she did solicit a letter of interest to Ann Marie Winter in acquiring the land for a senior housing project. She also spoke about the concert Saturday night.

13 Adjournment

There being no further business to consider, upon proper motion, the meeting adjourned at 7:42 p.m.

(signed) _____
Judy Meyers, MMC, City Clerk

Approved: _____ (date)

Initialed: _____



THE CITY OF
NEW PORT
RICHEY
FLORIDA

ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT

FISCAL YEAR END
SEPTEMBER 30, 2023

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City of New Port Richey, Florida

Council-Manager Form of Government

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2023

City Council

Chopper Davis, Mayor

Matt Murphy, Deputy Mayor

Peter Altman

Mike Peters

Kelly Mothershead

City Manager

Debbie L. Manns

Prepared By:

Finance Department

Crystal M. Dunn, Finance Director

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CITY OF NEW PORT RICHEY, FLORIDA

SEPTEMBER 30, 2023
(Unaudited)

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CITY OF NEW PORT RICHEY, FLORIDA

SEPTEMBER 30, 2023
(Unaudited)

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INTRODUCTORY SECTION

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February 28, 2025

To the Honorable Mayor, Members of the City Council, City Manager and Citizens of the City of New Port Richey, Florida:

INTRODUCTION

The Finance Department is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of New Port Richey, Florida, for the fiscal year ending September 30, 2023. This report is presented in conformity with generally accepted accounting principles (GAAP) and was audited by an independent firm of certified public accountants, Mauldin & Jenkins, LLC, as mandated by both local ordinances and State Statute. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presented data, including all disclosures, rests with management of the City. We believe the data presented is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position and results of operations of the City of New Port Richey as measured by the financial activity of its various funds.

Management of the City is responsible for establishing and maintaining a system of internal controls designed to ensure the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide reasonable, but not absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY OF NEW PORT RICHEY PROFILE

The City of New Port Richey, incorporated in 1924, is located in Pasco County on Florida's central Gulf Coast, approximately thirty miles northwest of Tampa. The Gulf of Mexico coastline borders the west side and the Pithlachascotee River runs through the City. The City has a total area of 4.6 square miles and approximately 16,000 residents, which makes the City of New Port Richey the second largest city in Pasco County. The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City operates under the Council-Manager form of government. The City Council is comprised of the Mayor and four City Council Members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing members to various statutory and advisory boards. As chief administrative officer, the City Manager is responsible for implementing the City's policies and manages daily operations through an executive management staff.



The City provides a full range of municipal services, including police and fire protection, potable water, wastewater collection and treatment, reclaimed water, community planning, street repair and maintenance, stormwater repair and maintenance, recreation, parks, arts and library services.

LOCAL ECONOMY

The City of New Port Richey is the second largest city in Pasco County, but is considered a small city by population standards. It is both a beautiful waterfront community with access to the Gulf of Mexico with an unmatched system of parks and recreation facilities and a City with an aging housing stock and challenges with employment opportunities for its residents.

The local economy has traditionally been centered on the medical community, hospitality and service industries. Historically a retirement community, the City's economy is in a transitional stage. The nursing homes, winter residences and empty nest retirees are still prominent, but many of the associated medical, legal, real estate, and other elder service providers have followed the eastward movement to areas with new housing. The City was fortunate to be chosen by Pasco County as the location for several development projects and was identified by those experts as a prime location for a younger demographic. National demographic predictors have identified that Baby Boomers are integrating with emerging Millennials exceptionally well and at a rapid pace, which may bode well for the City.

There are many areas in the City that will qualify for Community Development Block Grant funds and other incentives and Pasco County has targeted the Commercial Highway Corridor of US Highway 19 for economic investment.

LONG-TERM FINANCIAL PLANNING

The City Council is required to adopt an operating budget for the fiscal year. The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests to the City Manager. The City Manager uses these requests as the starting point for developing the proposed budget. The City Manager, with the assistance of the Finance Director, then presents the proposed budget to the City Council for review during several budget work sessions throughout the summer months. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. The City Manager may transfer resources within a department as needed. Transfers between departments, however, need special approval from the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

By charter, the City prepares and maintains a five-year Capital Improvement Program (CIP), which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. This process gives the City the ability to plan for its capital needs and allocate short and long-term resources appropriately. As part of this process, the City identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly.



The fiscal year 2022-2023 Capital Improvement Program anticipates approximately \$24.4 million in capital projects, which included approximately \$710,000 for stormwater utility projects, \$6.75 million in water & sewer improvement projects, \$5.6 million in street improvement projects, \$4.4 million in public safety and public facility projects, \$1.8 million in recreational and environmental projects, \$1.8 million for transportation projects, and \$3.4 million for various economic development and community redevelopment projects.

The City Council must adopt a Capital Improvement Program in accordance with the requirements of the City Charter and the State of Florida. The CIP is an integral component of the City's financial management system but does not appropriate funds. Projections are updated and the first year's projects are incorporated into the adopted operating budget.

The City of New Port Richey is projected to remain in relatively stable but fair financial condition over the next several years. The City's responsible fiscal policies have placed the City in a better financial condition than it was several years ago.

Ending fund balances are deemed adequate, apart from the Community Redevelopment Fund. Overall, Governmental fund balances have inched up slightly in the past five years, primarily due to conservative spending by city management and the City Council.

RELEVANT FINANCIAL POLICIES

The City Council has adopted sound accounting policies to guide the City's financial activities. Policy descriptions are included in the Financial Statements section of the ACFR. Policies cover the following areas:

- ❖ Operating Budget
- ❖ Purchasing
- ❖ Revenues
- ❖ Reserves
- ❖ Debt
- ❖ Investment Management
- ❖ Accounting, Auditing & Financial Reporting
- ❖ Long-term Financial Planning
- ❖ Capital Improvements

Additional financial management policies are included in the Adopted Budget document each year.

INDEPENDENT AUDIT

The City Charter requires an annual audit of the City's financial statements by independent accountants, selected by the City Council. This requirement has been complied with and the independent auditors' report is included in the financial section of this report.



This report represents countless hours of preparation and could not have been accomplished without the dedicated efforts of the employees in the Finance Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Crystal M. Dunn
Finance Director



City of New Port Richey, Florida

Listing of City Officials

As of September 30, 2023

Mayor-Council Member

Chopper Davis

Deputy Mayor-Council Member

Matt Murphy

Council Member

Peter Altman

Council Member

Mike Peters

Council Member

Kelly Mothershead

City Manager

Debbie L. Manns

City Attorney

Timothy P. Driscoll

Finance Director

Crystal M. Dunn

Public Works Director

Robert Rivera

Police Chief

Robert Kochen

Fire Chief

Christopher Fitch

Development Director

Dale Hall

Economic Director

Position Vacant

Parks & Recreation Director

Andre Julien

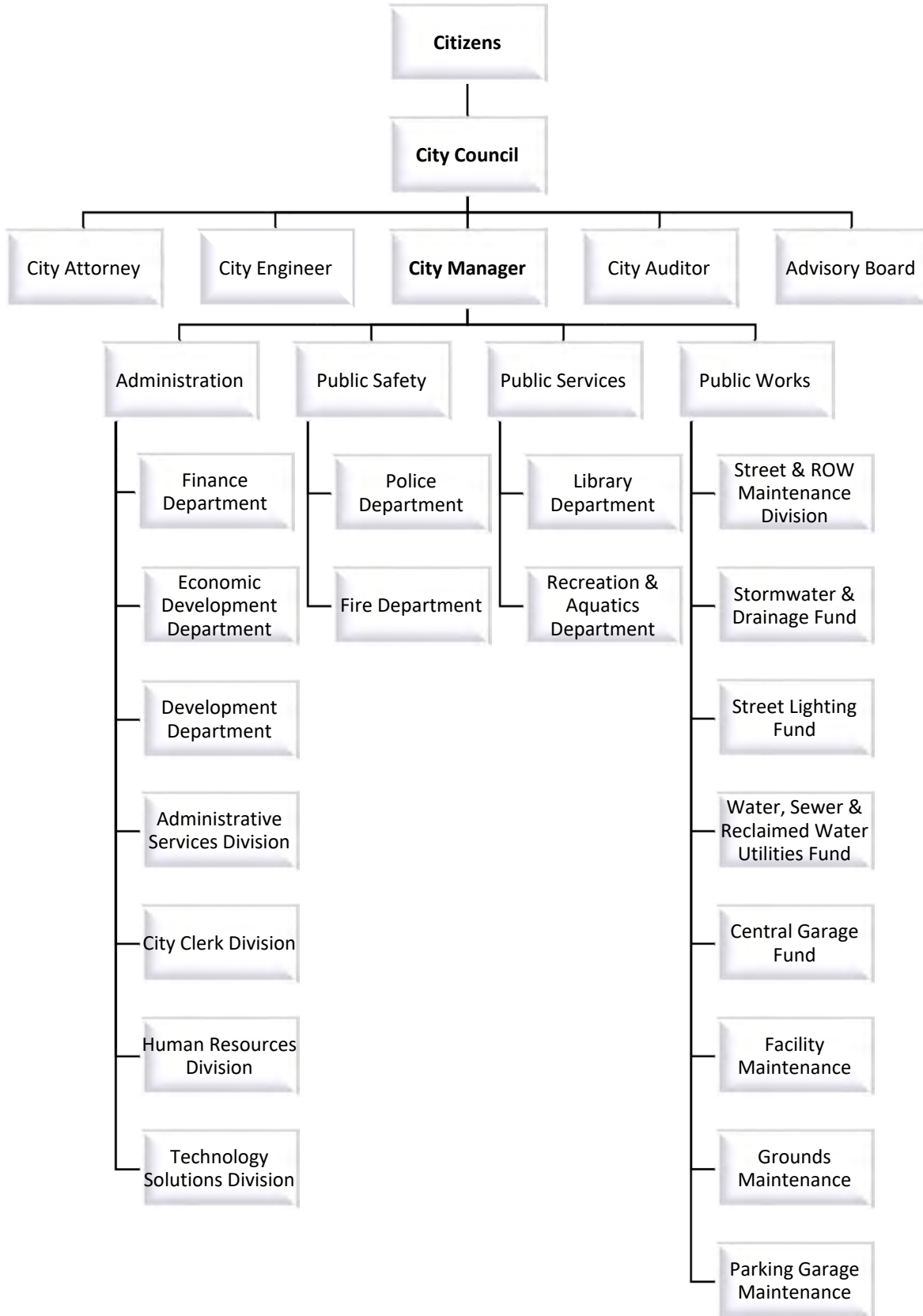
Library Director

Andrea Figart

City Clerk

Judy Meyers

City-wide Organization Chart



Financial Section

This section contains the following subsections:

**Report of Independent Certified
Public Accountants**

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining Financial Statements

Other Supplementary Schedules

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,
Members of the City Commission and City Clerk
City of New Port Richey, 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 New Port Richey, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, 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.

We did not audit the financial statements of the Police Officers' Retirement System and the Firefighters' Pension Plan, which represent 100% of the total assets, total revenues, and total net position of the pension trust funds and represent 93% of the total assets, 65% of the total revenues, and 95% of the total net position of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those components, is based solely on the reports of the other auditors.

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.

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, budgetary comparison information and pension and other post-employment benefit schedules on pages 4 through 13 and 72 through 85, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) and is also not a required part of the basic financial statements of the City. 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 fund financial statements and the schedule of expenditures of federal awards 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 3, 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.



Bradenton, Florida
March 3, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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CITY OF NEW PORT RICHEY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

INTRODUCTION

The City of New Port Richey's (the "City") Annual Comprehensive Financial Report (ACFR) was prepared in accordance with generally accepted accounting principles (GAAP) applicable to government entities. This Management's Discussion and Analysis report (MD&A) is required supplementary information (RSI), which must be presented to remain in compliance with GAAP. Additional RSI is also included throughout the ACFR. The ACFR and MD&A are published and hereby distributed to inform all interested parties of the activities undertaken and the financial resources committed over the fiscal year, which began on October 1, 2022 and ended on September 30, 2023. While some interested parties may require more details of the City's operations, this MD&A has been prepared to provide most readers with enough analysis to inform them of the City's general financial condition at the conclusion of the stated fiscal year.

The MD&A presents an overview of financial information included in the ACFR. Readers are encouraged to consider MD&A information in conjunction with information provided in the basic financial statements, the Letter of Transmittal, and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- ◇ The City's total assets and deferred outflows of resources (\$174.1 million) exceeded total liabilities and deferred inflows of resources (\$58 million) by \$116.0 million at year-end (net position). Of this amount, \$19.0 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- ◇ The City's total net position increased over prior period by \$5.9 million or 5.4%.
- ◇ As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$19,423,263, an increase of \$5,041,916 in comparison to prior year's fund balance.
- ◇ The City's total debt outstanding decreased by \$1.16 million or 4% during the fiscal year. This decrease is due to scheduled amortization payments made during the year.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) OVERVIEW

As shown in Graph 1, the ACFR is organized into four main sections. The Financial Section is the ACFR's main section and is organized into three subsections, as shown in Graph 2.



CITY OF NEW PORT RICHEY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2023

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water and sewer utilities and stormwater utilities.

The government-wide financial statements include not only the City itself, but also a legally separate community redevelopment agency for which the City is financially accountable. Financial information for this component unit is blended into the financial statements of the primary government as a special revenue fund.

The government-wide financial statements can be found on pages 14 and 15 of this report.

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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, or fiduciary funds.

CITY OF NEW PORT RICHEY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing 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 six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Community Redevelopment Fund, Debt Service Fund, and Capital Projects Fund, which are considered to be major funds. Data from the other two governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 16 through 19 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 its water and sewer utility operations and stormwater utility 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 repair and maintenance of its vehicle fleet. Because this service predominantly benefits governmental rather than business-type functions, they have been 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 operations and the stormwater operations, both of which are considered to be major funds of the City. The internal service fund is also presented separately in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 20 through 23 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements include the pension plans of the City.

The fiduciary fund financial statements can be found on pages 24 and 25 of this report.

Notes to Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 71 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees and budgetary comparison schedules for the major governmental funds. Required supplementary information can be found on pages 72 through 85 of this report.

CITY OF NEW PORT RICHEY, FLORIDA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

GOVERNMENT WIDE-FINANCIAL ANALYSIS

Summary Statement of Net Position. Net position over time may serve as a useful indicator of a government's financial position. For the current year, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$116.0 million. The following table reflects the condensed statement of net position compared to the prior year. Throughout this report, increases and decreases are reflected based on current year impacts.

**Statement of Net Position
As of September 30, 2023**

	Governmental Activities			Business-Type Activities			Totals		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Current assets	\$ 28,975,490	\$ 24,876,841	\$ 20,096,906	\$ 20,890,986	\$ 20,784,234	\$ 19,895,344	\$ 49,866,476	\$ 45,661,075	\$ 39,992,250
Capital assets	58,228,747	55,276,052	56,485,837	49,620,564	50,933,949	51,479,108	107,849,311	106,210,001	107,964,945
Other noncurrent assets	3,698,065	9,844,987	2,551,347	4,007,860	4,639,593	4,899,080	7,705,925	14,484,580	7,450,427
Total assets	<u>90,902,302</u>	<u>89,997,880</u>	<u>79,134,090</u>	<u>74,519,410</u>	<u>76,357,776</u>	<u>76,273,532</u>	<u>165,421,712</u>	<u>166,355,656</u>	<u>155,407,622</u>
Deferred outflows	<u>8,065,944</u>	<u>3,455,536</u>	<u>3,731,249</u>	<u>593,645</u>	<u>560,019</u>	<u>525,419</u>	<u>8,659,589</u>	<u>4,015,555</u>	<u>4,256,668</u>
Other liabilities	9,324,300	10,067,165	6,441,575	2,117,273	2,277,048	2,630,715	11,441,573	12,344,213	9,072,290
Long-term liabilities	<u>30,703,050</u>	<u>28,645,729</u>	<u>26,988,785</u>	<u>11,016,575</u>	<u>12,586,470</u>	<u>13,309,375</u>	<u>41,719,625</u>	<u>41,232,199</u>	<u>40,298,160</u>
Total liabilities	<u>40,027,350</u>	<u>38,712,894</u>	<u>33,430,360</u>	<u>13,133,848</u>	<u>14,863,518</u>	<u>15,940,090</u>	<u>53,161,198</u>	<u>53,576,412</u>	<u>49,370,450</u>
Deferred inflows	<u>4,090,269</u>	<u>6,362,124</u>	<u>5,320,436</u>	<u>781,521</u>	<u>321,096</u>	<u>1,311,780</u>	<u>4,871,790</u>	<u>6,683,220</u>	<u>6,632,216</u>
Net position:									
Net investment in capital assets	41,474,662	38,374,253	36,223,946	41,508,660	41,222,953	39,793,708	82,983,322	79,597,206	76,017,654
Restricted	10,277,457	9,870,382	8,384,628	4,356,034	4,273,412	4,051,638	14,633,491	14,143,794	12,436,266
Unrestricted	<u>3,098,508</u>	<u>133,763</u>	<u>(494,031)</u>	<u>15,332,992</u>	<u>16,236,816</u>	<u>15,701,735</u>	<u>18,431,500</u>	<u>16,370,579</u>	<u>15,207,704</u>
Total net position	<u>\$ 54,850,627</u>	<u>\$ 48,378,398</u>	<u>\$ 44,114,543</u>	<u>\$ 61,197,686</u>	<u>\$ 61,733,181</u>	<u>\$ 59,547,081</u>	<u>\$ 116,048,313</u>	<u>\$ 110,111,579</u>	<u>\$103,661,624</u>

By far, the largest portion of the City's net position, \$82,983,322 (71.5%), reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, 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 used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$14,633,491 (12.6%), represents resources that are subject to external restrictions on how they may be used (e.g. for debt and capital improvements). Restricted net position increased by \$489,697 during the year, mainly due to postponed capital projects.

The remaining balance represents the City's unrestricted net position. As of September 30, 2023, the City's unrestricted net position was \$18,461,500, an increase of \$2,060,921 from the previous fiscal year-end. This portion of net position may be used to meet the City's ongoing obligations to its citizens and creditors.

CITY OF NEW PORT RICHEY, FLORIDA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Summary Statement of Activities. The manner in which the City's net position changed during the most recent fiscal year is reflected in the statement of activities, a summary of which is shown in the table below. This schedule compares the revenues, expenses and other sources/uses of funds for the current and previous fiscal year and divides the activities between governmental activities and business-type activities.

	Statement of Activities As of September 30, 2023								
	Governmental Activities			Business-Type Activities			Totals		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Revenues:									
Program revenues:									
Charges for services	\$ 4,563,219	\$ 3,934,708	\$ 3,845,994	\$ 15,949,083	\$ 16,338,275	\$ 15,820,354	\$ 20,512,302	\$ 20,272,983	\$ 19,666,348
Operating grants and contributions	867,933	200,316	287,221	-	-	-	867,933	200,316	287,221
Capital grants and contributions	782,947	504,408	10,013	160,617	-	-	943,564	504,408	10,013
General revenues:									
Taxes	20,683,452	18,082,323	16,784,624	-	-	-	20,683,452	18,082,323	16,784,624
State revenue sharing	2,563,060	2,547,964	2,173,900	-	-	-	2,563,060	2,547,964	2,173,900
Investment income	1,111,018	454,893	14,977	688,595	297,344	288,392	1,799,613	752,237	303,369
Miscellaneous	1,013,680	913,166	865,508	38,996	590,045	-	1,052,676	1,503,211	865,508
Total revenues	31,585,309	26,637,778	23,982,237	16,837,291	17,225,664	16,108,746	48,422,600	43,863,442	40,090,983
Operating expenses:									
General government	8,201,610	8,408,256	9,273,286	-	-	-	8,201,610	8,408,256	9,273,286
Public safety	13,007,325	10,499,272	10,960,956	-	-	-	13,007,325	10,499,272	10,960,956
Public works	4,079,086	3,507,123	2,662,128	-	-	-	4,079,086	3,507,123	2,662,128
Culture and recreation	4,003,415	3,578,289	3,280,604	-	-	-	4,003,415	3,578,289	3,280,604
Interest	934,324	772,643	441,839	-	-	-	934,324	772,643	441,839
Water, reclaimed water, and sewer	-	-	-	11,363,033	9,844,979	9,695,452	11,363,033	9,844,979	9,695,452
Stormwater utility	-	-	-	897,073	802,925	704,608	897,073	802,925	704,608
Total operating expenses	30,225,760	26,765,583	26,618,813	12,260,106	10,647,904	10,400,060	42,485,866	37,413,487	37,018,873
Increase in net position before transfers	1,359,549	(127,805)	(2,636,576)	4,577,185	6,577,760	5,708,686	5,936,734	6,449,955	3,072,110
Transfers	5,112,680	4,391,660	4,615,440	(5,112,680)	(4,391,660)	(4,615,440)	-	-	-
Change in net position	6,472,229	4,263,855	1,978,864	(535,495)	2,186,100	1,093,246	5,936,734	6,449,955	3,072,110
Net position, beginning	48,378,398	44,114,543	42,135,679	61,733,181	59,547,081	58,453,835	110,111,579	103,661,624	100,589,514
Net position, ending	\$ 54,850,627	\$ 48,378,398	\$ 44,114,543	\$ 61,197,686	\$ 61,733,181	\$ 59,547,081	\$ 116,048,313	\$ 110,111,579	\$ 103,661,624

The City's overall net position increased by \$5,936,734 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$6,472,229 from the prior fiscal year for an ending balance of \$54,850,627.

Total revenues for the City's governmental activities increased by \$4,947,531 over the prior year. Key elements are as follows:

- ◇ Program Revenues increased by \$1,574,667 or 34.0%.
 - Charges for Services increased by \$628,511, due in large part to an increase in code enforcement and civil citation collections in fiscal year 2023 over fiscal year 2022.
 - Operating and capital grants and contributions increased by \$946,156, mainly due to the use and allocation of ARPA grant funds.

- ◇ General Revenues increased by \$3,372,864 or 15.3%.
 - Taxes increased by \$2,601,129, resulting from increased property values and better economic conditions.
 - Investment Income increased by \$656,125, due to economic growth, fiscal, and monetary policies. Interest earnings on investments increased and remained steady compared to the previous fiscal year.

Expenditures for the City's governmental activities increased by \$3,460,177 or 12.9%.

CITY OF NEW PORT RICHEY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2023

Business-Type Activities. Business-type activities resulted in a decrease in the City's net position of \$535,495.

Revenues for the City's business-type activities decreased by \$388,373 compared to the previous fiscal year. The key elements are as follows:

- ◇ *Program Revenues* decreased by \$228,575 or 1.4%.
 - Charges for services decreased by \$389,192, in large part due to the purchase of FGUA utility by Pasco County.
 - Impact Fees decreased by \$139,152 which is related to the purchase of the FGUA utility by Pasco County.
 - Investment Income increased by \$391,251, as market conditions continue to impact the economy and interest rates continue to rise ultimately increasing interest rate earnings on investments.

Expenses for the City's business-type activities increased by \$1,612,201, or 15.0%. The key element of this net change is related to an increase in the cost of providing water and sewer management services.

FINANCIAL ANALYSIS OF GOVERNMENTAL 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 discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At September 30, 2023, the City's governmental funds reported combined fund balances of \$19,423,263, an increase of \$5,041,916 in comparison to prior year's fund balance. This balance represents *nonspendable, restricted, committed, assigned, or unassigned*, which indicate that the funds are: (1) not in spendable form, (2) restricted for particular purposes, (3) committed for particular purposes, (4) assigned for particular purposes, or (5) available for spending at the City's discretion.

The City is reporting four major governmental funds: General, Redevelopment, Debt Service and Capital Projects, which comprise the majority of the City's governmental activities. To be classified as a major fund, a fund must report at least 10% of the City's total governmental funds' assets plus deferred outflows, liabilities plus deferred inflows, revenues or expenses, and must report at least 5% of the City's total governmental funds' plus enterprise funds' total assets plus deferred outflows, liabilities plus deferred inflows, revenues or expenses. The 10% and 5% tests must be passed for the same element (e.g., for assets) and the tests need only be passed for one of the four elements.

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$3,677,855, inclusive of committed fund balance for emergency reserve and assigned fund balance for future expenditures. As a measure of the General Fund's liquidity, it may be useful to compare both non-spendable and restricted fund balance as well as unrestricted fund balance to total General Fund expenditures. Fund balance that is either non-spendable (advances, inventories, and prepaids) or restricted for a specific purpose is 25% of total General Fund expenditures, while unrestricted fund balance is 15% of total General Fund expenditures. General Fund balance decreased by \$972,801 during the current year. Key elements of the decrease are as follows:

- ◇ Expenditures, totaling \$25,309,270, increased by \$3,388,997, or 15.5% compared to the prior year. This increase is directly related to increased employee costs. Availability of products and supplies increased in comparison to the previous year, although costs of those products also increased due to inflation.

CITY OF NEW PORT RICHEY, FLORIDA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

The following table presents the General Fund's largest revenues components for the past five years, excluding transfers and extraordinary revenues. These revenues comprise 80% - 100% of General Fund revenues, which means any changes can significantly impact the General Fund.

As indicated in the table below, most major sources of funds increased, representing some economic growth in the City:

	2019	2020	2021	2022	2023
Property taxes	\$ 4,975,974	\$ 5,308,673	\$ 5,676,389	\$ 5,977,244	\$ 6,826,412
Utility taxes/franchise fees	2,983,567	3,119,842	3,268,493	3,365,617	3,766,962
Communications taxes	647,355	716,503	836,490	861,394	1,038,495
State shared revenue	2,237,609	2,240,945	2,495,207	2,888,551	2,948,145
Grants and contributions	821,346	565,917	268,373	631,497	721,205
Other revenues	4,125,628	3,656,701	3,921,835	4,421,843	5,427,187
Total debt	<u>\$ 15,791,479</u>	<u>\$ 15,608,581</u>	<u>\$ 16,466,787</u>	<u>\$ 18,146,146</u>	<u>\$ 20,728,406</u>

Of the sources presented in the graph, only property taxes and charges for services can be increased by the City. All other revenues presented are uncontrollable by the City, because: rates are set at the maximum amount allowed by law; the tax base cannot be expanded by the City; revenue is based on a predetermined fixed formula; or, revenue is determined by contract.

Capital Improvement Fund. The One-Cent *Penny for Pasco* local discretionary infrastructure surtax was originally approved for a ten-year period, beginning in January 2005 and ending December 31, 2014. A voter referendum in November 2012 approved a second ten-year term for this surtax which will be effective until December 31, 2024.

The *Penny for Pasco* revenue may be expended to finance, plan and construct infrastructure; acquire land; and purchase public safety vehicles and equipment with a life expectancy of at least five years. Revenue cannot be used for operating costs, such as salaries, utilities, or repairs, including the operating costs related to the projects constructed or purchased with *Penny for Pasco* revenue.

The following table presents *Penny for Pasco* revenue for the past five years:

Penny for Pasco	2019	2020	2021	2022	2023
Revenues	\$ 2,632,026	\$ 2,722,954	\$ 3,218,730	\$ 3,758,534	\$ 3,957,594

Projections from Pasco County indicate that the City's share of *Penny for Pasco* will continue to grow in 2024 and beyond.

The Capital Improvement Program (CIP) Fund's total fund balance increased by \$786,582 in comparison to prior year's fund balance. Fund balance in the CIP Fund can vary widely, due to the variability of capital projects between years. Any increase in available fund balance increases the City's flexibility to consider future major capital projects.

CITY OF NEW PORT RICHEY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

CAPITAL ASSETS, INFRASTRUCTURE, AND DEBT

Capital Assets. The City's investment in capital assets is summarized below for the past three fiscal years, including additions and deletions during the year. Additional information on all capital assets can be found in Note 6 of the Annual Comprehensive Financial Report.

	Capital Assets								
	As of September 30, 2023								
	Governmental Activities			Business-Type Activities			Totals		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Land, land rights, and improvements	\$ 5,490,752	\$ 5,540,752	\$ 5,540,752	\$ 976,958	\$ 976,958	\$ 1,220,787	\$ 6,467,710	\$ 6,517,710	\$ 6,761,539
Buildings and improvements	35,288,370	35,153,544	35,137,486	36,946,944	36,788,338	36,442,929	72,235,314	71,941,882	71,580,415
Improvements other than buildings	17,581,843	16,839,045	13,781,677	-	-	-	17,581,843	16,839,045	13,781,677
Machinery and equipment	15,285,625	14,539,902	16,452,489	8,721,785	8,540,577	8,588,939	24,007,410	23,080,479	25,041,428
Infrastructure	33,029,153	31,642,307	29,882,753	53,286,186	51,621,058	47,299,550	86,315,339	83,263,365	77,182,303
Less: Accumulated depreciation	(54,477,409)	(51,179,816)	(48,450,923)	(51,573,265)	(48,891,042)	(46,225,007)	(106,050,674)	(100,070,858)	(94,675,930)
Sub-total	52,198,334	52,535,734	52,344,234	48,358,608	49,035,889	47,327,198	100,556,942	101,571,623	99,671,432
Construction in progress	6,030,413	2,740,318	4,141,603	1,261,956	1,898,060	4,151,910	7,292,369	4,638,378	8,293,513
Total	<u>\$ 58,228,747</u>	<u>\$ 55,276,052</u>	<u>\$ 56,485,837</u>	<u>\$ 49,620,564</u>	<u>\$ 50,933,949</u>	<u>\$ 51,479,108</u>	<u>\$ 107,849,311</u>	<u>\$ 106,210,001</u>	<u>\$ 107,964,945</u>

Beginning in 2021, the City entered into a lease agreement with Enterprise FM Trust for the lease of the City's fleet. As of September 30, 2023, the City leased a total of 56 vehicles through this lease program. Significant additions to capital assets have been highlighted below:

Governmental:

- ◇ The City completed improvements to Frances Avenue Park, totaling \$385,492.
- ◇ The City completed the 2020 Street Improvement Project, totaling \$1,320,826.

Business-type:

- ◇ The City completed stormwater improvement projects totaling \$23,600.
- ◇ The City completed the 2019 Sewer Utility Improvements, totaling \$1,395,891.

Long-Term Liabilities. The cornerstone of a city's good financial condition is a conservative debt policy. At year-end, the City reported total loans outstanding of approximately \$27.2 million compared to \$28.4 million at the end of the prior year.

During the year, the City authorized the issuance of a Taxable Non-Ad Valorem Revenue Note, Series 2022, in the amount of \$3,000,000. This Note was used to finance the purchase of real estate which is held for redevelopment purposes.

The City also has other long-term liabilities such as Compensated Absences payable (unused vacation leave), Other Post-Employment Benefits payable (implicit "subsidized" retiree healthcare premiums), lease liabilities, and other items as listed in Note 7 in the Annual Comprehensive Financial Report.

CITY OF NEW PORT RICHEY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

The following table presents the City's loans outstanding for Governmental Activities and Business-Type Activities (Water-Sewer Fund). Total loans outstanding decreased approximately \$1.2 million. Details on all long-term loans are included in Note 7 in the Annual Comprehensive Financial Report.

	2023	2022	2021
Governmental:			
Redevelopment note, Series 2016	\$ 6,351,000	\$ 7,059,000	\$ 7,750,000
Nonadvalorem revenue bond, 2020A	-	631,199	1,685,990
Nonadvalorem revenue bond, 2020B	7,919,907	8,355,207	8,355,207
Nonadvalorem revenue bond, 2022	1,719,001	-	-
Notes payable - Fire Truck	736,527	788,910	840,058
Lease liability	2,033,920	1,489,050	1,630,713
Sub-total	<u>18,760,355</u>	<u>18,323,366</u>	<u>20,261,968</u>
Business-Type:			
W&S Revenue bond, Series 2012	2,747,152	3,390,988	4,018,509
W&S Revenue bond, Series 2017A	465,000	517,000	568,000
W&S Revenue bond, Series 2019	4,893,000	5,798,000	6,680,000
Lease liability	348,081	346,676	418,891
Sub-total	<u>8,453,233</u>	<u>10,052,664</u>	<u>11,685,400</u>
Total	<u><u>\$ 27,213,588</u></u>	<u><u>\$ 28,376,030</u></u>	<u><u>\$ 31,947,368</u></u>

The City now maintains a “pay-as-you-go” policy for most capital purchases. Borrowing is only used for large, infrequent capital projects after considering many factors, including the City’s ability to repay the debt, prioritization of needs versus wants and the related asset’s useful life. A measure of a City’s debt levels is the amount of debt outstanding compared to the cost of the City’s capital assets.

ECONOMIC CONDITIONS, NEXT YEAR’S BUDGET, AND NEXT YEAR’S RATES

Economic Conditions. The City is cautiously optimistic about future conditions. In fiscal year 2023, the City continued to implement a series of mitigating efforts to minimize revenue short falls that continued after the COVID-19 pandemic. Pandemic-era inflation peaked during 2023, substantially increasing the cost of living and driving up the cost of labor and product cost. The management team reviewed the City's estimates and implemented strategies to balance these costs, ensuring the City's financial health was maintained.

The City's capital assets are in good condition and replacement provisions have been made in the City's long-term financial plan. The housing market remains strong and unemployment is relatively low.

As a mature city, New Port Richey has a well-established base of quality services. The City’s future challenge will be to maintain its service quality with stabilized revenues and increasing costs.

Next Year’s Budget and Rates. The 2023 property tax rate (millage rate) was reduced to 8.4500 mills, a reduction of .0500 mills from the previous year.

Most major revenues are projected to exhibit low growth, while many costs are projected to continue to increase, including fuel, health insurance, and pension expenses. Additionally, pension expenses are heavily dependent on investment returns, which can be volatile.

The fiscal year 2023 budget includes merit-based raises for non-represented employees and represented employees.

CITY OF NEW PORT RICHEY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Fund balance is projected to remain steady in the General Fund and in most government funds. The Redevelopment Fund will see declines due to the levels of assigned debt. The utility funds will continue to see increase in net position.

The City is faced with balancing growth in some revenue categories against others that can be highly volatile with significant fluctuations through economic cycles. As such, a thoughtful and disciplined approach to budgeting and spending is necessary.

Long-Term Projections. Most tax rates are at their maximum levies, except property taxes, so growth in most tax revenue is dependent on tax base growth. The Legislature and Governor continue to push for lower taxes and revenue restrictions, even though Florida's tax burden is among the lowest of all states.

Service levels and delivery methods are continually reviewed to determine if services can be provided more efficiently or should be eliminated. The City will be challenged to control salary increases in a tight labor market for the foreseeable future. Most fund balances are projected to remain adequate and the City has maintained or replaced its facilities and infrastructure.

The most critical element on the horizon continues to be the City's commitment to exploring all viable alternatives to enhance the commercial infrastructure within City limits and to encourage future economic growth and opportunities.

Economic Condition Summary. The City of New Port Richey has addressed the continuation of the prolonged period of economic weakness with numerous budget reductions and currently remains in a strong financial condition and maintains adequate fund balances. The City has also maintained City facilities and infrastructure and the City's workforce is highly trained and productive.

The City maintains a diversified revenue base, which helps mitigate revenue reductions in a single source and has significant operating flexibility to reduce most costs, because most general government costs are variable. However, additional cost reductions cannot be made as easily as over the past few years, due to several years of budget reductions and significant economic inflation.

REQUESTS FOR INFORMATION

This ACFR provides an overview of the City of New Port Richey's financial position, financial condition, and results of operations as of and for the year ended September 30, 2023. More financial information, including a copy of the City's Annual Operating Budget and the City's Long-Term Financial Plan and Capital Improvements Program, can be obtained from the City's website at: www.cityofnewportrichey.org. Telephone inquiries may be directed to the Finance Director at (727) 853-1054. Written questions and requests for information may be addressed to the Finance Director, 5919 Main Street, New Port Richey, FL 34652 or may be emailed to the Finance Director at: dunnc@cityofnewportrichey.org.

CITY OF NEW PORT RICHEY, FLORIDA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 20,795,467	\$ 11,747,571	\$ 32,543,038
Restricted cash and cash equivalents:			
Impact fees	-	4,356,034	4,356,034
Customer deposits	-	1,483,002	1,483,002
Receivables, net			
Accounts, billed	512,430	2,091,813	2,604,243
Taxes	352,487	-	352,487
Special assessments	25,712	3,216	28,928
Note receivable	725,000	3,666,531	4,391,531
Due from other governments	1,683,692	737,795	2,421,487
Redevelopment properties held for resale	4,652,900	-	4,652,900
Prepaid items	102,353	22,358	124,711
Inventory	125,449	449,197	574,646
Net pension asset	1,691,795	-	1,691,795
Capital assets			
Right to use leased assets, net of amortization	2,006,270	341,329	2,347,599
Non-depreciable	11,521,165	2,238,914	13,760,079
Depreciable, net	46,707,582	47,381,650	94,089,232
Total assets	90,902,302	74,519,410	165,421,712
Deferred outflows of resources			
Deferred outflows - pensions	7,412,123	463,617	7,875,740
Deferred outflows - OPEB	653,821	130,028	783,849
Total deferred outflows of resources	8,065,944	593,645	8,659,589
Liabilities			
Accounts payable	2,523,557	563,948	3,087,505
Accrued liabilities	260,073	70,323	330,396
Due to other governments	30,245	-	30,245
Customer deposits payable	-	1,483,002	1,483,002
Unearned revenue	6,510,425	-	6,510,425
Noncurrent liabilities			
Due within one year	4,249,150	1,764,975	6,014,125
Due in more than one year	26,453,900	9,251,600	35,705,500
Total liabilities	40,027,350	13,133,848	53,161,198
Deferred inflows of resources			
Deferred inflows - pensions	644,079	96,167	740,246
Deferred inflows - OPEB	3,446,190	685,354	4,131,544
Total deferred inflows of resources	4,090,269	781,521	4,871,790
Net position			
Net investment in capital assets	40,869,299	41,508,660	82,377,959
Restricted for			
Law enforcement programs	206,389	-	206,389
Parks and recreation programs	20,000	-	20,000
Debt service	425,487	-	425,487
Impact fees	-	4,356,034	4,356,034
Infrastructure	7,228,456	-	7,228,456
Transportation	2,417,125	-	2,417,125
Unrestricted	3,683,871	15,332,992	19,016,863
Total net position	\$ 54,850,627	\$ 61,197,686	\$ 116,048,313

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

CITY OF NEW PORT RICHEY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/programs							
Governmental activities							
General government	\$ 8,201,610	\$ 1,197,117	\$ 598,043	\$ -	\$ (6,406,450)	\$ -	\$ (6,406,450)
Public safety	13,007,325	2,482,453	235,651	416,835	(9,872,386)	-	(9,872,386)
Public works	4,079,086	37,618	-	366,112	(3,675,356)	-	(3,675,356)
Culture/recreation	4,003,415	846,031	34,239	-	(3,123,145)	-	(3,123,145)
Interest on long-term debt	934,324	-	-	-	(934,324)	-	(934,324)
Total governmental activities	<u>30,225,760</u>	<u>4,563,219</u>	<u>867,933</u>	<u>782,947</u>	<u>(24,011,661)</u>	<u>-</u>	<u>(24,011,661)</u>
Business-type activities							
Water and sewer	11,363,033	14,871,770	-	160,617	-	3,669,354	3,669,354
Stormwater	897,073	1,077,313	-	-	-	180,240	180,240
Total business-type activities	<u>12,260,106</u>	<u>15,949,083</u>	<u>-</u>	<u>160,617</u>	<u>-</u>	<u>3,849,594</u>	<u>3,849,594</u>
Total primary government	<u>\$ 42,485,866</u>	<u>\$ 20,512,302</u>	<u>\$ 867,933</u>	<u>\$ 943,564</u>	<u>(24,011,661)</u>	<u>3,849,594</u>	<u>(20,162,067)</u>
General revenues							
Taxes:							
Ad valorem					9,734,691	-	9,734,691
Franchise taxes					1,774,263	-	1,774,263
Utility taxes					1,992,700	-	1,992,700
Communication services tax					1,038,494	-	1,038,494
Infrastructure tax					4,421,283	-	4,421,283
Local option gas tax					1,324,123	-	1,324,123
Insurance premium tax					397,898	-	397,898
Unrestricted state revenue sharing					2,563,060	-	2,563,060
Investment earnings					1,111,018	688,595	1,799,613
Miscellaneous					1,013,680	-	1,013,680
Gain on sale of capital asset					-	38,996	38,996
Transfers					<u>5,112,680</u>	<u>(5,112,680)</u>	<u>-</u>
Total general revenues and transfers					<u>30,483,890</u>	<u>(4,385,089)</u>	<u>26,098,801</u>
Change in net position					<u>6,472,229</u>	<u>(535,495)</u>	<u>5,936,734</u>
Net position, beginning of year					<u>48,378,398</u>	<u>61,733,181</u>	<u>110,111,579</u>
Net position, end of year					<u>\$ 54,850,627</u>	<u>\$ 61,197,686</u>	<u>\$ 116,048,313</u>

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

CITY OF NEW PORT RICHEY, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	General Fund	Redevelopment Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 10,219,607	\$ -	\$ 425,059	\$ 7,057,102	\$ 2,877,277	\$ 20,579,045
Receivables, net						
Accounts, billed	489,356	22,646	428	-	-	512,430
Taxes	352,487	-	-	-	-	352,487
Special assessments	-	-	-	-	25,712	25,712
Advances to other funds	5,985,754	-	-	-	-	5,985,754
Due from other governments	673,446	8,785	-	776,718	224,743	1,683,692
Note receivable	-	725,000	-	-	-	725,000
Redevelopment properties held for resale	-	4,652,900	-	-	-	4,652,900
Inventory	41,844	-	-	-	-	41,844
Prepaid items	77,353	25,000	-	-	-	102,353
Total assets	<u>\$ 17,839,847</u>	<u>\$ 5,434,331</u>	<u>\$ 425,487</u>	<u>\$ 7,833,820</u>	<u>\$ 3,127,732</u>	<u>\$ 34,661,217</u>
Liabilities and fund balances (deficit)						
Liabilities						
Accounts payable	\$ 1,105,293	\$ 104,484	\$ -	\$ 605,364	\$ 678,765	\$ 2,493,906
Accrued liabilities	216,531	1,093	-	-	-	217,624
Due to other governments	30,245	-	-	-	-	30,245
Unearned revenue	6,478,583	-	-	-	31,842	6,510,425
Advances from other funds	-	5,985,754	-	-	-	5,985,754
Total liabilities	<u>7,830,652</u>	<u>6,091,331</u>	<u>-</u>	<u>605,364</u>	<u>710,607</u>	<u>15,237,954</u>
Fund balances (deficit)						
Nonspendable						
Advances from other funds	5,985,754	-	-	-	-	5,985,754
Inventory	41,844	-	-	-	-	41,844
Prepaid items	77,353	-	-	-	-	77,353
Assets held for resale	-	4,652,900	-	-	-	4,652,900
Restricted						
Law enforcement programs	206,389	-	-	-	-	206,389
Parks and recreation programs	20,000	-	-	-	-	20,000
Debt service	-	-	425,487	-	-	425,487
Infrastructure	-	-	-	7,228,456	-	7,228,456
Transportation	-	-	-	-	2,417,125	2,417,125
Committed to:						
Emergency reserve	1,740,981	-	-	-	-	1,740,981
Public art fund	148,101	-	-	-	-	148,101
Assigned to:						
Tree removal	70,218	-	-	-	-	70,218
Senior programming (library)	1,400	-	-	-	-	1,400
Youth education	2,450	-	-	-	-	2,450
Unassigned	1,714,705	(5,309,900)	-	-	-	(3,595,195)
Total fund balances (deficit)	<u>10,009,195</u>	<u>(657,000)</u>	<u>425,487</u>	<u>7,228,456</u>	<u>2,417,125</u>	<u>19,423,263</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,839,847</u>	<u>\$ 5,434,331</u>	<u>\$ 425,487</u>	<u>\$ 7,833,820</u>	<u>\$ 3,127,732</u>	<u>\$ 34,661,217</u>

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

CITY OF NEW PORT RICHEY, FLORIDA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total fund balances for governmental funds		\$ 19,423,263
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Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental capital assets	\$ 112,195,085	
Accumulated depreciation	<u>(54,227,399)</u>	57,967,686

Right to use leased assets in governmental activities are not financial resources and, therefore, are not reported in the funds.

Right to use leased assets	2,800,663	
Accumulated amortization	<u>(853,171)</u>	1,947,492

Deferred outflows, deferred inflows, and the net pension asset are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.

Net pension asset	1,691,795	
Deferred outflows - OPEB	645,518	
Deferred inflows - OPEB	(3,402,425)	
Deferred outflows - pensions	7,367,321	
Deferred inflows - pensions	<u>(634,786)</u>	5,667,423

Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.

Accrued interest payable	(39,217)	
Compensated absences	(631,245)	
Net pension liability	(9,360,420)	
Total OPEB liability	(1,717,737)	
Bonds and capital lease payable	<u>(18,700,307)</u>	(30,448,926)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are reported with governmental activities.

293,689

Net position of governmental activities

\$ 54,850,627

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

CITY OF NEW PORT RICHEY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Redevelopment Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 11,631,869	\$ 2,908,279	\$ -	\$ 3,957,594	\$ 1,787,812	\$ 20,285,554
Licenses and permits	1,053,559	-	-	-	-	1,053,559
Intergovernmental revenues	3,669,350	598,043	-	344,445	-	4,611,838
Charges for services	1,153,641	-	-	-	-	1,153,641
Fines and forfeitures	2,356,019	-	-	-	-	2,356,019
Investment earnings	665,543	97,989	6	215,556	127,978	1,107,072
Miscellaneous revenues	198,425	11,409	-	-	803,846	1,013,680
Total revenues	<u>20,728,406</u>	<u>3,615,720</u>	<u>6</u>	<u>4,517,595</u>	<u>2,719,636</u>	<u>31,581,363</u>
Expenditures						
Current						
General government	5,544,626	891,126	-	-	369,714	6,805,466
Public safety	11,682,200	-	-	-	-	11,682,200
Public works	2,673,438	-	-	-	15,417	2,688,855
Culture/recreation	2,644,235	-	-	-	-	2,644,235
Debt service						
Principal retirement	477,481	-	3,107,881	-	-	3,585,362
Interest	54,476	365,099	513,755	-	-	933,330
Capital outlay	2,232,814	474,806	-	1,949,593	2,702,410	7,359,623
Total expenditures	<u>25,309,270</u>	<u>1,731,031</u>	<u>3,621,636</u>	<u>1,949,593</u>	<u>3,087,541</u>	<u>35,699,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,580,864)</u>	<u>1,884,689</u>	<u>(3,621,630)</u>	<u>2,568,002</u>	<u>(367,905)</u>	<u>(4,117,708)</u>
Other financing sources (uses)						
Bonds issued	-	-	3,000,000	-	-	3,000,000
Leases	1,046,944	-	-	-	-	1,046,944
Transfers in	7,372,838	6,185,340	3,586,869	-	400,000	17,545,047
Transfers out	(4,811,719)	(2,376,058)	(3,000,000)	(1,781,420)	(463,170)	(12,432,367)
Total other financing sources (uses)	<u>3,608,063</u>	<u>3,809,282</u>	<u>3,586,869</u>	<u>(1,781,420)</u>	<u>(63,170)</u>	<u>9,159,624</u>
Change in fund balances	(972,801)	5,693,971	(34,761)	786,582	(431,075)	5,041,916
Fund balances (deficit), beginning of year	10,981,996	(6,350,971)	460,248	6,441,874	2,848,200	14,381,347
Fund balances (deficit), end of year	<u>\$ 10,009,195</u>	<u>\$ (657,000)</u>	<u>\$ 425,487</u>	<u>\$ 7,228,456</u>	<u>\$ 2,417,125</u>	<u>\$ 19,423,263</u>

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

CITY OF NEW PORT RICHEY, 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, 2023**

Net change in fund balances – total governmental funds		\$ 5,041,916
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives.</p>		
Capital outlay	\$ 7,361,311	
Less current year depreciation and amortization	<u>(3,885,885)</u>	3,475,426
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.</p>		
Repayment of principal of long-term debt		3,585,362
Leases and bond issuance		<u>(4,046,944)</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>		
Pension expense	(1,246,795)	
Change in total OPEB liability and deferred items	(35,511)	
Change in compensated absences	<u>(133,065)</u>	(1,415,371)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds are reported with governmental activities.</p>		
		<u>(168,160)</u>
Change in net position of governmental activities		<u>\$ 6,472,229</u>

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

CITY OF NEW PORT RICHEY, FLORIDA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer Fund	Stormwater Utility Fund	Total	Activities - Internal Service Fund
Assets				
Current assets				
Cash and cash equivalents	\$ 9,900,652	\$ 1,846,919	\$ 11,747,571	\$ 216,422
Restricted cash and cash equivalents:				
Impact fees	4,356,034	-	4,356,034	-
Customer deposits	1,483,002	-	1,483,002	-
Receivables, net				
Accounts, billed	2,091,813	-	2,091,813	-
Special assessments	3,216	-	3,216	-
Note receivable - current portion	663,152	-	663,152	-
Due from other governments	735,450	2,345	737,795	-
Prepays	22,358	-	22,358	-
Inventory	449,197	-	449,197	83,605
Total current assets	<u>19,704,874</u>	<u>1,849,264</u>	<u>21,554,138</u>	<u>300,027</u>
Noncurrent assets				
Note receivable - long-term portion	3,003,379	-	3,003,379	-
Capital assets, right to use leased assets, net	240,951	100,378	341,329	58,778
Capital assets, non-depreciable	1,873,607	365,307	2,238,914	-
Capital assets, net	<u>41,642,435</u>	<u>5,739,215</u>	<u>47,381,650</u>	<u>261,061</u>
Total noncurrent assets	<u>46,760,372</u>	<u>6,204,900</u>	<u>52,965,272</u>	<u>319,839</u>
Total assets	<u>66,465,246</u>	<u>8,054,164</u>	<u>74,519,410</u>	<u>619,866</u>
Deferred outflows of resources				
Deferred outflows - pensions	433,914	29,703	463,617	44,802
Deferred outflows - OPEB	117,881	12,147	130,028	8,303
Total deferred outflows of resources	<u>551,795</u>	<u>41,850</u>	<u>593,645</u>	<u>53,105</u>
Liabilities				
Current liabilities				
Accounts payable	417,018	146,930	563,948	29,651
Accrued liabilities	65,461	4,862	70,323	3,232
Customer deposits payable	1,483,002	-	1,483,002	-
Revenue bonds payable - current portion	1,642,576	-	1,642,576	-
Lease liability - current portion	91,443	21,367	112,810	26,008
Compensated absences - current portion	8,636	953	9,589	1,914
Total current liabilities	<u>3,708,136</u>	<u>174,112</u>	<u>3,882,248</u>	<u>60,805</u>
Noncurrent liabilities				
Revenue bonds payable	6,462,576	-	6,462,576	-
Lease liability	154,416	80,855	235,271	34,040
Compensated absences	85,006	8,397	93,403	4,962
Net pension liability	1,978,884	135,460	2,114,344	204,322
Total OPEB liability	<u>313,683</u>	<u>32,323</u>	<u>346,006</u>	<u>22,095</u>
Total noncurrent liabilities	<u>8,994,565</u>	<u>257,035</u>	<u>9,251,600</u>	<u>265,419</u>
Total liabilities	<u>12,702,701</u>	<u>431,147</u>	<u>13,133,848</u>	<u>326,224</u>
Deferred inflows of resources				
Deferred inflows - pension	90,006	6,161	96,167	9,293
Deferred inflows - OPEB	621,330	64,024	685,354	43,765
Total deferred inflows of resources	<u>711,336</u>	<u>70,185</u>	<u>781,521</u>	<u>53,058</u>
Net position				
Net investment in capital assets	35,405,982	6,102,678	41,508,660	259,791
Restricted for				
Impact fees	4,356,034	-	4,356,034	-
Unrestricted	<u>13,840,988</u>	<u>1,492,004</u>	<u>15,332,992</u>	<u>33,898</u>
Total net position	<u>\$ 53,603,004</u>	<u>\$ 7,594,682</u>	<u>\$ 61,197,686</u>	<u>\$ 293,689</u>

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

CITY OF NEW PORT RICHEY, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer Fund	Stormwater Utility Fund	Total	Activities - Internal Service Fund
Operating revenues				
Charges for services	\$ 14,772,119	\$ 1,066,020	\$ 15,838,139	\$ 560,701
Impact fees	82,622	-	82,622	-
Miscellaneous	17,029	11,293	28,322	-
Total operating revenues	<u>14,871,770</u>	<u>1,077,313</u>	<u>15,949,083</u>	<u>560,701</u>
Operating expenses				
Personnel services and benefits	3,133,112	313,574	3,446,686	199,994
Contractual services	767,903	146,706	914,609	51,710
Operating supplies	1,395,423	76,804	1,472,227	355,628
Repairs and maintenance	299,721	30,237	329,958	2,405
Utilities	1,665,822	39,112	1,704,934	1,177
Other operating expenses	2,688,487	-	2,688,487	66,621
Subsidy from county	(1,606,680)	-	(1,606,680)	-
Depreciation and amortization	2,755,984	285,017	3,041,001	56,798
Total operating expenses	<u>11,099,772</u>	<u>891,450</u>	<u>11,991,222</u>	<u>734,333</u>
Operating income (loss)	<u>3,771,998</u>	<u>185,863</u>	<u>3,957,861</u>	<u>(173,632)</u>
Nonoperating revenues (expenses)				
Investment earnings	632,351	56,244	688,595	3,946
Gain on disposal of capital assets	38,996	-	38,996	2,520
Interest expense	(263,261)	(5,623)	(268,884)	(994)
Total nonoperating revenues (expenses), net	<u>408,086</u>	<u>50,621</u>	<u>458,707</u>	<u>5,472</u>
Income (loss) before capital contributions and transfers	4,180,084	236,484	4,416,568	(168,160)
Capital contributions	160,617	-	160,617	-
Transfers out	<u>(4,982,680)</u>	<u>(130,000)</u>	<u>(5,112,680)</u>	<u>-</u>
Change in net position	(641,979)	106,484	(535,495)	(168,160)
Total net position, beginning of year	54,244,983	7,488,198	61,733,181	461,849
Total net position, end of year	<u>\$ 53,603,004</u>	<u>\$ 7,594,682</u>	<u>\$ 61,197,686</u>	<u>\$ 293,689</u>

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

CITY OF NEW PORT RICHEY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Stormwater Utility Fund	Total	
Cash flows from operating activities				
Cash received from customers	\$ 14,721,859	\$ 1,077,313	\$ 15,799,172	\$ -
Cash received from interfund services provided	-	-	-	560,701
Cash paid to suppliers for goods and services	(5,703,479)	(177,661)	(5,881,140)	(448,749)
Cash paid to employees for services and benefits	(2,689,354)	(290,971)	(2,980,325)	(196,176)
Net cash provided by (used in) operating activities	<u>6,329,026</u>	<u>608,681</u>	<u>6,937,707</u>	<u>(84,224)</u>
Cash flows from noncapital financing activities				
Transfer to other funds	(4,982,680)	(130,000)	(5,112,680)	-
Net cash used in noncapital financing activities	<u>(4,982,680)</u>	<u>(130,000)</u>	<u>(5,112,680)</u>	<u>-</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(1,585,650)	(141,627)	(1,727,277)	(68,770)
Cash received from sale of capital assets	38,996	-	38,996	2,520
Principal paid on revenue bonds and lease liability	(1,683,962)	(17,708)	(1,701,670)	(26,878)
Issuance of lease	97,507	4,732	102,239	2,285
Interest paid	(263,261)	(5,623)	(268,884)	(994)
Capital contributions	160,617	-	160,617	-
Collections on notes receivable	631,394	-	631,394	-
Net cash used in capital and related financing activities	<u>(2,604,359)</u>	<u>(160,226)</u>	<u>(2,764,585)</u>	<u>(91,837)</u>
Cash flows from investing activities				
Interest received	632,351	56,244	688,595	3,946
Net cash provided by investing activities	<u>632,351</u>	<u>56,244</u>	<u>688,595</u>	<u>3,946</u>
Net change in cash and cash equivalents	(625,662)	374,699	(250,963)	(172,115)
Cash and cash equivalents, beginning of year	16,365,350	1,472,220	17,837,570	388,537
Cash and cash equivalents, end of year	<u>\$ 15,739,688</u>	<u>\$ 1,846,919</u>	<u>\$ 17,586,607</u>	<u>\$ 216,422</u>
Cash and cash equivalents classified as				
Cash and cash equivalents	\$ 9,900,652	\$ 1,846,919	\$ 11,747,571	\$ 216,422
Restricted cash and cash equivalents	5,839,036	-	5,839,036	-
Total cash and cash equivalents	<u>\$ 15,739,688</u>	<u>\$ 1,846,919</u>	<u>\$ 17,586,607</u>	<u>\$ 216,422</u>

(Continued)

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

CITY OF NEW PORT RICHEY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
	<u>Water and Sewer Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 3,771,998	\$ 185,863	\$ 3,957,861	\$ (173,632)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,755,984	285,017	3,041,001	56,798
Change in operating assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(225,746)	-	(225,746)	-
Due from other governments	(75,861)	-	(75,861)	-
Prepays	(18,358)	-	(18,358)	-
Inventory	(37,750)	-	(37,750)	21,767
Deferred outflows - pension	(36,583)	(2,505)	(39,088)	(3,777)
Deferred outflows - OPEB	3,644	1,818	5,462	6,453
Increase (decrease) in liabilities:				
Accounts payable	(436,695)	115,198	(321,497)	7,025
Accrued liabilities	10,953	(927)	10,026	(505)
Compensated absences payable	24,995	1,132	26,127	2,239
Customer deposits	151,696	-	151,696	-
Deferred inflows - pension	(30,213)	(2,068)	(32,281)	(3,120)
Deferred inflows - OPEB	448,538	44,168	492,706	22,785
Net pension liability	384,614	26,328	410,942	39,712
Total OPEB liability	(362,190)	(45,343)	(407,533)	(59,969)
Net cash provided by (used in) operating activities	<u>\$ 6,329,026</u>	<u>\$ 608,681</u>	<u>\$ 6,937,707</u>	<u>\$ (84,224)</u>

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

CITY OF NEW PORT RICHEY, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2023**

	<u>Consolidated Pension Trust Fund</u>
ASSETS	
Cash	\$ 228,587
Receivables and prepaid items:	
Accrued dividends and interest	82,998
Prepaid items	7,349
Total receivables	<u>128,321</u>
Investments, at fair value	
U.S. Government obligations	3,334,838
U.S. Government Agency obligations	5,256,156
Domestic corporate bonds and stocks	27,196,286
Real estate investment trust	3,924,401
Temporary investment trust	616,500
Pooled equity and fixed income funds	6,240,926
Total investments	<u>46,569,107</u>
Total assets	<u><u>\$ 46,926,015</u></u>
LIABILITIES	
Accounts payable	\$ 42,935
Total liabilities	<u>42,935</u>
NET POSITION	
Restricted for pension benefits	46,883,080
Total liabilities and net position	<u><u>\$ 46,926,015</u></u>

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

CITY OF NEW PORT RICHEY, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Consolidated Pension Trust Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 635,935
Employees	320,173
State	436,059
Total contributions	<u>1,392,167</u>
Investment income	
Net appreciation in fair value of investments	3,641,492
Interest and dividends	1,095,945
Other	681
	<u>4,738,118</u>
Less investment expense	<u>(165,946)</u>
Net investment income	<u>4,572,172</u>
Total additions	5,964,339
DEDUCTIONS	
Benefits	2,873,489
Refunds of contributions	25,797
Administrative expenses	155,118
Total deductions	<u>3,054,404</u>
Net change in plan net position	2,909,935
Plan net position, restricted for pension benefits:	
Beginning of year	43,973,145
End of year	<u><u>\$ 46,883,080</u></u>

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

CITY OF NEW PORT RICHEY, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of New Port Richey, Florida (the “City”) is a political subdivision of the state of Florida. The City was originally incorporated on October 27, 1924, and officially established on May 15, 1925 by Chapter 10929, Laws of Florida, Acts of 1925 (regular session), an act of the Florida legislature, approved by the Governor and filed with the Secretary of State. This act was amended by Chapter 11647, No. 312, Laws of Florida, extraordinary session, November 1925, and approved by the Governor and filed with the Secretary of State on December 18, 1925. House Bill 1132, enacted by act of legislature, Special Laws of Florida, Acts of 1941, abolished the old municipality and created a new municipality, becoming a law (Chapter 21419) without Governor’s approval after its filing with the Secretary of State on May 28, 1941, later being sealed by the Secretary of State on June 14, 1941. Various amendments were made to the charter during the 1950’s, 1960’s, and 1970’s. The City of New Port Richey amended its charter with Ordinance #947-100 on November 2, 1982, and on December 7, 1982 the citizens of the City ratified this charter. More recently, the City amended its charter with Ordinance #1354, adopted on February 7, 1995, and on April 11, 1995, the citizens of the City ratified this charter. The charter, as amended, provides for a Council-Manager form of government. The government of the City is operated by the authority of the powers granted by its charter, as limited by the State Legislature. The City provides a full complement of municipal services, except for certain education, health, and welfare services that are administered by other governmental entities.

The City’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units, in accordance with Governmental Accounting Standards Board (GASB).

1. Defining the Financial Reporting Entity: In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable, and, as such be included in the City’s financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and: (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The City has determined that the following entities meet these requirements. The Community Redevelopment Agency (CRA) is a blended the component unit in the financial statements as a Special Revenue Fund. Although legally separate, the City Council serves as the CRA Board. The CRA was created pursuant to Chapter 163.356, Florida Statutes, City Ordinance 1202 and City Resolutions 885, 8826, and 897. The CRA was modified and the redevelopment plan revised with the adoption of City Resolution 0105. Separate financial statements can be obtained from city hall.

The City of New Port Richey’s Police Officers’ Retirement System and the City of New Port Richey’s Firefighters’ Retirement System are reported as Fiduciary Component Units in accordance with GASB Statement No. 84. Both plans have Boards that are separate from City Council, but are fiscally dependent on the City. Separate financial statements are prepared for each plan.

The City includes advisory boards and commissions within the City in its financial statements in circumstances where the City selects the governing authority, designates management, has the ability to influence operations, and has accountability for fiscal matters of the advisory boards and commissions.

Jointly Governed Organization - Tampa Bay Water (TBW): The TBW was organized in 1998, by an inter-local agreement pursuant to Chapter 98-402 of the Florida Statutes between the counties of Hillsborough, Pasco, and Pinellas and the cities of New Port Richey, St. Petersburg, and Tampa, Florida (the members). The purpose of the TBW is to develop regional water supplies and to supply water to its members at a wholesale price. The TBW is the reorganized West Coast Regional Water Supply Authority with a governing board of nine voting members, two from each of the county governments and one from each of the city governments.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Government-Wide and Fund Financial Statements: The basic financial statements are made up of the government-wide financial statements and fund financial statements. Both of these set of financial statements distinguish between the governmental and business-type activities of the City of New Port Richey. These statements consist of a statement of net position and a statement of activities. These statements report on the financial condition of the City of New Port Richey, at the reporting entity level. Internal balances represent net amounts due between the governmental and business-type activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Internal service fund activity is reported as a single column in the proprietary fund financial statements. Fiduciary funds are not included in these presentations as their assets due not represent amounts that are available for City of New Port Richey government operations. The statement of net position reports all financial and capital resources of the City's governmental and business-type activities. Net position equals assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources and is shown in three categories: net investment of capital assets, restricted net position, and unrestricted net position. The statement of activities reports results of operations on a functional activity (program) basis and demonstrates to what degree the particular program has been self-supporting.

Direct expenses are those that are specifically associated with a service, program, or department and, thus are clearly identifiable to a particular function. The effect of indirect expense allocations has been eliminated at the government-wide financial statements. Depreciation expense for capital assets that can be specifically identified with a function is recorded as a direct expense of that function. Depreciation expense for capital assets that serve all functions is recorded as a direct expense of the general government function on the government-wide statement of activities. All interest on general long-term debt is considered indirect and reported separately in the government-wide statement of activities.

Program revenues are reported in the following three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services include revenues arising from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided.

Operating grants and capital grants consist of revenues received from other governments, organizations, or individuals that are specifically attributable to a program and are restricted for either capital or operational use in a particular program.

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

The fund financial statements follow the government-wide statements and report more detailed information about operations of major funds on an individual basis and nonmajor funds on an aggregate basis for the governmental and proprietary funds. Following the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances are reconciliations explaining the differences between governmental fund presentation and the government-wide presentation.

CITY OF NEW PORT RICHEY, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Accounting and Measurement Focus: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

The government-wide financial statements, as well as the fund financial statements for the proprietary funds, are reported using the economic resources measurement focus and the accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis of accounting. All proprietary funds are maintained on the accrual basis of accounting with revenues being recognized when earned and expenses recognized when incurred. Operating revenues and expenses of the proprietary funds are defined revenues or expenses related to the provision of applicable service. Nonoperating revenues and expenses include items unrelated to the provision of services.

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year-end to pay liabilities of the current period (i.e., within 60 days of the end of the current fiscal period). In addition, grant revenues are considered available if they are expected to be collected within one year of the end of the fiscal period.

Expenditures are recognized at the time the fund liability is incurred, if measurable. Interest and principal payments on general long-term debt and compensated absences are recognized when paid. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

4. Fund Financial Statements: Separate financial statements are provided by governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from 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. Nonmajor funds (by category) are summarized into a single column.

The City reports the following major governmental funds:

General Fund: 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.

Redevelopment Fund: This fund is used to account for the proceeds of tax incremental funding and the associated costs for redevelopment initiatives. In addition, other development service proceeds (i.e., building permits and zoning fees) are accounted for in this fund along with the associated operating costs of this function.

Debt Service Fund: This fund accounts for the accumulation of resources for and payment of principal, interest, and related costs of the City's general long-term debt.

Capital Projects Fund: This fund accounts for financial resources earmarked or segregated for the acquisition and construction of major capital facilities and other project-oriented activities, except for those financed by and accounted for the Redevelopment Fund or proprietary funds.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Fund Financial Statements (Continued):

The City reports the following major enterprise funds:

The Water and Sewer Fund: This 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 Stormwater Utility Fund: This 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.

Additionally, the City reports the following fund types:

Internal Service Fund: This fund accounts for the operations of one department that provides services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The City's central garage provides automotive fleet services to other departments.

Fiduciary Fund Types: Pension trust funds account for the financial operations of the Police Officer and Firefighters' and Employee Retirement funds.

5. Budgets and Budgetary Accounting: The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The City Manager submits to the City Council a proposed operating budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage.
- b. Public hearings are conducted by the City Council as required by state and federal law to obtain taxpayer comments on the proposed budget.
- c. The budget and property tax millage is approved by the City Council in September.
- d. Annual budgets are adopted for the following funds: General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Enterprise Funds, and Internal Service Fund.
- e. The City Council must approve budget amendments that affect revenue accounts or appropriations in more than one department. The City Manager is authorized to transfer any unencumbered appropriation balance or portion thereof between specific classifications of expenditures within a department or office. Expenditures may not exceed legal appropriations at the department level. Appropriations lapse at yearend. All budget amounts presented in the accompanying financial statements and supplemental information have been adjusted for revisions as approved by the City Council during the year.
- f. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.
- g. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position of Fund Balance:

Cash, Cash Equivalents, and Investments: The City utilizes a consolidated cash pool to account for cash, cash equivalents, and investments of all City funds other than those that are required by ordinance to be physically segregated. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield that are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds.

Investments in U.S. Treasury and government agency securities are recorded at fair value, as determined by the quoted market prices. If quoted market prices are not available, fair values are estimated on the basis of dealer quotes, pricing models, or quoted market prices for instruments with similar characteristics. The Local Government Surplus Funds Trust Fund operated by the Florida State Board of Administration is treated as a “2a-7 like” and therefore it is presented at its actual pooled share price of \$1.

Cash Equivalents: For purposes of the statement of cash flows, the proprietary funds consider equity in pooled cash and investments with an original maturity date of three months or less when purchased, both restricted and unrestricted, to be cash equivalents.

Investments: Investments are reported at fair value. Investments in common stock and bonds traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and asked prices. Investments in mutual fund type securities are valued at the net asset value of the fund based on the underlying assets held in the funds. The fair value of an investment is the amount that could reasonably be expected to be received for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.

Receivables: Utility (water and sewer) operating revenues are generally recognized on the basis of cycle billings rendered monthly.

Inventories and Prepaid Costs: Inventory is valued at cost using the first-in, first-out method. Inventory in governmental funds consists of supplies held for consumption. The cost is recorded as an expenditure at the time inventory items are consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Inventories and prepaid costs reported within governmental funds are classified as nonspendable, which indicates that they do not constitute available resources. Inventories and prepaid costs in the governmental-wide and proprietary fund financial statements are reported as an expense when consumed.

Redevelopment Properties Held for Resale: Real estate properties acquired in economically depressed areas and held for resale to the private sector are stated at lower of cost or market value. These properties are not intended to be used in the City’s operations but rather are intended to be converted to cash upon resale.

Restricted Assets: Certain resources of the Water and Sewer Fund are classified as restricted assets and represent assets set aside for customer deposits.

Property Taxes: Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pasco County Property Appraiser and Pasco County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2023 was 8.4500 mills.

The tax levy of the City is established by the City Council prior to October 1 of each year, the Pasco County Property Appraiser incorporates the millages into the total tax levy, which includes the tax requirements of the county, municipalities, independent districts, and the Pasco County School Board.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position of Fund Balance (Continued):

All property is reassessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Pasco County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by Pasco County.

Capital Assets: Land and land rights, buildings, improvements, and machinery and equipment are stated at cost. Capital contributions are recorded at their acquisition value on the date donated.

The City capitalizes expenditures with a cost in excess of \$5,000 or more for equipment and with a useful life in excess of five years and capital improvements and/or additions constructed or acquired in excess of \$10,000. Expenditures for maintenance and repairs are charged to operating expense. The cost of capital assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss on disposition is credited or charged to government-wide financial statements and proprietary fund financial statements.

Depreciation is provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

<u>Capital Asset Class</u>	<u>Estimated Useful Life</u>
Infrastructure	20 to 50 Years
Buildings and Improvements	10 to 50 Years
Improvements Other than Buildings	40 to 50 Years
Machinery and Equipment	5 to 10 Years
Right to Use Leased Assets – Equipment	5 Years

Leases

Lessee: The City is a lessee for noncancellable leases of equipment and recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life (five years).

Key estimates and judgments related to leases include how the City determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

CITY OF NEW PORT RICHEY, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position of Fund Balance (Continued):

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows/Inflows of Resources: The statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and as such will not be recognized as an expense or expenditure in the current year.

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

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

Unearned Revenue: In instances where assets have been received by the City for services rendered in future periods, asset balances are offset by an unearned revenue liability account in the financial statements.

Compensated Absences: The City follows the provisions of GASB No. 16, *Accounting for Compensated Absences*, as amended. This statement provides for the measurement of accrued vacation leave and other compensated absences using the pay or salary rates in effect at the balance sheet date. It also requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. Annual vacation accruals vary based on years of service. The maximum number of annual leave hours that an employee may accrue is equal to the employee's rate of annual accrual. Payments for compensated absences are made by the respective fund. Accrued compensated absences are recorded as liabilities in the government-wide financial statements and the proprietary fund financial statements. A liability is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements, and are considered due and payable as of year-end.

Net Position: Net position represents the difference between total assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and is categorized as follows:

- Net investment in capital assets – Total capital assets, net of debt issued in the acquisition of these assets and net of depreciation is reported separately in the net position section.
- Restricted – This component consists of net position that has constraints placed on it either externally by third parties (creditors, grantors, and contributors) or by law through constitutional provisions of enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arose, but reserves the right to selectively defer the use of these funds. The government-wide statement of net position reports \$14,633,491 of restricted net position.
- Unrestricted – Balance are not restricted for specific purposes.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position of Fund Balance (Continued):

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either: (a) not in spendable form, or (b) are legally or contractually required to be maintained intact. The City has classified Redevelopment Properties Held for Resale, Inventories, Prepaid Items, and Repayable Advances from Other Funds as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources through either: (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified forfeitures as being restricted as their use is restricted by Florida Statutes for police investigative expenditures. Debt service resources are to be used for future servicing of the revenue note and bonds and are restricted through debt covenants. Infrastructure projects are restricted by Florida Statute and the laws of Pasco County and are legally segregated for funding of infrastructure improvements. Transportation projects, which are funded by paving assessments and local option gas taxes, are restricted by Florida Statute, and are legally segregated for funding of street improvement projects.
- Committed – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City Council that constitutes the most binding constraint, which is an ordinance. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned – This classification includes amounts that are constrained by the City’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City Manager through the budgetary process. The City has assigned funds for Capital Projects that are to be used for the repair and replacement of equipment, street improvements, debt services and future expenditures, funds designated for future expenditures and an amount designated for minimum funding as established by Ordinance 1119.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

The spending order of fund balances as established by the City is to first spend restricted amounts when both restricted and unrestricted fund balances are available, unless there are legal restrictions that prohibit such action, such as grant agreements that require a dollar match. Additionally, when expenditures are incurred for purposes for which unrestricted fund balances could be used, the City shall first spend committed fund balance, followed by assigned fund balance, and then unassigned fund balance.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position of Fund Balance (Continued):

Interfund Transactions: Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government wide presentation. Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net position as receivable from and payable to external parties.

7. Impact of Recently Issued Accounting Principles:

Effective October 1, 2021, the City implemented the following GASB Pronouncements: GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

At September 30, 2023, the carrying amount of the City's deposits with financial institutions was \$20,687,198 and the bank account balance was \$22,648,679. The City's cash deposits were fully insured by federal depository insurance or by collateral held by the City's agent pursuant to the Public Depository Security Act of the state of Florida. This act establishes a multiple financial institution collateral pool in which all financial institutions holding public deposits pledge a pool of collateral against all public deposits they collectively hold. In the event of a default or insolvency by a qualified public depository, any loss not covered by deposit insurance or the proceeds from the sale of securities pledged by the defaulting depository is covered by an assessment against the other qualified public depository in default. The assessment is based upon the average share of the public fund deposits held by each of these depositories during the previous 12 months in relation to total public deposits held by all depositories of the same type during the same period.

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

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Credit Risk: Credit quality risk results from potential default of investments that are not financially sound. Florida Statutes (166.261 and 218.415) authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the U.S. Government, U.S. Government Instrumentalities, Local Government Surplus Funds Trust Fund, and mutual funds investing in U.S. Government securities. The City adopted its own investment policy that also authorizes the City to invest in the following: (a) obligations of government-sponsored corporations (Instrumentalities – which are usually “AAA” rated but have no explicit government guarantee) that are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve; (b) collateralized mortgage obligations (CMO) with very accurately defined maturities issued by Federal Agencies and Instrumentalities with an average life less than three years; (c) bankers’ acceptance guaranteed by banking institutions with a bank rating of “AA” on its long-term debt; (d) prime commercial paper having received an “A1/P1” or higher rating by a nationally recognized rating agency; (e) nonnegotiable certificates of deposit and bank investment contracts (BIC), which can be insured, collateralized at the Federal Reserve or quality as state qualified public deposits as defined by Florida Statutes; (f) taxable or tax-exempt government bonds, notes or other obligations of state or local governments, including municipal corporations and special districts, of investment grade quality; (g) repurchase agreements with a “primary securities dealer” or with the City’s primary state certified public depository that are collateralized pursuant to state law and pursuant to a Master Repurchase Agreement entered into with the selling institution; (h) auction rate securities (Dutch Auctions) rated “AA” or “AAA” with 28 to 35 day resets rated by a nationally recognized rating agency; (i) corporate debt of corporations whose long-term debt is rated at least “AA-” or equivalent by a nationally recognized rating agency; (j) mortgaged back securities rated “AAA” or better by a nationally recognized rating agency; and (k) any other investments authorized by law and by resolution of the City Council.

The Local Government Surplus Funds Trust Fund (Florida PRIME) is operated by the Florida State Board of Administration and is a local government investment pool (LGIP). The Florida State Board of Administration is a three-member Board made up of the state elected officials of Governor, Chief Financial Officer, and Attorney General. This Board is empowered by Florida law to invest funds at the request of local governments. The Florida PRIME is treated as a qualified external investment pool in accordance with GASB Statement No. 79 and is valued using the pooled share price (amortized cost), which approximates fair value.

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

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

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

At September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value within Florida PRIME.

The Florida Municipal Investment Trust (the “Trust”) is an investment pool created under the laws of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds. The Trust is administered by a Board of Trustees consisting of the President and Second Vice President of the Florida League of Cities, two representatives from the Florida Municipal Investment Trust, and three additional members who are elected officials of governmental entities who actively participate in the Trust. The City has invested in the Trust’s 0-2 Year High Quality Bond Fund, which invests in government and high quality fixed income securities. The Trust is an authorized investment under the City’s investment policy.

The City’s investments as of September 30, 2023 consist of the following:

<u>Investment</u>	<u>Weighted Average Maturity</u>	<u>Fair Value</u>	<u>Overall Credit Rating</u>
State Board of Administration - Florida PRIME	21 days	\$ 13,178,104	AAAm (S&P)
Florida Municipal Investment Trust - 0-2 Year High Quality Bond Fund	0.63 years	<u>4,505,922</u>	AAAf (Fitch)
		<u>\$ 17,684,026</u>	

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to the City’s investment policy, as of September 30, 2023, the City minimized the interest rate risk, related to the decline in market value of securities due to rising interest rates, by limiting the maturity of individual securities to not exceed five years from the date of purchase with the exception of securities related to a specific cash flow such as a reserve fund and investing operating funds in primarily shorter-term securities or similar government investment pools so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the quantity of the government’s investment in a single user. Appropriate diversification is maintained between security types and issuers to reduce concentration of credit risk.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A reconciliation of the amount of cash, cash equivalents, and investments to the statement of net position is as follows:

Bank deposits	\$	20,687,198
Petty cash		10,850
Investments		17,684,026
		\$ 38,382,074
Unrestricted:		
Cash, cash equivalents, and investments	\$	32,543,038
Restricted:		
Cash, cash equivalents, and investments customer deposits and impact fees		5,839,036
		\$ 38,382,074

Pension Trust Funds: The City has two defined benefit single-employer pension plans: Police Officers' and Firefighters' (Pension Funds).

Firefighters' Retirement System

Cash and Cash Equivalents: Fiduciary Trust Company of the South, Inc. periodically holds uninvested cash in its capacity as custodian of the Firefighters' Retirement System (the Plan). These funds exist temporarily as cash in the process of collection from the sale of securities. At September 30, 2023, the carrying amount of the Plan's cash and cash equivalents was \$78,815.

Investments: The Board of Trustees of the Firefighters' Retirement System are authorized to invest and reinvest in such securities or property, real or personal, as shall be approved by the Board of Trustees; including but not limited to stocks, common or preferred, bonds, so long as such stocks or bonds retain one of the three highest quality ratings on a major recognized rating service, and other evidence of indebtedness or ownership, including shares or units of common trust funds approved as investments for pension and profit sharing plans.

The Firefighters' Retirement System held the following fixed investments as of September 30, 2023:

Investment Type	Fair Value	Overall Credit Rating (S&P & Moody's)	Average Effective Duration (Years)
U.S. government agency obligations	\$ 647,222	AA+	6.9
Domestic corporate bonds	1,273,648	-A-BBB-	3.7
Mortgage backed securities	377,012	AA+	N/A
Domestic fixed income investment fund	773,825	N/A	N/A
Domestic stocks	4,599,459	N/A	N/A
Domestic equity investment fund	3,538,000	N/A	N/A
International equity investment fund	1,929,101	N/A	N/A
Temporary investment funds	208,500	N/A	N/A
Total	\$ 13,346,767		

Credit Risk – The Plan's investment policy limits its fixed income securities to a qualifying rating of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments that are downgraded to a "BAA" or equivalent rating must be liquidated within a reasonable period of time not to exceed 12 months. Fixed income investments that are downgraded below a "BAA" rating are to be liquidated immediately.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Firefighters’ Retirement System (Continued)

Interest Rate Risk – Through its investment policy, the Plan manages its exposure to fair value losses arising from increasing interest rates. In this regard, the Plan adopted the Barclays Capital Aggregate Bond Index benchmark performance evaluator. The Plan further limited the effective duration of its fixed investment portfolio to 120% of the duration of the Lehman Brothers Aggregate Bond Index duration.

Custodial Credit Risk – Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another in the event of a financial failure. The Plan requires all securities to be held by a third-party custodian in the name of the Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

The Plan has no instrument that, in whole or in part, is accounted for as a derivative instrument under GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, during the current plan year.

Police Officers’ Retirement System

Cash and Cash Equivalents: Fiduciary Trust Company of the South, Inc. periodically holds un-invested cash in the capacity as custodians of the Police Officers’ Retirement System (the “Plan”). These funds exist temporarily as cash in the process of collection from the sale of securities. At September 30, 2023, the carrying amount of the Plan’s cash and cash equivalents was \$149,772.

Investments: The Board of Trustees of the Police Officers’ Retirement System are authorized to invest in time, savings and money market accounts of an institution insured by the Federal Deposit Insurance Corporation; obligations of the U.S. government or an agency or instrumentality of the U.S. government, high capitalization common or preferred stocks, pooled equity funds, high quality bonds or notes and fixed income funds. The Board requires that Plan assets be invested with no more than 70% in stocks and convertible securities measured at cost. Additionally, not more than 5% of the Plan’s assets shall be invested in the common stock of any one issuing company. The Plan’s investment in the common stock of any single corporation shall not exceed 5% of such corporation’s outstanding common or capital stock.

The Police Officers’ Retirement System held the following investments as of September 30, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Overall Credit Rating (Standard & Poor’s)</u>	<u>Average Effective Duration (Years)</u>
U.S. government obligations	\$ 3,334,838	AA+	4.0
U.S. government agency obligations	4,608,934	AA+	4.8
Domestic corporate bonds	932,878	A-	4.8
Domestic stocks	20,013,289	N/A	
Real estate investment fund	3,924,401		
Temporary investment funds	408,000	N/A	N/A
Total	<u>\$33,222,340</u>		

Credit Risk – Consistent with state law, the Plan’s investment guidelines limit its fixed income securities to a quality rating of “A” or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments that are downgraded to a “BAA” or equivalent rating must be liquidated within a reasonable period of time not to exceed 12 months. Fixed income investments that are downgraded below a “BAA” rating are to be liquidated immediately.

CITY OF NEW PORT RICHEY, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Police Officers' Retirement System (Continued)

Interest Rate Risk – Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates. In this regard, the Plan adopted the Barclays Capital Aggregate Bond Index benchmark performance evaluator. Additionally, the Plan further limited the effective duration of its fixed income investment portfolio to 120% of the duration of the Lehman Brothers Aggregate Bond Index.

Custodial Credit Risk – Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another in the event of a financial failure. The Plan requires all securities to be held by a third-party custodian in the name of the Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

The Plan has no instrument that, in whole or in part, is accounted for as a derivative instrument under GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, during the current plan year.

Fair Value Measurement

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

- Level 1 Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability, and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The investments of the City consist of the following:

- Florida PRIME, which is a qualified external investment pool and is valued at amortized cost of \$13,178,104 as of September 30, 2023.
- 0-2 Year High Quality Bond Fund, which is invested through the Florida Municipal Investment Trust (FMIVT), is an external investment pool. The 0-2 Year High Quality Bond Fund is valued at the net asset value (NAV) of \$4,505,922 as of September 30, 2023. The NAV, provided by FMIVT, is based upon the values of the underlying securities within the fund. The 0-2 Year High Quality Bond Fund invests mainly in U.S. government and agency securities and asset-backed securities. The investment objective of this fund is to meet or exceed the return of its benchmark, the Bank of America ML 1 Year Treasury Note. The fund's underlying portfolio is valued on the 15th and last business day of the month. The fund is available to accept contributions or redemptions twice monthly, on the first business day following the portfolio valuation date. The minimum redemption amount is \$5,000, and the Administrator must have advance written notification of intended withdrawals.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The Firefighters' Retirement System had the following recurring fair value measurements comprised of investments as of September 30, 2023:

Investment	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
U.S. government agency obligations	\$ 647,222	\$ -	\$ 647,222	\$ -
Domestic corporate bonds	1,273,648	-	1,273,648	-
Mortgage backed securities	377,012	-	377,012	-
Domestic fixed income investment fund	773,825	773,825	-	-
Domestic stocks	4,599,459	4,599,459	-	-
Domestic equity investment fund	3,538,000	3,538,000	-	-
International equity investment fund	1,929,101	1,929,101	-	-
Temporary investment funds	208,500	208,500	-	-
Total investments at fair value level	<u>\$13,346,767</u>	<u>\$11,048,885</u>	<u>\$ 2,297,882</u>	<u>\$ -</u>

Debt securities classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used by International Data Pricing and Reference Data, LLC to value securities based on the securities' relationship to benchmark quoted prices.

The Police Officers' Retirement System had the following recurring fair value measurements comprised of investments as of September 30, 2023:

Investment	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
U.S. government obligations	\$ 3,334,838	\$ -	\$ 3,334,838	\$ -
U.S. government agency obligations	4,608,934	-	4,608,934	-
Domestic corporate bonds	932,878	-	932,878	-
Domestic stocks	20,013,289	20,013,289	-	-
Temporary investment funds	408,000	408,000	-	-
Total investments at fair value level	<u>\$29,297,939</u>	<u>\$20,421,289</u>	<u>\$ 8,876,650</u>	<u>\$ -</u>

Investments measured at Net Asset Value (NAV)

Real estate investment fund	<u>\$ 3,924,401</u>
Total investments measured at NAV	<u>3,924,401</u>
Total Investments	<u>\$33,222,340</u>

Debt securities classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used by International Data Pricing and Reference Data, LLC to value securities based on the securities' relationship to benchmark quoted prices.

The real estate investment fund (U.S. Real Estate Investment Fund, LLC) is an open end, commingled private real estate portfolio. This REIT-based fund is structured as a limited partnership. Its primary focus is to invest in well-leased, income producing properties within major U.S. markets. The fair values of the investments in this fund have been determined using the NAV per unit of the Trust's ownership interest in partners' capital. The investments of the fund are valued quarterly. Withdrawal requests must be made 90 days in advance and may be paid in one or more installments.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 3 – RECEIVABLES

The receivables and related allowance for uncollectible at September 30, 2023 were as follows:

	Receivable Balance	Allowance for Uncollectible Balance	Net
General Fund:			
Taxes and franchise fees	\$ 352,487	\$ -	\$ 352,487
Lot mowing	16,084	-	16,084
Code enforcement	697,285	522,964	174,321
Red light camera fines	95,238	-	95,238
Other	274,873	71,160	203,713
Total General Fund	<u>\$ 1,435,967</u>	<u>\$ 594,124</u>	<u>\$ 841,843</u>
Redevelopment Fund:			
Lot mowing	\$ 638	\$ -	\$ 638
Code enforcement	54,880	54,880	-
Miscellaneous	22,008	-	22,008
Total Redevelopment Fund	<u>\$ 77,526</u>	<u>\$ 54,880</u>	<u>\$ 22,646</u>
Debt Service Fund			
Miscellaneous	<u>\$ 428</u>	<u>\$ -</u>	<u>\$ 428</u>
Street Improvement Fund			
Special assessments	<u>\$ 55,610</u>	<u>\$ 29,898</u>	<u>\$ 25,712</u>
Water and Sewer Fund			
Retail utility customers	\$ 2,538,330	\$ 475,658	\$ 2,062,672
Impact fees	11,589	-	11,589
Miscellaneous	17,552	-	17,552
Special assessments	16,087	12,871	3,216
Total Water and Sewer Fund	<u>\$ 2,583,558</u>	<u>\$ 488,529</u>	<u>\$ 2,095,029</u>

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – INTERFUND TRANSFERS

The composition of interfund transfers for the year ended September 30, 2023 is as follows:

Fund Transfers Out:	Transfers In				
	General Fund	Redevelopment Fund	Debt Service Fund	Non Major Governmental	Total Transfers
General Fund	\$ -	\$ 3,185,340	\$ 1,426,379	\$ 200,000	\$ 4,811,719
Redevelopment Fund	579,838	-	1,796,220	-	2,376,058
Debt Service Fund	-	3,000,000	-	-	3,000,000
Capital Projects Fund	1,217,150	-	364,270	200,000	1,781,420
Non Major Governmental	463,170	-	-	-	463,170
Water and Sewer Fund	4,982,680	-	-	-	4,982,680
Stormwater Fund	130,000	-	-	-	130,000
Total Transfers	<u>\$ 7,372,838</u>	<u>\$ 6,185,340</u>	<u>\$ 3,586,869</u>	<u>\$ 400,000</u>	<u>\$ 17,545,047</u>

Advances To:	Advances From:	
	Redevelopment Fund	Total
General Fund	<u>\$ 5,985,754</u>	<u>\$ 5,985,754</u>
Total	<u>\$ 5,985,754</u>	<u>\$ 5,985,754</u>

The majority of transfers to the General Fund represent each fund's share of operating overhead and administrative costs paid by the General Fund.

In addition to transfers, the General Fund has a long-term advance to the Redevelopment Fund with an outstanding balance of \$5,985,754 as of September 30, 2023. This amount is made up of \$7,000,042, which is the initial advance, per Resolution 2015-09, and accumulates interest at 4.5% per year. The principal and interest amounts are due starting in fiscal year 2022 based on a repayment plan that matures in fiscal year 2040. The purpose of this advance was to provide the necessary funding to the Redevelopment Fund in order to meet its debt service obligations. The interfund activity is eliminated in the basic government-wide financial statement.

NOTE 5 – NOTE RECEIVABLE

In May 1998, the City, along with the cities of Tampa, St. Petersburg and the counties of Pasco, Pinellas, and Hillsborough, entered into an interlocal agreement to reorganize the West Coast Regional Water Supply Authority. As part of this agreement, the City conveyed its interest in the North Pasco Wellfield, including water rights to the Authority, for the net amount of \$13,226,250 that is to be received in the form of credits applied against the cost of water purchased over the next 30 years. For the year ending September 30, 2023, these applied credits totaled \$847,579, represented by a principal portion of \$631,393 and an interest portion of \$216,186 at a rate of 4.865% compounded semi-annually. At September 30, 2023, the \$3,666,532 outstanding balance (\$663,152 – current portion and \$3,003,379 – long-term portion) on the note was reported as a note receivable. The Authority commenced operations under its reorganized form on October 1, 1998 under the name of Tampa Bay Water.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	<u>Balance October 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance September 30</u>
Governmental Activities					
Capital assets, not being depreciated					
Land, land rights, and improvements	\$ 5,540,752	\$ -	\$ -	\$ (50,000)	\$ 5,490,752
Construction in progress	<u>2,740,318</u>	<u>4,996,413</u>	<u>-</u>	<u>(1,706,318)</u>	<u>6,030,413</u>
Total capital assets, not being depreciated	<u>8,281,070</u>	<u>4,996,413</u>	<u>-</u>	<u>(1,756,318)</u>	<u>11,521,165</u>
Capital assets, being depreciated					
Buildings and improvements	35,153,544	127,333	-	7,493	35,288,370
Improvements other than buildings	16,839,045	314,799	-	427,999	17,581,843
Machinery and equipment	14,539,902	876,287	(130,564)	-	15,285,625
Infrastructure	<u>31,642,307</u>	<u>66,020</u>	<u>-</u>	<u>1,320,826</u>	<u>33,029,153</u>
Total capital assets, being depreciated	<u>98,174,798</u>	<u>1,384,439</u>	<u>(130,564)</u>	<u>1,756,318</u>	<u>101,184,991</u>
Less accumulated depreciation for					
Buildings and improvements	(17,383,543)	(1,008,739)	-	-	(18,392,282)
Improvements other than buildings	(8,218,202)	(766,047)	-	-	(8,984,249)
Machinery and equipment	(11,037,706)	(941,362)	-	-	(11,979,068)
Infrastructure	<u>(14,540,365)</u>	<u>(712,009)</u>	<u>130,564</u>	<u>-</u>	<u>(15,121,810)</u>
Total accumulated depreciation	<u>(51,179,816)</u>	<u>(3,428,157)</u>	<u>130,564</u>	<u>-</u>	<u>(54,477,409)</u>
Total capital assets, being depreciated, net	<u>46,994,982</u>	<u>(2,043,718)</u>	<u>-</u>	<u>1,756,318</u>	<u>46,707,582</u>
Governmental activities capital assets, net	<u>\$ 55,276,052</u>	<u>\$ 2,952,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,228,747</u>
Right to use leased assets					
Equipment	\$ 1,863,081	\$ 1,049,229	\$ -	\$ -	\$ 2,912,310
Accumulated amortization	<u>(391,514)</u>	<u>(514,526)</u>	<u>-</u>	<u>-</u>	<u>(906,040)</u>
Right to use leased assets, net	<u>\$ 1,471,567</u>	<u>\$ 534,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,006,270</u>

Included in the above totals are capital assets and right to use leased assets held by the City's Internal Service Funds in the amount of \$319,839.

Depreciation and amortization expense charged to functions of governmental activities is as follows:

Governmental Activities	
General government	\$ 675,577
Public safety	885,828
Transportation	1,212,788
Culture and recreation	1,111,692
Central garage	<u>56,798</u>
Total depreciation and amortization expense, governmental activities	<u>\$ 3,942,683</u>

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>October 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance</u> <u>September 30</u>
Business-Type Activities					
Capital assets, not being depreciated					
Land, land rights, and improvements	\$ 976,958	\$ -	\$ -	\$ -	\$ 976,958
Construction in progress	1,898,060	783,387	-	(1,419,491)	1,261,956
Total capital assets, not being depreciated	<u>2,875,018</u>	<u>783,387</u>	<u>-</u>	<u>(1,419,491)</u>	<u>2,238,914</u>
Capital assets, being depreciated					
Buildings and improvements	36,788,338	158,606	-	-	36,946,944
Machinery and equipment	8,540,577	437,408	(256,200)	-	8,721,785
Infrastructure and other improvements	51,621,058	245,637	-	1,419,491	53,286,186
Total capital assets, being depreciated	<u>96,949,973</u>	<u>841,651</u>	<u>(256,200)</u>	<u>1,419,491</u>	<u>98,954,915</u>
Less accumulated depreciation for					
Buildings and improvements	(21,536,240)	(802,680)	-	-	(22,338,920)
Machinery and equipment	(5,635,873)	(704,782)	256,200	-	(6,084,455)
Infrastructure and other improvements	(21,718,929)	(1,430,961)	-	-	(23,149,890)
Total accumulated depreciation	<u>(48,891,042)</u>	<u>(2,938,423)</u>	<u>256,200</u>	<u>-</u>	<u>(51,573,265)</u>
Total capital assets, being depreciated, net	48,058,931	(2,096,772)	-	1,419,491	47,381,650
Business-type activities capital assets, net	<u>\$ 50,933,949</u>	<u>\$ (1,313,385)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,620,564</u>
Right to use leased assets					
Equipment	\$ 424,632	\$ 102,239	\$ -	\$ -	\$ 526,871
Accumulated amortization	(82,964)	(102,578)	-	-	(185,542)
Right to use leased assets, net	<u>\$ 341,668</u>	<u>\$ (339)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341,329</u>

Depreciation expense charged to business-type activities is as follows:

Business-Type Activities	
Water and sewer	\$ 2,755,984
Stormwater utility	285,017
Total depreciation and amortization expense, business-type activities	<u>\$ 3,041,001</u>

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 – LONG-TERM DEBT

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the governmental activities of the City for the year ended September 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Direct borrowings:					
Redevelopment note, Series 2016	\$ 7,059,000	\$ -	\$ (708,000)	\$ 6,351,000	\$ 726,000
Nonadvalorem revenue bond, Series 2020A	631,199	-	(631,199)	-	-
Nonadvalorem revenue bond, Series 2020B	8,355,207	-	(435,300)	7,919,907	1,080,209
Nonadvalorem revenue bond, Series 2022	-	3,000,000	(1,280,999)	1,719,001	1,719,001
Note payable - fire truck	788,910	-	(52,383)	736,527	53,648
Lease liability	1,489,050	1,049,229	(504,359)	2,033,920	613,187
Total OPEB liability	4,208,219	475,344	(2,943,731)	1,739,832	-
Compensated absences	502,817	635,468	(500,164)	638,121	57,105
Net pension liability	5,611,327	8,062,021	(4,108,606)	9,564,742	-
Total governmental activities	<u>\$28,645,729</u>	<u>\$13,222,062</u>	<u>\$(11,164,741)</u>	<u>\$30,703,050</u>	<u>\$4,249,150</u>

Predominantly, the General Fund will be used to liquidate compensated absences, pension and other post-employment benefits for governmental activities.

Governmental activities debt consists of the following at year-end:

Non-Ad Valorem Refunding Revenue Note, Series 2016, in the amount of \$11,265,000 was issued on January 25, 2016, to refund the Redevelopment Refunding Revenue Note, Series 2005A, and the Redevelopment Revenue Note, Series 2005B. The Redevelopment Refunding Revenue Note, Series 2005A, was used to refinance the redevelopment bond anticipation note, which had been used to finance the cost of acquiring, constructing and equipping certain capital improvements within the Redevelopment Area. The Redevelopment Revenue Note, Series 2005B, was also issued to finance the acquisition, construction and equipping of capital improvements within the Redevelopment Area. Interest accrues on the Series 2016 note at an annual interest rate of 2.54%. Interest is payable semi-annually on February 1 and August 1. Annual principal payments are due each August 1st in amounts ranging from \$311,000 to \$865,000 through August 1, 2031. This transaction had an aggregate difference in debt service of (\$141,847) and a net present value of savings to the City of \$787,985.

\$ 6,351,000

Non Ad Valorem Revenue Note, Series 2020B (taxable), in the amount of \$8,355,207 was issued in November 2020 for the purpose of financing the cost of issuance and financing the cost of construction, renovation, design and or equipping of various capital projects including without limitation a fire station and public library and a City owned parking garage. Interest accrues at an annual fixed rate of 1.110%. Principal and Interest is payable semiannually on April 1 and October 1 through October 1, 2023.

\$ 7,919,907

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Non Ad Valorem Revenue Note, Series 2022 (taxable), in the amount of \$3,000,000 was issued in December 2022 for the purpose of financing the cost of issuance and financing the cost of acquisition, construction, and or equipping of various capital projects within the redevelopment area of the City. Interest accrues at an annual fixed rate of 5.16%. Principal and Interest is payable annually on October 1 through October 1, 2024. \$1,719,001

Note Payable - Fire Truck, in the amount of \$890,000 was issued on August 14, 2020 for the purpose of financing the cost of the purchase of the Fire Truck. Interest accrues at an annual fixed rate of 2.40%. Principal and Interest is payable semiannually on February 14 and August 14. Principal payments range from \$24,000 to \$36,000 through August 14, 2025. This note is collateralized by the purchase of the Fire Truck in the event of default. 736,527

Total interest expense and fiscal charges for the governmental activities for the fiscal year ended September 30, 2023 was \$934,324.

Restrictions: The official statement and council resolution authorizing the issuance of the Refunding Revenue Note, Series 2016 (the “Note”) described above contain certain restrictive covenants. The Note is secured by a covenant to budget, appropriate, and deposit non-ad valorem revenues in the manner and to the extent provided in the council resolution, and is payable solely from pledged revenues, which consist of non-ad valorem revenues budgeted, appropriated, and deposited as provided in the resolution.

The resolution provides that the City will deposit pledged revenues in the Debt Service Fund in amounts sufficient to pay principal of and interest on the Note. The resolution also establishes a reserve fund to be used to pay the principal and interest on the Note when the available assets within the Debt Service Fund are insufficient. The resolution requires that the reserve fund be funded in an amount equal to the contingent reserve requirement in the event the City fails to meet certain financial covenants. It is not reasonably expected that the City will fail to meet the financial covenants that would require the reserve fund to be funded.

Interest on the Note is excludable from gross income for federal income tax purposes. The City has also covenanted that all actions necessary will be taken to maintain the exclusion from gross income of interest on the Note.

The following is a summary of changes in long-term debt for the business-type activities of the City for the year ended September 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities					
Direct borrowings:					
Revenue bond, Series 2012	\$ 3,390,988	\$ -	\$ (643,836)	\$ 2,747,152	\$ 660,576
Revenue bond, Series 2017A	517,000	-	(52,000)	465,000	53,000
Revenue bond, Series 2019	5,798,000	-	(905,000)	4,893,000	929,000
Lease liability	346,676	102,239	(100,834)	348,081	112,810
Total OPEB liability	753,539	94,544	(502,077)	346,006	-
Compensated absences	76,865	127,337	(101,210)	102,992	9,589
Net pension liability	1,703,402	1,136,192	(725,250)	2,114,344	-
Total business-type activities	<u>\$12,586,470</u>	<u>\$ 1,460,312</u>	<u>\$ (3,030,207)</u>	<u>\$11,016,575</u>	<u>\$ 1,764,975</u>

CITY OF NEW PORT RICHEY, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Business-type activities debt consists of the following notes payable from direct borrowings at year-end:

Refunding Utility Revenue Bond, Series 2012, in the amount of \$7,462,443 was issued on July 18, 2012 for the purpose of the advance refunding of the Series 2007B Bonds and paying certain costs of issuance of the Series 2012 Bonds. Interest accrues on the Series 2012 Bond at an annual fixed rate of 2.60%. Interest is payable semi-annually on April 1 and October 1. Annual principal payments are due each October 1st in amounts ranging from \$537,953 to \$713,452 through October 1, 2027. The principal and interest payments are secured by and payable solely from a lien on and pledge of the net revenues of the City's utility system. \$2,747,152

Water and Sewer Revenue Bond, Series 2017A, in the amount of \$787,000 was issued on February 10, 2017 for the purpose of financing the cost of acquisition of Purchased Assets based on the Utility Asset Acquisition Agreements by and between the City and Advisor Enterprises, Inc., dated November 15, 2016 and by and between the City and LWV Utilities, Inc., dated November 15, 2016, together with certain improvements to the water and sewer system of the City; and to pay the costs of issuing the Series 2017A Bond. Interest accrues on the Series 2017A Bond at an annual fixed rate of 2.53%. Interest is payable semi-annually on April 1 and October 1. Annual principal payments are due each October 1st in amounts ranging from \$29,000 to \$63,000 through October 1, 2031. The principal and interest payments are secured by and payable solely from a lien on and pledge of the net revenues of the City's utility system. 465,000

Water and Sewer Revenue Bond, Series 2019, in the amount of \$8,723,00 was issued on April 23, 2019 for the purpose of financing and/or reimbursing the costs of acquisition of certain water and sewer system assets and construction and equipping of certain improvements to the water and sewer system of the City; and to pay the costs of issuing the Series 2019 Bond. Interest accrues on the Series 2019 Bond at an annual fixed rate of 2.61%. Interest is payable on October 1. Annual principal payments are due each October 1st in amounts ranging from \$800,000 to \$1,000,000 through October 1, 2028. The principal and interest payments are secured by and payable solely from a lien on and pledge of the net revenues of the City's utility system. 4,893,000

Interest costs incurred for fiscal year ended September 30, 2023 were \$268,884.

Funding of Business-Type Activities Long-Term Debt: Debt service payments are secured by a pledge and lien upon, and payable solely from, the net revenues of the City's utility system. The total amount of Water and Sewer Fund charges for services and other income earned by the City and the change in net position before depreciation and amortization, interest expense, and net transfers out for the year ended September 30, 2023 was \$15,949,083 and \$8,950,221, respectively.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The annual debt service requirements to maturity for debt outstanding as of September 30, 2023 are as follows:

Fiscal Year	Redevelopment Note, Series 2016			Nonadvalorem Revenue Bond, Series 2020B		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 726,000	\$ 161,315	\$ 887,315	\$ 1,080,209	\$ 121,967	\$ 1,202,176
2025	744,000	142,875	886,875	1,096,844	105,331	1,202,175
2026	763,000	123,977	886,977	1,113,735	88,440	1,202,175
2027	783,000	104,597	887,597	1,130,887	71,288	1,202,175
2028	803,000	84,709	887,709	1,148,303	53,873	1,202,176
2029-2033	2,532,000	129,692	2,661,692	2,349,929	54,422	2,404,351
2034-2035	-	-	-	-	-	-
	<u>\$ 6,351,000</u>	<u>\$ 747,165</u>	<u>\$ 7,098,165</u>	<u>\$ 7,919,907</u>	<u>\$ 495,321</u>	<u>\$ 8,415,228</u>

Fiscal Year	Nonadvalorem Revenue Bond, Series 2022			Note Payable - Fire Truck		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,719,001	\$ 88,700	\$ 1,807,701	\$ 53,648	\$ 17,357	\$ 71,005
2025	-	-	-	54,943	16,061	71,004
2026	-	-	-	56,269	14,735	71,004
2027	-	-	-	57,628	13,376	71,004
2028	-	-	-	59,019	11,985	71,004
2029-2033	-	-	-	317,172	37,850	355,022
2034-2035	-	-	-	137,848	4,160	142,008
	<u>\$ 1,719,001</u>	<u>\$ 88,700</u>	<u>\$ 1,807,701</u>	<u>\$ 736,527</u>	<u>\$ 115,524</u>	<u>\$ 852,051</u>

Fiscal Year	Lease Liability - Equipment (Governmental)		
	Principal	Interest	Total
2024	\$ 613,187	\$ 54,546	\$ 667,733
2025	629,063	36,597	665,660
2026	441,345	19,504	460,849
2027	246,711	8,720	255,431
2028	103,614	1,160	104,774
2029-2033	-	-	-
2034-2035	-	-	-
	<u>\$ 2,033,920</u>	<u>\$ 120,527</u>	<u>\$ 2,154,447</u>

Fiscal Year	Revenue Bond, Series 2012			Revenue Bond, Series 2017A		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 660,576	\$ 71,426	\$ 732,002	\$ 53,000	\$ 11,765	\$ 64,765
2025	677,751	54,251	732,002	55,000	10,424	65,424
2026	695,373	36,629	732,002	56,000	9,032	65,032
2027	713,452	18,550	732,002	57,000	7,615	64,615
2028	-	-	-	59,000	6,173	65,173
2029-2031	-	-	-	185,000	9,437	194,437
	<u>\$ 2,747,152</u>	<u>\$ 180,856</u>	<u>\$ 2,928,008</u>	<u>\$ 465,000</u>	<u>\$ 54,446</u>	<u>\$ 519,446</u>

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Fiscal Year	Revenue Bond, Series 2019			Lease Liability - Equipment (Proprietary)		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 929,000	\$ 127,707	\$ 1,056,707	\$ 112,810	\$ 10,050	\$ 122,860
2025	953,000	103,460	1,056,460	116,424	6,436	122,860
2026	978,000	78,587	1,056,587	73,840	3,087	76,927
2027	1,003,000	53,061	1,056,061	40,558	975	41,533
2028	1,030,000	26,883	1,056,883	4,449	23	4,472
2029-2031	-	-	-	-	-	-
	<u>\$ 4,893,000</u>	<u>\$ 389,698</u>	<u>\$ 5,282,698</u>	<u>\$ 348,081</u>	<u>\$ 20,571</u>	<u>\$ 368,652</u>

NOTE 8 – RETIREMENT PLANS

Florida Retirement System

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is a FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes, Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility contributions and benefits are defined and described in detail. Such provisions may be amended at any time by further action by the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The City's pension expense totaled \$2,367,601 for both the FRS pension Plan and HIS Plan for the year ended September 30, 2023.

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

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

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Florida Retirement System (Continued)

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

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023, and from July 1, 2023 through September 30, 2023, respectively, were as follows: Regular—11.91% and 13.57%; Senior Management—31.57% and 34.52%; Elected Officers—57.00% and 58.68%; and DROP participants—18.60% and 21.13%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2022 through September 30, 2023. The City's contributions to the FRS Plan were \$693,989 for the year ended September 30, 2023.

Pension Costs

At September 30, 2023, the City reported a liability of \$6,196,876 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2023, the City's proportion was 0.01555% vs 0.01461% as of June 30, 2022.

For the year ended September 30, 2023, the City recognized pension expense of \$1,303,164 for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 581,833	\$ -
Change of assumptions	403,964	-
Net difference between projected and actual earnings on Pension Plan investments	258,798	-
Changes in proportion and differences between City contributions and proportionate share of contributions	303,730	95,907
City contributions subsequent to the measurement date	231,794	-
Total	<u>\$ 1,780,119</u>	<u>\$ 95,907</u>

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Florida Retirement System (Continued)

A total of \$231,794 was reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2024	\$ 197,946
2025	(78,425)
2026	1,187,767
2027	112,828
2028	32,302
Thereafter	-

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.70%

Mortality rates for the July 1, 2023 valuation were based on PUB-2010 base table varies by member and sex, projected generationally with scale MP 2018. The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study completed in 2020 for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan's investment policy and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.4%

⁽¹⁾ As outlined in the Pension Plan's investment policy

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Florida Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Pension Liability Sensitivity

The following presents the City’s proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(5.70%)</u>	<u>(6.70%)</u>	<u>(7.70%)</u>
City's proportionate share of the net pension liability	\$10,585,526	\$ 6,196,876	\$ 2,525,245

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan’s fiduciary’s net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were \$121,139 for the year ended September 30, 2023.

Pension Costs

At September 30, 2023, the City reported a liability of \$2,882,515 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all participating employers. At June 30, 2023, the City's proportion was 0.01815% vs. 0.01773% measured as of June 30, 2022.

For the year ended September 30, 2023, the City recognized pension expense of \$1,064,437 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,198	\$ 6,766
Change of assumptions	75,780	249,780
Net difference between projected and actual earnings on Pension Plan investments	1,489	-
Changes in proportion and differences between City contributions and proportionate share of contributions	49,619	60,508
City contributions subsequent to the measurement date	41,654	-
Total	<u>\$ 210,740</u>	<u>\$ 317,054</u>

A total of \$41,654 was reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount</u>
2024	\$ (25,854)
2025	(15,675)
2026	(26,080)
2027	(51,155)
2028	(27,097)
Thereafter	(2,107)

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.65%

Mortality rates were based on the PUB-2010 base table varies by member and sex, projected generationally with scale MP 2018. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study completed in 2020 of the FRS Plan for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 3.65% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the City’s proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
City's proportionate share of the net pension liability	\$ 3,288,500	\$ 2,882,515	\$ 2,545,981

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan’s fiduciary’s net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA’s annual financial statements and in the state of Florida Annual Comprehensive Financial Report.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

FRS Investment Plan (Continued)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2019-20 fiscal years, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, and Senior Management Service. These allocations include a required employee contribution of 3% of gross compensation for each member class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Police Officers' and Firefighters' Retirement Systems

Plan Description

The City contributes to two single-employer defined benefit pension plans, the Police Officers' Retirement System and Firefighters' Retirement System. The plans cover all sworn police officers and uniformed firefighters, respectively. Each plan provides retirement, disability, and death benefits to plan members and beneficiaries. The City Ordinances assign the authority to establish and amend benefit provisions to the Board of Trustees of each retirement plan. The City's pension expense totaled \$160,995 for both the Police Officers' and Firefighters' Retirement Systems for the year ended September 30, 2023.

Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the plan:

Police Officers' Retirement System
6739 Adams Street
New Port Richey, Florida 34652
(727) 841-4554

Firefighters' Retirement System
4901 Madison Street
New Port Richey, Florida 34652
(727) 841-4533

CITY OF NEW PORT RICHEY, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Police Officers’ and Firefighters’ Retirement Systems (Continued)

City of New Port Richey Police Officers’ Retirement System

At September 30, 2023, the Plan’s membership consisted of the following:

Retirees and beneficiaries:	
Currently receiving benefits	47
DROP retirees	1
Active plan members	36
Terminated employees entitled to benefits but not yet receiving them	6
Total	<u>90</u>

Plan Description – Police Officers’ Pension Plan

The Plan is a defined benefit plan covering all sworn police officers of the City. Participation in the Plan is required as a condition of employment. Originally established in 1969 and amended in 2001, 2004, 2005, and 2018 the Plan provides for pension, death, and disability benefits. The Plan is subject to provisions of Chapter 185, Florida Statutes.

The Plan, in accordance with the above statute, is governed by a five-member Pension Board. Two police officers, two City residents, and a fifth member elected by the other four members constitute the Pension Board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and the Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

Benefits Provided – Police Officers’ Pension Plan

The Plan provides retirement, termination, disability, and death benefits.

Pension Benefits – Under the Plan, participants with ten or more years of continuous service are entitled to annual pension benefits beginning at normal retirement age (50) or before age 50 if they have completed 20 continuous years of service. Benefits are equal to 3.5% of the participants’ average final compensation for each year of credited service provided however, in no extent shall the monthly benefit exceed 75% of average final compensation. A participant’s monthly retirement benefit ceases upon the later of death or 120 months from the date of commencement. A participant who terminates prior to ten continuous years of service forfeits the right to receive all benefits he/she has accumulated. However, he/she retains the right of refund of all personal contributions made to the Plan. All retirees including disability retirees and vested terminated persons who retire on or after October 1, 2004 and their beneficiaries shall receive a \$500 (\$400 as of January 1, 2010) supplemental benefit. This benefit shall also include participants who enter the DROP on or after October 1, 2004. An additional benefit of \$400 per month, payable for life, shall be paid to all retirees who became members of the Plan prior to October 20, 1994. This benefit was temporarily reduced to \$300 per month for the period from January 31, 1993 through September 14, 1994. Effective September 15, 1994 the supplemental benefit returned to \$400 per month. For those who became members on or after October 10, 1994 the additional benefit is \$200 per month.

Death Benefits – For any deceased employee who had been an actively employed participant eligible for early, normal, or delayed retirement, the benefit payable shall be at least equal to the annuity of ten years calculated as of the date of death. Benefits payable under service-connected death for participants ineligible for early retirement shall be payable to the spouse at the rate of 60% of the participant’s regular base salary plus \$500 (before January 1, 2010), \$400 or \$200 per month until death. If there is no spouse, or upon the death of the spouse, each unmarried child shall receive 15% of the participant’s regular base salary (aggregate not greater than 60%) plus \$500 (before January 1, 2010), \$400 or \$200 per month until age of 18, or the age of 22 if a full-time student at an accredited institution. After five years of continuous service, nonservice-connected death benefits shall be payable to the spouse at the rate of 30% of the participant’s regular base salary plus \$400 or \$200 per month until the earlier of death or remarriage of the spouse. Benefits are payable to the children in amounts equal to one-half of the benefits as are payable by reason of service-incurred death.

CITY OF NEW PORT RICHEY, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Police Officers’ and Firefighters’ Retirement Systems (Continued)

City of New Port Richey Police Officers’ Retirement System (Continued)

Benefits Provided – Police Officers’ Pension Plan (Continued)

Disability Benefits – Benefits payable to participants under service-incurred disability shall be monthly installments of 60% of participant’s regular monthly base salary in effect at the date of disability plus \$500 (before January 1, 2010), \$400 or \$200 per month. The benefit shall be paid from the date of disability until recovery or death of the participant and continued to the beneficiary for life. After one year of continuous service, should a participant become disabled due to a nonservice-incurred cause, benefits of 30% of the participant’s regular monthly base salary plus \$500 (before January 1, 2010), or \$400 shall be paid monthly from date of disability until recovery or death. For those who became members on or after October 20, 1994 the benefit will equal 5% of regular base salary for each year of service not to exceed 30%. Disability payments may be reduced proportionally to the extent that the disabled participant’s benefits received hereunder with additional earned income exceed his earnings for the calendar year preceding disability. An optional form of benefit, providing death benefits, may be elected, but 120 payments shall be guaranteed in any event. Notwithstanding the foregoing, the benefits for service connected disabilities cannot be reduced below the greater of 42% of average final compensation, 2% of average compensation times the number of years of credited service or 3.25% of regular base salary for each year of credited service not to exceed 75% of regular base salary.

Deferred Retirement Option Plan – Any Plan participant who is eligible to receive a normal or early retirement pension may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a police officer. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon his or her termination of employment. Participation in the DROP ceases for a Plan participant after the earlier of 60 months or the date elected by the participant.

Refund and Compulsory Contributions – Nonvested participants, upon termination, may request return of their compulsory contributions or leave them on deposit with the Plan. The Plan does not pay any interest on compulsory account balances or contributions returned.

Covered officers are required to contribute 4.5% of their salary to the Plan for the period from October 1, 1998 through January 16, 1999, 1.9% for the period from January 17, 1999 through the payroll for the week ended July 15, 2000, and 4.5% for the period from July 16, 2000 through the year ended September 30, 2009. Effective November 7, 2017, members will contribute 6.5% of salary, reduced to equal the City contribution in any year that the City contribution is less than 6.5% of covered payroll. If an officer retires, dies, becomes disabled, or terminates employment with the City, accumulated contributions are refunded to the officer or his/her designated beneficiary.

Net Pension Liability of the City – Police Officers’ Pension Plan

The City’s net pension liability was measured as of September 30, 2022 and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of October 1, 2021.

Total pension liability	\$29,986,344
Plan fiduciary net position	<u>(31,678,139)</u>
City’s net pension (asset)	<u>\$ (1,691,795)</u>
Plan fiduciary net position as a percentage of net pension (asset)	105.64%

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Police Officers’ and Firefighters’ Retirement Systems (Continued)

City of New Port Richey Police Officers’ Retirement System (Continued)

Actuarial Assumptions – Police Officers’ Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2021 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary Increases	3.5% to 7.0%
Investment Rate of Return	7.25%
Discount Rate	7.25%

Mortality rates for healthy Police Officer participants during employment were based on PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy Police Officer participants postemployment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses, and inflation) are developed for each major asset class.

These ranges 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. Estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of the measurement date of September 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	60%	7.50%
Domestic Fixed Income	30%	2.50%
Real Estate	10%	4.50%

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made a rate to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected 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.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Police Officers’ and Firefighters’ Retirement Systems (Continued)

City of New Port Richey Police Officers’ Retirement System (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – Police Officers’ Pension Plan

The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
City's net pension (asset)	<u>\$ 1,777,801</u>	<u>\$ (1,691,795)</u>	<u>\$ (4,580,343)</u>

Changes in the Net Pension Liability – Police Officers’ Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Beginning balance	\$ 29,485,249	\$ 36,375,044	\$ (6,889,795)
Changes for the year:			
Service cost	696,224	-	696,224
Interest on total pension liability	2,096,351	-	2,096,351
Differences between expected and actual experience	(228,156)	-	(228,156)
Benefit payments, including refunds of employee contributions	(2,063,324)	(2,063,324)	-
Contributions - employer and state	-	576,514	(576,514)
Contributions - members	-	182,759	(182,759)
Net investment income	-	(3,320,986)	3,320,986
Administrative expenses	-	(71,868)	71,868
Net change	<u>501,095</u>	<u>(4,696,905)</u>	<u>5,198,000</u>
Ending balance	<u>\$ 29,986,344</u>	<u>\$ 31,678,139</u>	<u>\$ (1,691,795)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Police Officers’ Pension Plan

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 300,305
Changes of assumptions	124,974	4,922
Net difference between projected and actual earnings on investments	2,612,790	-
City and State contributions subsequent to the measurement date	644,805	-
Total	<u>\$ 3,382,569</u>	<u>\$ 305,227</u>

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Police Officers’ and Firefighters’ Retirement Systems (Continued)

City of New Port Richey Police Officers’ Retirement System (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Police Officers’ Pension Plan (Continued)

A total of \$644,805 was reported as deferred outflows of resources related to contributions to the plan subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending September 30, 2024. The remaining amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	
2024	\$ 615,351
2025	295,443
2026	340,083
2027	1,181,660
	\$ 2,432,537

City of New Port Richey Firefighters’ Retirement System

At September 30, 2023, the Plan’s membership consisted of the following:

Retirees and beneficiaries:	
Inactive members or beneficiaries currently receiving benefits	26
Inactive members entitled to but not yet receiving benefits	13
Active plan members	23
Total	62

Plan Description – Firefighters’ Pension Plan

General – The Plan is a defined benefit pension plan covering all sworn firefighters of the City. Participation in the Plan is required as a condition of employment. Originally established in 1969 and amended in 2011, 2013 and 2018 the Plan provides for pension, death, and disability benefits. The Plan is subject to provisions of Chapter 175 of the State of Florida Statutes.

The Plan, in accordance with the above statute, is governed by a five-member pension board. Two firefighters, two City residents, and a fifth member elected by the other four members constitute the pension board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and the Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

Benefits Provided – Firefighters’ Pension Plan

Normal Retirement Date – A member’s normal retirement date shall be the first day of the month coincident with, or next following the earlier of the attainment of age 52 and accrual of 25 years of credited service; provided, however, that any member who has completed at least ten years of credited service as of the effective date of Ordinance No. 2013-2016, shall be eligible for normal retirement upon the earlier of the attainment of age 50 and the completion of ten years of credited service or the attainment of age 40 and the completion of 20 years of credited service. A member may retire on his normal retirement date or on the first date of any month thereafter, and each member shall become 100% vested in his accrued benefit on the member’s normal retirement date. Normal retirement under the system is retirement from employment with the City on or after the normal retirement date.

CITY OF NEW PORT RICHEY, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Police Officers' and Firefighters' Retirement Systems (Continued)

City of New Port Richey Firefighters' Retirement System (Continued)

Benefits Provided – Firefighters' Pension Plan (Continued)

The Normal Retirement Date for benefits earned after September 30, 2013 are for those Members not grandfathered in 2013 is being changed to the earlier of age 52 with ten years of service or the completion of 23 years of service, regardless of age. Because of this change the assumed Normal Retirement Date for the Members is being changed to be the earlier of age 51 with ten years of service or the completion of 23 years of service, regardless of age.

Normal Retirement Benefit – A member retiring hereunder on or after his normal retirement date shall receive a monthly benefit which shall commence on the first day of the month coincident with or next following his retirement and be continued thereafter during member's lifetime, ceasing upon death, but with 120 monthly payments guaranteed in any event. The monthly retirement benefit shall equal 3½% of average final compensation, for each year of credited service for each year of credited service accrued through September 30, 2013; however, the monthly retirement benefit for any member shall not exceed 75% of average final compensation; provided, however, that in any event the benefit shall equal at least 2% of average final compensation for each year of credited service accrued after September 30, 2013. An additional benefit of \$200 per month shall be paid to all normal retirees, ceasing at death. An optional form of benefit may be elected by members as provided in section 17-45.

The benefit accrual rate for service after the effective date of this ordinance is changed from 3.0% to 3.25% of Average Final Compensation for each year of Credited Service. The maximum total benefit remains at 75% of Average Final Compensation.

Early Retirement Benefits – Early Retirement Benefits are being provided upon the attainment of age 50 with ten years of Credited Service, with a 3.0% reduction for each year that precedes the Normal Retirement Date.

Death Benefits Prior to Vesting or Eligibility for Retirement – If deceased and not receiving monthly benefits, or not yet vested or eligible for normal retirement the beneficiary shall receive a refund of 100% of the participant's accumulated contributions.

Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary – A beneficiary may, in writing, elect either: (a) If vested or eligible for normal retirement as of date of death, the benefit payable under this option shall be that monthly amount which would have been payable had the member retired under normal retirement, without actuarial reduction, on the date of death, with the resulting benefit then being payable to the spouse beneficiary as if the member had selected the 100% joint and survivor annuity optional form of benefit; or (b) If vested or eligible for normal retirement as of the date of death, the benefit payable under this option shall be as follows: If vested, but not eligible for normal retirement, the spouse beneficiary shall receive a benefit payable for ten years, beginning on the date that the deceased member would have been eligible for normal retirement, at the option of the spouse beneficiary. The benefit shall be calculated as for normal retirement based on the member's credited service and average final compensation as of the date of the member's death.

CITY OF NEW PORT RICHEY, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Police Officers' and Firefighters' Retirement Systems (Continued)

City of New Port Richey Firefighters' Retirement System (Continued)

Benefits Provided – Firefighters' Pension Plan (Continued)

Disability Benefits – If a member becomes totally and permanently disabled to the extent the member is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a firefighter, which disability was directly caused by the performance of his or her duty as a firefighter, the participant shall, upon establishing the same to the satisfaction of the Board, be entitled to a monthly pension equal to 60% of his or her regular base salary in effect as of the date of disability, but such monthly installment shall not be less than 42% of his or her average final compensation at the time of disability. The benefits shall be paid from the date of disability until recovery, as determined by the Board, or for life and continued to the spouse for life upon the member's death. In the event of a member's death who does not have a surviving spouse, or upon the subsequent death of the spouse, the benefits shall be continued to the member's children in equal shares until each such child has attained the eighteenth birthday, or the 22 birthday if enrolled in a fully accredited college or university. An additional benefit of one hundred dollars (\$100) per month, ceasing at the earlier of age 65 or death, shall be paid to all disabled retirees. Terminated persons, either vested or nonvested are not eligible for disability benefits, except that those terminated by the City for medical reasons may apply for a disability within 30 days after termination. Disability retirement benefits paid shall not be less than the accrued retirement benefit at the time of disability.

Effective July 1, 2019, an additional presumption was added to the disability in-line-of-duty presumptions. Diagnosis of cancer or the circumstances that arise out of the treatment of cancer. A firefighter shall be considered totally and permanently disabled in the line of duty if he or she meets the Plan's definition of total and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer.

To value for this change, the City increased the in-line-of-duty assumption from 75% of disablements to 90% of disablements for firefighters.

In addition, each person who was receiving a benefit from the plan on October 1, 2019, including joint pensioners and beneficiaries, and who were receiving benefits since October 1, 2009 will receive a one-time additional benefit payment equal to the sum of the current regular monthly benefit payment and the supplemental benefit payment.

Deferred Retirement Option Plan (DROP) – The DROP is being re-opened to all participants. The fixed interest rate alternative for DROP will be 1.5% per annum instead of 6.5%. The quarterly return for the plan return alternative for DROP participants will be no less than 0.0%. In order to value the impact of this change, the projected Normal Retirement Benefits were increased by 0.5%. The election by DROP participants of the earnings alternative will be a one-time irrevocable decision. The Back DROP alternative is eliminated.

A Share Plan is put in place with no current funding.

Refund and Compulsory Contributions – Nonvested participants, upon termination, may request return of their compulsory contributions or leave them on deposit with the Plan. The Plan does not pay any interest on compulsory account balances or contributions returned.

The Member Contribution Rate for all Members not fully grandfathered in 2013 is being reduced from 8.0% to 6.5%. Additionally, in any year where the City's net actuarially required contribution is less than 6.5%, the Member Contributions will be adjusted so that the Members' and City's contributions reduce by the same dollar amount.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Police Officers’ and Firefighters’ Retirement Systems (Continued)

City of New Port Richey Firefighters’ Retirement System (Continued)

Net Pension Liability of the City – Firefighters’ Pension Plan

The City’s net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of October 1, 2021.

Total pension liability	\$ 14,904,637
Plan fiduciary net position	<u>(12,304,942)</u>
City’s net pension liability	<u>\$ 2,599,695</u>
Plan fiduciary net position as a percentage of net pension liability	82.56%

Actuarial Assumptions – Firefighters’ Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2021 using the following actuarial assumptions applied to all measurement periods.

The most recent actuarial experience study used to review the other significant assumptions was dated November 19, 2018.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These ranges 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of the measurement date of September 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	60%	7.50%
International Equity	15%	8.50%
Fixed Income	25%	2.50%

Discount Rate – Firefighter Pension Plan

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made a rate to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected 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.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Police Officers’ and Firefighters’ Retirement Systems (Continued)

City of New Port Richey Firefighters’ Retirement System (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – Firefighters’ Pension Plan

The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's net pension liability	<u>\$ 171,534</u>	<u>\$ 2,599,695</u>	<u>\$ (2,863,859)</u>

Changes in Net Pension Liability – Firefighters’ Pension Plan

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a-b)</u>
Beginning balance	\$ 14,309,774	\$ 15,793,399	\$ (1,483,625)
Changes for the year:			
Service cost	298,702	-	298,702
Interest on total pension liability	1,061,085	-	1,061,085
Differences between expected and actual experience	156,422	-	156,422
Benefit payments, including refunds of employee contributions	(921,346)	(921,346)	-
Contributions - employer and state	-	235,871	(235,871)
Net investment income	-	(2,738,975)	2,738,975
Administrative expenses	-	(64,007)	64,007
Net change	<u>594,863</u>	<u>(3,488,457)</u>	<u>4,083,320</u>
Ending balance	<u>\$ 14,904,637</u>	<u>\$ 12,304,942</u>	<u>\$ 2,599,695</u>

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Police Officers’ and Firefighters’ Retirement Systems (Continued)

City of New Port Richey Firefighters’ Retirement System (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Firefighters’ Pension Plan

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 125,112	\$ 5,969
Changes of assumptions	-	16,089
Net difference between projected and actual earnings on investments	1,987,985	-
City and State contributions subsequent to the measurement date	389,215	-
Total	\$ 2,502,312	\$ 22,058

A total of \$389,215 was reported as deferred outflows of resources related to contributions to the plan subsequent to the measurement date that will be recognized as an addition to the net pension asset in the year ending September 30, 2023. Other amounts will be recognized in pension expense as follows:

Year ended September 30,	
2024	\$ 480,494
2025	367,403
2026	464,067
2027	779,075
	\$ 2,091,039

Summary of Defined Benefit Pension Plans

The aggregate amount of net pension liability, related deferred outflows of resources and deferred inflows of resources and pension expense for the City’s defined benefit pension plans are summarized below:

	FRS Pension	HIS Pension	Police Officers' Pension	Firefighters' Pension	Total
City's net pension liability	\$ 6,196,876	\$ 2,882,515	\$ -	\$ 2,599,695	\$ 11,679,086
City's net pension (asset)	-	-	(1,691,795)	-	(1,691,795)
Deferred outflows of resources	1,780,119	210,740	3,382,569	2,502,312	7,875,740
Deferred inflows of resources	95,907	317,054	305,227	22,058	740,246
Pension expense/expenditure	1,303,164	1,064,437	548,282	646,743	3,562,626

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Police Officers’ and Firefighters’ Retirement Systems (Continued)

Summary of Defined Benefit Pension Plans (Continued)

Net pension liabilities associated with the Florida Retirement System and Retiree Health Insurance Subsidy Program are liquidated in the individual fund to which the liability is directly associated. For the Police Officers’ and Firefighters’ Pension Plans, liabilities are liquidated in the General Fund, which captures public safety expenditures.

Defined Contribution Retirement Plan

Plan Description – The City, in accordance with Florida Statute 121, elected to opt out of the Florida Retirement System for newly hired employees effective January 1, 1996, and subsequently established a single-employer, defined contribution retirement plan. The Plan is a “money purchase” plan and is funded through the purchase of annuity contracts from the Variable Annuity Life Insurance Company (VALIC). Effective January 3, 2006, the City Council approved the rejoining of the Florida Retirement System for all eligible new nonuniformed employees and nonuniformed employees previously participating in the single-employer defined contribution pension plan that have elected to participate in the Florida Retirement System.

Employees are fully vested after six years of service and the Plan provides for retirement, disability, and death benefits to plan members and beneficiaries. The City of New Port Richey may amend or terminate the Plan at any time, at its sole discretion. However, no amendment may result in a reduction of any participant’s vested interest or cause any portion of the plan’s assets to revert back to the City. In addition, no amendment may authorize the use of the plan assets for purposes other than the exclusive benefit of participants and their beneficiaries. The Plan is administered by VALIC.

Funding Policy – The Plan does not require contributions from members. The City contributes 10% of the annual compensation of participating employees. For fiscal years ended September 30, 2023, 2022, and 2021, the City contributed approximately \$39,052, \$41,385, and \$14,017, respectively, to the Plan. Contributions made by the City were equal to the required contribution percentage.

NOTE 9 – POST-EMPLOYMENT HEALTH CARE PLAN

Plan Description – The City provides a defined benefit postemployment health care plan, the Retiree Health Care Program (the Plan), whereby retired employees are able to purchase health care benefits through the City’s health care provider. The Plan is administered by the City as a single-employer plan. The Plan is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for the Plan. All approved benefits are paid from general assets when due. The City does not issue stand-alone financial statements for the Plan.

To be eligible to participate in the Plan, *General employees* must have a minimum of six years of vesting service with the City under the Florida Retirement System (FRS) or the City’s Defined Contribution Plan, must be eligible to receive benefits from FRS or the Defined Contribution Plan, and must either retire at the age of 62 or above, or retire with 30 years of consecutive service with the City. *Firefighter employees* are eligible to participate in the Plan if they retire at the age of 50 or above with ten years of service or retire at age 40 or above with 20 years of service. *Police Officer employees* are eligible to participate in the Plan if they retire at the age of 50 or above with 10 years of service or retire after 20 years of service.

The retired employees (including their eligible dependents) that are eligible to participate in the Plan can currently select one of three health care plans offered by the City’s health care provider. Retiree Plan participants are required to pay 100% of their respective health care insurance premiums.

CITY OF NEW PORT RICHEY, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 – POST-EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

The City's overall cost of providing health care benefits is increased as a result of an implicit insurance rate subsidy resulting from retired employees being permitted to pay lower than age-adjusted premiums through the use of blended premiums for both retirees and active employees. The resulting incremental increase in health care insurance premiums results in an actuarial accrued liability to the City based on projected health care costs.

Plan Membership. At October 1, 2022, pension plan membership consists of the following:

Inactive Employees or Beneficiaries Currently Receiving Benefits	10
Active Plan Members	<u>198</u>
Total	<u>208</u>

Funding Policy and Status – The annual required contribution to fund the incremental cost of the health care plan is based on a pay-as-you-go funding approach. Liabilities and OPEB expense were developed using the Entry Age Percent of Pay Actuarial Cost Method as required by GASB Statement No. 75.

Total OPEB Liability – The City's total OPEB Liability was measured as of October 1, 2022 and was determined by an actuarial valuation as of October 1, 2022.

Actuarial Assumptions – Total pension liability was determined by actuarial valuation as of October 1, 2022, using the following actuarial assumptions:

Measurement Date	10/1/2022
Actuarial Valuation Date	10/1/2022
Inflation	2.40% - not explicitly used in valuation.
Discount Rate	4.40%
Projected Salary Increases	3.40% - 10.00%
Healthcare Cost Trend Rates	Based on the Getzen Model starting at 7.0% gradually decreasing to an ultimate rate of 4.0% in 2043.
Retirees' Share of Benefit-Related Costs	100% of blended health insurance premium rates except by law 0% for certain conditions for Police Officers and Firefighters death and disability benefits.
Mortality Rates	Healthy members based on various RP-2000 mortality tables with varying Collar adjustments and generational mortality improvements with Scale BB. Disabled employees based on RP-2000 disabled mortality tables setback 4 years for males and set forward 2 years for females and no projected improvements.

Discount Rate – The discount rate used to measure total OPEB Liability was 4.40%. This rate is based on a municipal bond rate as required under GASB Statement No. 75 as of the measurement date October 1, 2022.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – POST-EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Changes on Total OPEB liability –

	Total OPEB Liability
Balances at September 30, 2022	\$ 4,961,758
Changes for the year:	
Service cost	451,999
Interest	117,889
Differences between expected and actual experience	(1,306,982)
Changes of assumptions	(2,077,082)
Benefit payments	(61,744)
Net changes	<u>(2,875,920)</u>
Balances at September 30, 2023	<u>\$ 2,085,838</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability calculated using the current discount rate of 4.40%, along with what the net OPEB liability would be if the discount rate used was 1-percentage-point lower (3.40%) and 1-percentage-point higher (5.40%).

	1% Decrease <u>(3.40%)</u>	Current Discount Rate <u>(4.40%)</u>	1% Increase <u>(5.50%)</u>
Total OPEB liability	\$ 2,470,716	\$ 2,085,838	\$ 1,780,884

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability calculated using the current healthcare cost trend rate of 7.00% graded down to 4.00%, along with what the net OPEB liability would be if the healthcare cost trend rate used was 1-percentage-point lower (6.00% graded down to 3.00%) and 1-percentage-point higher (8.00% graded down to 5.00%).

	1% Decrease <u>(6.0 - 3.0%)</u>	Healthcare Cost Trend Rates <u>(7.0 - 4.0%)</u>	1% Increase <u>(8.0 - 5.0%)</u>
Total OPEB liability	\$ 1,732,812	\$ 2,085,838	\$ 2,547,759

OPEB Costs – For the year ended September 30, 2023, the City recognized OPEB expense of \$168,240. In addition, the City reported OPEB deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,962,412
Change of assumptions	711,024	2,169,132
City contributions subsequent to the measurement date	72,825	-
	<u>\$ 783,849</u>	<u>\$ 4,131,544</u>

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – POST-EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

At September 30, 2023, the City reported deferred outflows of resources related to OPEB totaling \$72,825 from employer contributions subsequent to the measurement date. This deferred outflow of resources will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2024. All other amounts reported will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30:	Amount
2024	\$ (410,072)
2025	(410,072)
2026	(410,072)
2027	(410,072)
2028	(382,809)
Thereafter	(1,397,423)

NOTE 10 – EMPLOYER BENEFITS FROM ON-BEHALF PAYMENTS

The City receives insurance excise tax remittances from the state of Florida on behalf of the Police Officers' Retirement Fund and Firefighters' Retirement Plan that are restricted in purpose for the benefit of the retirement plans and must be transferred immediately upon receipt to each respective retirement plan. The amounts received from the state of Florida on behalf of the Police Officers' Retirement Plan and Firefighters' Retirement Plan for the year ended September 30, 2023 were \$397,898. These amounts have been reported as intergovernmental revenues in the General Fund with a corresponding expenditure classified within Public Safety as part of personal services in the Police and Fire departments.

NOTE 11 – DEFERRED COMPENSATION PLAN

The City has a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, in which all full-time employees are eligible to participate. Deferred compensation amounts withheld from participating employees' pay are not taxable as current income until withdrawn from the Plan. As of September 30, 2023, annual contributions by a participant may not exceed the lesser of \$19,000 or 100% of the participant's includable compensation. Employees that are age 50 or older are able to defer an additional \$6,000 as provided by the "catch-up" provisions of the Internal Revenue Code.

NOTE 12 – LANDFILL COSTS

In July 1991, the City closed its landfill. State and federal laws require the City to perform post-closure monitoring for 20 years, which began in 1991. The facility is classified as a closed Class III landfill and shall be monitored and maintained in accordance with state requirements. The closed landfill includes a disposal footprint of approximately 55 acres.

On December 19, 2012, a new permit titled "Solid Waste Closure (long-term care) Permit – Landfill" was issued by the Department of Environmental Protection which replaces the previous permit. This extension of the long-term care period was required at the facility for an indefinite period of time until sufficient data has been collected to demonstrate that the site has "stabilized" as defined by Rule 17-701.020 (64), F.A.C. The new permit (which expires May 29, 2027) states that financial assurance is no longer required for the facility. The City incurred expenses of \$3,582 for the fiscal year ended September 30, 2023, for post-closure monitoring and maintenance at the facility. No liability has been reported for landfill closure and post closure care as of September 30, 2023.

CITY OF NEW PORT RICHEY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 13 – RISK MANAGEMENT

The City is a member of Public Risk Management of Florida (PRM), a liability risk pool. PRM administers insurance activities relating to workers' compensation, property, liability, and automobiles. PRM absorbs the risk of loss up to a specified amount annually and purchases excess and other specific coverage's from third-party carriers. PRM assesses each member its pro rata share of the estimated amount required to meet current-year losses and operating expenses. During the fiscal year ended September 30, 2023, the City had no significant reductions in insurance coverage from the prior year. In addition, there have been no settlements that have exceeded the City's insurance coverage in any of the past three fiscal years.

NOTE 14 – SIGNIFICANT CONTINGENCIES

Litigation – The City is involved as a defendant or plaintiff in certain litigation and claims arising in ordinary course of operations. In the opinion of legal counsel, the range of potential liabilities will not materially affect the financial position of the City.

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

Arbitrage Rebate – In accordance with the Tax Reform Act of 1986, any interest earnings on borrowed construction funds in excess of the interest costs incurred are required to be rebated to the federal government. There was no arbitrage liability as of September 30, 2023.

Construction Commitments – As of September 30, 2023, the City's outstanding construction commitments with contractors totaled approximately \$6.5 million for a number of various capital projects.

NOTE 15 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Fund Deficits – The Redevelopment Fund has a negative fund balance of \$657,000 caused primarily by the receipt in previous fiscal years of a repayable advance totaling \$8,885,703 from the General Fund and the subsequent transfer of the same amount to the Debt Service Fund to pay off a Series 2012 Revenue Note. Since the General Fund advance was not recorded as an Other Financing Source, the transfer to the Debt Service Fund contributed to the reported fund balance deficit at September 30, 2023. The City plans to monitor cash flows in this fund to reduce this deficit over time with increases in collected tax increment financing revenues as the assessed values of properties in the City increases.

NOTE 16 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through March 3, 2025 the date the audit reports were issued.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF NEW PORT RICHEY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 6,834,020	\$ 6,834,020	\$ 6,826,412	\$ (7,608)
Franchise taxes	1,610,000	1,610,000	1,774,262	164,262
Utility taxes	1,750,000	1,750,000	1,992,700	242,700
Communication services tax	808,000	808,000	1,038,495	230,495
Total taxes	11,002,020	11,002,020	11,631,869	629,849
Licenses and permits:				
Local business tax	175,000	175,000	125,904	(49,096)
Permits and fees	573,500	573,500	927,655	354,155
Total licenses and permits	748,500	748,500	1,053,559	305,059
Intergovernmental revenue:				
Federal grants	2,915,260	2,915,260	674,153	(2,241,107)
State and local grants	42,800	42,800	34,239	(8,561)
State excise tax rebate - fire pension	114,580	114,580	138,787	24,207
State excise tax rebate - police pension	217,600	217,600	259,111	41,511
State revenue sharing	834,900	834,900	992,541	157,641
County occupational licenses	18,000	18,000	12,813	(5,187)
Mobile home license tax rebate	50,000	50,000	37,573	(12,427)
Municipality fuel tax refund	20,000	20,000	15,505	(4,495)
Half-cent sales tax	1,236,820	1,236,820	1,457,377	220,557
Alcoholic beverage licenses	50,000	50,000	42,331	(7,669)
Firefighters supplementary compensation	5,000	5,000	4,920	(80)
Total intergovernmental revenue	5,504,960	5,504,960	3,669,350	(1,835,610)
Charges for services				
Recreation	615,850	684,551	846,031	161,480
Public safety	229,140	229,140	126,434	(102,706)
Street lights	43,500	43,500	37,618	(5,882)
Other	175,500	175,500	143,558	(31,942)
Total charges for services	1,063,990	1,132,691	1,153,641	20,950
Fines and forfeitures				
Court fines	1,910,100	1,910,100	1,835,251	(74,849)
Other fines	283,000	298,000	520,768	222,768
Total fines and forfeitures	2,193,100	2,208,100	2,356,019	147,919
Investment earnings	25,000	25,000	665,543	640,543
Miscellaneous revenues				
Issuance of debt	-	-	1,046,944	1,046,944
Contributions	-	24,067	30,120	6,053
Rents	5,400	5,400	6,188	788
Other	23,000	62,935	162,117	99,182
Total miscellaneous revenues	28,400	92,402	1,245,369	1,152,967
Transfers from other funds	7,942,330	8,067,330	7,372,838	(694,492)
Total amount available for appropriations	28,508,300	28,781,003	29,148,188	367,185

(Continued)

CITY OF NEW PORT RICHEY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures:				
Current				
General government				
Legislative	400,330	399,830	218,818	(181,012)
Executive	304,350	304,350	265,712	(38,638)
Human resources	975,630	1,000,640	1,003,232	2,592
Finance administration	1,271,760	1,211,600	1,233,032	21,432
Technology solutions	1,269,470	1,273,310	1,350,063	76,753
City clerk	81,040	191,570	191,583	13
Economic development	112,620	112,620	106,083	(6,537)
Development services	1,423,260	1,268,710	994,009	(274,701)
Other general government	196,000	196,000	182,094	(13,906)
Total general government	<u>6,034,460</u>	<u>5,958,630</u>	<u>5,544,626</u>	<u>(414,004)</u>
Public safety				
Police	8,624,870	8,484,485	8,549,999	65,514
Fire	3,054,907	3,119,680	3,132,201	12,521
Total public safety	<u>11,679,777</u>	<u>11,604,165</u>	<u>11,682,200</u>	<u>78,035</u>
Public works				
Public works administration	466,450	496,490	505,897	9,407
Road and street facilities	780,500	699,940	702,379	2,439
Facilities maintenance	662,590	692,170	715,481	23,311
Grounds maintenance	945,990	886,280	749,681	(136,599)
Total public works	<u>2,855,530</u>	<u>2,774,880</u>	<u>2,673,438</u>	<u>(101,442)</u>
Culture and recreation				
Library	1,030,870	1,031,437	1,010,209	(21,228)
Recreation	1,223,560	1,252,570	1,180,026	(72,544)
Swimming pool	453,010	471,600	454,000	(17,600)
Total culture and recreation	<u>2,707,440</u>	<u>2,755,607</u>	<u>2,644,235</u>	<u>(111,372)</u>
Debt service	444,240	507,090	531,957	24,867
Capital outlays	1,052,730	1,431,651	2,232,814	801,163
Transfers to other funds	<u>3,870,200</u>	<u>3,870,200</u>	<u>4,811,719</u>	<u>941,519</u>
Total charges to appropriations	<u>28,644,377</u>	<u>28,902,223</u>	<u>30,120,989</u>	<u>1,218,766</u>
Deficiency of resources under charges to appropriations	<u>\$ (136,077)</u>	<u>\$ (121,220)</u>	<u>\$ (972,801)</u>	<u>\$ (851,581)</u>

CITY OF NEW PORT RICHEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,867,870	\$ 2,867,870	\$ 2,908,279	\$ 40,409
Intergovernmental revenues	2,203,000	648,050	598,043	(50,007)
Investment earnings	200,000	200,000	97,989	(102,011)
Miscellaneous revenues	94,830	-	11,409	11,409
Total revenues	<u>5,365,700</u>	<u>3,715,920</u>	<u>3,615,720</u>	<u>(100,200)</u>
Expenditures				
Current				
General government	1,473,680	1,361,160	891,126	470,034
Capital outlay	4,180,000	2,547,550	474,806	2,072,744
Debt service	-	-	365,099	(365,099)
Total expenditures	<u>5,653,680</u>	<u>3,908,710</u>	<u>1,731,031</u>	<u>2,177,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(287,980)</u>	<u>(192,790)</u>	<u>1,884,689</u>	<u>2,077,479</u>
Other financing sources (uses)				
Transfers in	3,204,280	3,185,340	6,185,340	3,000,000
Transfers out	<u>(2,915,050)</u>	<u>(2,992,550)</u>	<u>(2,376,058)</u>	<u>616,492</u>
Total other financing sources (uses), net	<u>289,230</u>	<u>192,790</u>	<u>3,809,282</u>	<u>3,616,492</u>
Change in fund balance	1,250	-	5,693,971	5,693,971
Fund balance (deficit), beginning of year	<u>(6,350,971)</u>	<u>(6,350,971)</u>	<u>(6,350,971)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (6,349,721)</u>	<u>\$ (6,350,971)</u>	<u>\$ (657,000)</u>	<u>\$ 5,693,971</u>

CITY OF NEW PORT RICHEY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET COMPARISONS
SEPTEMBER 30, 2023

On or before September 1 each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. A public hearing is conducted at City Hall to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance.

Annual budgets are adopted for the General Fund, Special Revenue Funds and Debt Service Fund in accordance with generally accepted accounting principles. All annual appropriations lapse at the end of each fiscal year for these funds. Project length budgets are adopted for Capital Project Funds. Appropriations in these funds remain open and carry over to succeeding years until the related expenditures are made, modified or cancelled.

Budgetary control is maintained at the department level. Department heads are permitted to transfer appropriations between line items within their department, with the approval of the City Manager. All other types of budget transfers or amendments must be approved by the City Commission. Expenditures may not legally exceed budgeted appropriations at the department level.

CITY OF NEW PORT RICHEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2023</u> <u>6/30/2023</u>	<u>9/30/2022</u> <u>6/30/2022</u>	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>
City's proportion of the FRS net pension liability	0.0155517%	0.0146119%	0.0148027%	0.0142140%	0.0147066%	0.0150868%	0.0155726%	0.0162589%	0.0163118%
City's proportionate share of the FRS net pension liability	\$ 6,196,876	\$ 5,436,787	\$ 1,118,173	\$ 6,160,552	\$ 5,064,763	\$ 4,544,208	\$ 4,606,284	\$ 4,105,377	\$ 2,106,885
City's covered payroll	\$ 7,193,002	\$ 6,568,673	\$ 6,415,539	\$ 6,337,150	\$ 6,221,783	\$ 5,938,263	\$ 6,041,876	\$ 6,114,037	\$ 5,445,154
City's proportionate share of the FRS net pension liability as a percentage of its covered payroll	86.15%	82.77%	17.43%	97.21%	81.40%	76.52%	76.24%	67.15%	38.69%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NEW PORT RICHEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2023</u> <u>6/30/2023</u>	<u>9/30/2022</u> <u>6/30/2022</u>	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>
Contractually required FRS contribution	\$ 693,989	\$ 662,704	\$ 589,949	\$ 497,491	\$ 467,100	\$ 444,374	\$ 391,266	\$ 394,410	\$ 383,864
FRS contributions in relation to the contractually required FRS contribution	693,989	662,704	589,949	497,491	467,100	444,374	391,266	394,410	383,864
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,393,783	\$ 6,774,040	\$ 6,624,260	\$ 6,377,066	\$ 6,252,292	\$ 5,956,536	\$ 6,271,939	\$ 6,010,597	\$ 5,427,103
FRS contributions as a percentage of covered payroll	9.39%	9.78%	8.91%	7.80%	7.47%	7.46%	6.24%	6.56%	7.07%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NEW PORT RICHEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2023</u> <u>6/30/2023</u>	<u>9/30/2022</u> <u>6/30/2022</u>	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>
City's proportion of the HIS net pension liability	0.0181503%	0.0177305%	0.0180984%	0.0183610%	0.0182393%	0.0181190%	0.0189529%	0.0197284%	0.0179118%
City's proportionate share of the HIS net pension liability	\$ 2,882,515	\$ 1,877,942	\$ 2,220,044	\$ 2,241,853	\$ 2,040,793	\$ 1,917,738	\$ 2,026,532	\$ 2,299,266	\$ 1,826,719
City's covered payroll	\$ 7,193,002	\$ 6,568,673	\$ 6,415,539	\$ 6,337,150	\$ 6,221,783	\$ 5,938,263	\$ 6,041,876	\$ 6,114,037	\$ 5,445,154
City's proportionate share of the HIS net pension liability as a percentage of its covered payroll	40.07%	28.59%	34.60%	35.38%	32.80%	32.29%	33.54%	37.61%	33.55%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NEW PORT RICHEY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting period ending Measurement date	<u>9/30/2023</u> <u>6/30/2023</u>	<u>9/30/2022</u> <u>6/30/2022</u>	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>
Contractually required HIS contribution	\$ 121,139	\$ 110,549	\$ 109,804	\$ 106,322	\$ 103,451	\$ 96,959	\$ 100,560	\$ 99,131	\$ 74,334
HIS contributions in relation to the contractually required HIS contribution	<u>121,139</u>	<u>110,549</u>	<u>109,804</u>	<u>106,322</u>	<u>103,451</u>	<u>96,959</u>	<u>100,560</u>	<u>99,131</u>	<u>74,334</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,393,783	\$ 6,774,040	\$ 6,624,260	\$ 6,377,066	\$ 6,252,292	\$ 5,956,536	\$ 6,271,939	\$ 6,010,597	\$ 5,427,103
HIS contributions as a percentage of covered payroll	1.64%	1.63%	1.66%	1.67%	1.65%	1.63%	1.60%	1.65%	1.37%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NEW PORT RICHEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - FIREFIGHTERS' RETIREMENT SYSTEM**

Reporting period ending Measurement date	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total pension liability									
Service cost	\$ 298,702	\$ 283,992	\$ 282,362	\$ 300,653	\$ 282,107	\$ 252,990	\$ 208,740	\$ 179,408	\$ 167,944
Interest on total pension liability	1,062,536	1,034,042	1,018,565	1,023,544	992,079	848,665	941,721	936,203	935,634
Change in excess state money	-	-	-	-	(728,711)	243,050	33,395	153,093	154,517
Change of benefit terms	-	-	-	48,741	-	68,651	-	-	-
Differences between expected and actual experience	156,422	15,588	(23,876)	(43,118)	(129,673)	(38,501)	(315,508)	(128,221)	-
Change of assumptions	-	-	(66,499)	364,388	-	-	351,939	-	-
Benefit payments, including refunds of employee contributions	(921,346)	(1,102,613)	(863,145)	(822,828)	(814,132)	(823,984)	(766,095)	(1,615,853)	(600,003)
Net change in total pension liability	596,314	231,009	347,407	871,380	(398,330)	550,871	454,192	(475,370)	658,092
Total pension liability - beginning	14,298,387	14,067,378	13,719,971	12,848,591	13,246,921	12,696,050	12,241,858	12,717,228	12,059,136
Total pension liability - ending (a)	\$ 14,894,701	\$ 14,298,387	\$ 14,067,378	\$ 13,719,971	\$ 12,848,591	\$ 13,246,921	\$ 12,696,050	\$ 12,241,858	\$ 12,717,228
Plan fiduciary net position									
Contributions - employer and state	\$ 125,946	\$ 114,576	\$ 114,779	\$ 484,903	\$ 462,112	\$ 432,534	\$ 396,911	\$ 482,624	\$ 538,130
Contributions - employee	109,925	103,501	96,885	92,542	101,435	94,225	94,075	79,624	75,982
Net investment income	(2,736,890)	2,781,369	1,467,305	364,682	1,317,970	1,335,320	881,197	(330,078)	1,006,135
Benefit payments, including refunds of member contributions	(921,346)	(1,102,613)	(863,145)	(822,828)	(814,132)	(823,984)	(766,095)	(1,615,854)	(600,003)
Administrative expenses	(64,641)	(67,849)	(61,414)	(81,983)	(54,696)	(63,596)	(64,186)	(108,901)	(42,509)
Net change in plan fiduciary net position	(3,487,006)	1,828,984	754,410	37,316	1,012,689	974,499	541,902	(1,492,585)	977,735
Plan fiduciary net position - beginning	15,782,012	13,953,028	13,198,618	13,161,302	12,148,613	11,174,114	10,632,212	12,124,797	11,147,062
Plan fiduciary net position - ending (b)	\$ 12,295,006	\$ 15,782,012	\$ 13,953,028	\$ 13,198,618	\$ 13,161,302	\$ 12,148,613	\$ 11,174,114	\$ 10,632,212	\$ 12,124,797
City's net pension liability - ending (a) - (b)	\$ 2,599,695	\$ (1,483,625)	\$ 114,350	\$ 521,353	\$ (312,711)	\$ 1,098,308	\$ 1,521,936	\$ 1,609,646	\$ 592,431
Plan fiduciary net position as a percentage of the total pension liability	82.55%	110.38%	99.19%	96.20%	102.43%	91.71%	88.01%	86.85%	95.34%
Covered payroll	\$ 1,691,149	\$ 1,592,318	\$ 1,490,538	\$ 1,423,723	\$ 1,327,104	\$ 1,183,189	\$ 1,204,440	\$ 1,199,825	\$ 952,337
City's net pension liability as a percentage of covered payroll	153.72%	-93.17%	7.67%	36.62%	-23.56%	92.83%	126.36%	134.16%	62.21%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NEW PORT RICHEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' RETIREMENT SYSTEM**

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Reporting period ending									
Actuarially determined contribution	\$ 345,529	\$ 395,376	\$ 428,491	\$ 408,765	\$ 401,018	\$ 364,803	\$ 230,006	\$ 272,482	\$ 337,210
Contributions in relation to the actuarially determined contribution	389,215	125,946	114,576	114,779	484,903	1,190,823	305,906	344,470	265,222
Contribution deficiency (excess)	<u>\$ (43,686)</u>	<u>\$ 269,430</u>	<u>\$ 313,915</u>	<u>\$ 293,986</u>	<u>\$ (83,885)</u>	<u>\$ (826,020)</u>	<u>\$ (75,900)</u>	<u>\$ (71,988)</u>	<u>\$ 71,988</u>
Covered payroll	\$ 1,840,203	\$ 1,691,149	\$ 1,592,318	\$ 1,490,538	\$ 1,423,723	\$ 1,327,104	\$ 1,183,189	\$ 1,204,440	\$ 1,199,825
Contributions as a percentage of covered payroll	21.15%	7.45%	7.20%	7.70%	34.06%	89.73%	25.85%	28.60%	22.11%

Notes to the Schedule:

Valuation date: October 1, 2021
 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal.
 Amortization method: Level percentage of pay, closed.
 Inflation: 2.50%
 Salary increases: Service based.
 Discount rate: 7.50%
 Investment rate of return: 7.50%
 Mortality:
Mortality Rate Healthy Active Lives:
 Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Mortality Rate Healthy Retiree Lives:
 Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 for Healthy Retirees, set forward one year.
Mortality Rate Beneficiary Lives:
 Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.
Mortality Rate Disabled Lives:
 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

The schedule will present 10 years of information once it is accumulated.

CITY OF NEW PORT RICHEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - POLICE OFFICERS' RETIREMENT SYSTEM**

Reporting period ending Measurement date	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total pension liability									
Service cost	\$ 696,224	\$ 675,563	\$ 605,593	\$ 710,034	\$ 676,144	\$ 770,072	\$ 760,315	\$ 685,630	\$ 728,582
Interest on total pension liability	2,096,351	2,054,813	2,000,243	1,997,614	1,916,514	1,970,862	1,939,254	1,895,631	1,799,225
Change of benefit terms	-	-	134,434	615,658	(2,507,861)	-	-	-	-
Differences between expected and actual experience	(228,156)	(69,441)	(101,689)	(722,312)	654,544	(610,687)	(704,111)	(18,648)	(780,543)
Changes in assumptions	-	(11,954)	874,824	-	-	686,077	-	-	-
Benefit payments, including refunds of employee contributions	(2,063,324)	(1,862,505)	(1,845,797)	(1,481,477)	(1,466,384)	(1,727,246)	(1,456,540)	(1,337,591)	(1,205,714)
Net change in total pension liability	501,095	786,476	1,667,608	1,119,517	(727,043)	1,089,078	538,918	1,225,022	541,550
Total pension liability - beginning	29,485,249	28,698,773	27,031,165	25,911,648	26,638,691	25,549,613	25,010,695	23,785,673	23,244,123
Total pension liability - ending (a)	\$ 29,986,344	\$ 29,485,249	\$ 28,698,773	\$ 27,031,165	\$ 25,911,648	\$ 26,638,691	\$ 25,549,613	\$ 25,010,695	\$ 23,785,673
Plan fiduciary net position									
Contributions - employer and state	\$ 576,514	\$ 595,276	\$ 654,162	\$ 594,598	\$ 1,046,237	\$ 1,262,959	\$ 1,182,194	\$ 1,118,829	\$ 943,208
Contributions - employee	182,759	188,808	173,300	167,338	111,835	111,261	105,320	97,124	90,712
Net investment income	(3,320,986)	6,269,073	2,484,432	700,585	3,696,996	3,011,138	1,211,993	1,036,070	2,603,632
Benefit payments, including refunds of member contributions	(2,063,324)	(1,862,505)	(1,845,797)	(1,481,477)	(1,466,384)	(1,727,246)	(1,456,540)	(1,337,591)	(1,205,714)
Administrative expenses	(71,868)	(65,728)	(78,280)	(73,964)	(90,802)	(65,265)	(53,575)	(58,144)	(51,602)
Net change in plan fiduciary net position	(4,696,905)	5,124,924	1,387,817	(92,920)	3,297,882	2,592,847	989,392	856,288	2,380,236
Plan fiduciary net position - beginning	36,375,044	31,250,120	29,862,303	29,955,223	26,657,341	24,064,494	23,075,102	22,218,814	19,838,578
Plan fiduciary net position - ending (b)	\$ 31,678,139	\$ 36,375,044	\$ 31,250,120	\$ 29,862,303	\$ 29,955,223	\$ 26,657,341	\$ 24,064,494	\$ 23,075,102	\$ 22,218,814
City's net pension liability - ending (a) - (b)	\$ (1,691,795)	\$ (6,889,795)	\$ (2,551,347)	\$ (2,831,138)	\$ (4,043,575)	\$ (18,650)	\$ 1,485,119	\$ 1,935,593	\$ 1,566,859
Plan fiduciary net position as a percentage of the total pension liability	105.64%	123.37%	108.89%	110.47%	115.61%	100.07%	94.19%	92.26%	93.41%
Covered payroll	\$ 2,811,690	\$ 2,904,741	\$ 2,666,145	\$ 2,574,417	\$ 2,484,983	\$ 2,472,455	\$ 2,335,381	\$ 2,158,300	\$ 1,912,968
City's net pension liability as a percentage of covered payroll	-60.17%	-237.19%	-95.69%	-109.97%	-162.72%	-0.75%	63.59%	89.68%	81.91%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NEW PORT RICHEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' RETIREMENT SYSTEM**

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Reporting period ending									
Actuarially determined contribution	\$ 603,289	\$ 581,282	\$ 598,547	\$ 660,836	\$ 587,634	\$ 992,658	\$1,075,632	\$ 1,162,424	\$1,118,829
Contributions in relation to the actuarially determined contribution	644,805	576,514	595,276	654,162	594,598	1,046,237	1,262,959	1,182,194	1,118,829
Contribution deficiency (excess)	\$ (41,516)	\$ 4,768	\$ 3,271	\$ 6,674	\$ (6,964)	\$ (53,579)	\$ (187,327)	\$ (19,770)	\$ -
Covered payroll	\$ 3,085,547	\$ 2,811,690	\$ 2,904,741	\$2,666,145	\$ 2,574,417	\$ 2,484,983	\$2,472,455	\$ 2,335,381	\$2,158,300
Contributions as a percentage of covered payroll	20.90%	20.50%	20.49%	24.54%	23.10%	42.10%	51.08%	50.62%	51.84%

Notes to the Schedule:

Valuation date: October 1, 2021
 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal.
 Amortization method: Level percentage of payroll, closed.
 Amortization period: 30 years
 Asset valuation method: 5-year smoothed.
 Inflation: 2.50%
 Salary increases: 3.5% - 7.0%
 Investment rate of return: 7.25%
 Retirement age: See table below. 75% of disability retirements are assumed to be service related.
 Retirement age: Experience-based table of rates that are specific to the type of eligibility condition.
 Mortality: For healthy Police Officer participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward one year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.
 For healthy Police Officer participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward one year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.
 For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table/20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.
 Cost of living increases: None.

The schedule will present 10 years of information once it is accumulated.

CITY OF NEW PORT RICHEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS**

Reporting period ending Measurement date	<u>9/30/2023</u> <u>9/30/2022</u>	<u>9/30/2022</u> <u>9/30/2021</u>	<u>9/30/2021</u> <u>9/30/2020</u>	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>	<u>9/30/2018</u> <u>9/30/2017</u>	<u>9/30/2017</u> <u>9/30/2016</u>	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
Police Officers' Retirement System: Annual money-weighted rate of return, net of investment expenses	-9.55%	20.49%	8.31%	1.99%	13.53%	12.46%	6.31%	4.06%	14.00%	N/A
Firefighters' Retirement System: Annual money-weighted rate of return, net of investment expenses	-17.85%	20.54%	11.49%	2.83%	11.09%	12.26%	8.47%	-2.85%	N/A	N/A

Notes to the Schedules:

The schedules will present 10 years of information once it is accumulated.

CITY OF NEW PORT RICHEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**

Reporting period ending Measurement date	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017
Service cost	\$ 451,999	\$ 407,601	\$ 442,509	\$ 307,655	\$ 330,902	\$ 355,910
Interest	117,889	112,581	132,568	132,697	141,017	122,954
Changes of benefit terms	-	-	3,030	-	(1,677)	-
Differences between expected and actual experience	(1,306,982)	-	(596,947)	-	(725,358)	-
Changes of assumptions	(2,077,082)	241,947	(88,748)	865,929	(213,150)	(306,004)
Benefit payments	(61,744)	(51,192)	(74,169)	(60,824)	(84,791)	(85,427)
Net change in total OPEB liability	(2,875,920)	710,937	(181,757)	1,245,457	(553,057)	87,433
Total OPEB liability - beginning	4,961,758	4,250,821	4,432,578	3,187,121	3,740,178	3,652,745
Total OPEB liability - ending	<u>\$ 2,085,838</u>	<u>\$ 4,961,758</u>	<u>\$ 4,250,821</u>	<u>\$ 4,432,578</u>	<u>\$ 3,187,121</u>	<u>\$ 3,740,178</u>
Covered employee payroll	\$ 9,824,285	\$ 11,100,448	\$ 10,698,351	\$ 9,732,294	\$ 9,270,750	\$ 9,089,270
City's total OPEB liability as a percentage of covered employee payroll	21.23%	44.70%	39.73%	45.55%	34.38%	41.15%

Notes to the Schedule:

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2023:	4.40%
Fiscal Year Ending September 30, 2022:	2.19%
Fiscal Year Ending September 30, 2021:	2.43%
Fiscal Year Ending September 30, 2020:	2.74%

There are no assets being accumulated in a trust to pay related benefits for the OPEB plan. The schedule will present 10 years of information once it is accumulated.

OTHER SUPPLEMENTARY INFORMATION

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CITY OF NEW PORT RICHEY, FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Street</u>	<u>Street</u>	<u>Nonmajor</u>
	<u>Improvement</u>	<u>Lights</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
Assets			
Cash and cash equivalents	\$ 2,259,478	\$ 617,799	\$ 2,877,277
Accounts receivable, net	25,712	-	25,712
Due from other governments	223,024	1,719	224,743
Total assets	<u><u>\$ 2,508,214</u></u>	<u><u>\$ 619,518</u></u>	<u><u>\$ 3,127,732</u></u>
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 649,466	\$ 29,299	\$ 678,765
Unearned revenue	31,842	-	31,842
Total liabilities	<u><u>681,308</u></u>	<u><u>29,299</u></u>	<u><u>710,607</u></u>
Fund balances			
Restricted - other capital projects	1,826,906	590,219	2,417,125
Total fund balances	<u><u>1,826,906</u></u>	<u><u>590,219</u></u>	<u><u>2,417,125</u></u>
Total liabilities and fund balances	<u><u>\$ 2,508,214</u></u>	<u><u>\$ 619,518</u></u>	<u><u>\$ 3,127,732</u></u>

CITY OF NEW PORT RICHEY, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Street Improvement Fund</u>	<u>Street Lights Fund</u>	
Revenues			
Taxes	\$ 1,324,123	\$ 463,689	\$ 1,787,812
Investment earnings	126,743	1,235	127,978
Miscellaneous revenues	769,321	34,525	803,846
Total revenues	<u>2,220,187</u>	<u>499,449</u>	<u>2,719,636</u>
Expenditures			
Current			
General government	-	369,714	369,714
Public works	15,417	-	15,417
Capital outlay	2,702,410	-	2,702,410
Total expenditures	<u>2,717,827</u>	<u>369,714</u>	<u>3,087,541</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(497,640)</u>	<u>129,735</u>	<u>(367,905)</u>
Other financing sources (uses)			
Transfers in	400,000	-	400,000
Transfers out	(463,170)	-	(463,170)
Total other financing sources, net	<u>(63,170)</u>	<u>-</u>	<u>(63,170)</u>
Net change in fund balance	(560,810)	129,735	(431,075)
Fund balances, beginning	<u>2,387,716</u>	<u>460,484</u>	<u>2,848,200</u>
Fund balances, ending	<u>\$ 1,826,906</u>	<u>\$ 590,219</u>	<u>\$ 2,417,125</u>

CITY OF NEW PORT RICHEY, FLORIDA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2023**

	Police Officers' Pension	Firefighters' Pension	Total
ASSETS			
Cash	\$ 149,772	\$ 78,815	\$ 228,587
Receivables and prepaid items:			
Accrued dividends and interest	59,359	23,639	82,998
Prepaid items	2,896	4,453	7,349
Intergovernmental	-	37,974	37,974
Total receivables	<u>62,255</u>	<u>66,066</u>	<u>128,321</u>
Investments, at fair value			
U.S. government obligations	3,334,838	-	3,334,838
U.S. government agency obligations	4,608,934	647,222	5,256,156
Domestic corporate bonds and stocks	20,946,167	6,250,119	27,196,286
Real estate investment trust	3,924,401	-	3,924,401
Temporary investment trust	408,000	208,500	616,500
Pooled equity and fixed income funds	-	6,240,926	6,240,926
Total investments	<u>33,222,340</u>	<u>13,346,767</u>	<u>46,569,107</u>
Total assets	<u>\$ 33,434,367</u>	<u>\$ 13,491,648</u>	<u>\$ 46,926,015</u>
LIABILITIES			
Accounts payable	\$ 29,000	\$ 13,935	\$ 42,935
Total liabilities	<u>29,000</u>	<u>13,935</u>	<u>42,935</u>
NET POSITION			
Restricted for pension benefits	<u>33,405,367</u>	<u>13,477,713</u>	<u>46,883,080</u>
Total liabilities and net position	<u>\$ 33,434,367</u>	<u>\$ 13,491,648</u>	<u>\$ 46,926,015</u>

CITY OF NEW PORT RICHEY, FLORIDA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Police Officers' Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions:			
Employer	\$ 385,694	\$ 250,241	\$ 635,935
Employees	200,560	119,613	320,173
State	259,111	176,948	436,059
Total contributions	<u>845,365</u>	<u>546,802</u>	<u>1,392,167</u>
Investment income			
Net appreciation in fair value of investments	2,085,016	1,556,476	3,641,492
Interest and dividends	792,679	303,266	1,095,945
Other	504	177	681
	<u>2,878,199</u>	<u>1,859,919</u>	<u>4,738,118</u>
Less investment expense	(112,879)	(53,067)	(165,946)
Net investment income	<u>2,765,320</u>	<u>1,806,852</u>	<u>4,572,172</u>
Total additions	<u>3,610,685</u>	<u>2,353,654</u>	<u>5,964,339</u>
DEDUCTIONS			
Benefits	1,775,176	1,098,313	2,873,489
Refunds of contributions	20,372	5,425	25,797
Administrative expenses	87,909	67,209	155,118
Total deductions	<u>1,883,457</u>	<u>1,170,947</u>	<u>3,054,404</u>
Net change in plan net position	1,727,228	1,182,707	2,909,935
Plan net position, restricted for pension benefits:			
Beginning of year	31,678,139	12,295,006	43,973,145
End of year	<u>\$ 33,405,367</u>	<u>\$ 13,477,713</u>	<u>\$ 46,883,080</u>

CITY OF NEW PORT RICHEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - STREET IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,334,500	\$ 1,334,500	\$ 1,324,123	\$ (10,377)
Intergovernmental revenues	1,200,000	8,190	-	(8,190)
Investment earnings	11,000	11,000	126,743	115,743
Miscellaneous revenues	3,160,270	1,401,170	769,321	(631,849)
Total revenues	<u>5,705,770</u>	<u>2,754,860</u>	<u>2,220,187</u>	<u>(534,673)</u>
Expenditures				
Current				
Public works	16,700	15,550	15,417	133
Capital outlay	5,625,900	2,676,140	2,702,410	(26,270)
Total expenditures	<u>5,642,600</u>	<u>2,691,690</u>	<u>2,717,827</u>	<u>(26,137)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>63,170</u>	<u>63,170</u>	<u>(497,640)</u>	<u>(560,810)</u>
Other financing sources (uses)				
Transfers in	400,000	400,000	400,000	-
Transfers out	(463,170)	(463,170)	(463,170)	-
Total other financing sources, net	<u>(63,170)</u>	<u>(63,170)</u>	<u>(63,170)</u>	<u>-</u>
Change in fund balance	-	-	(560,810)	(560,810)
Fund balance, beginning of year	<u>2,387,716</u>	<u>2,387,716</u>	<u>2,387,716</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,387,716</u>	<u>\$ 2,387,716</u>	<u>\$ 1,826,906</u>	<u>\$ (560,810)</u>

CITY OF NEW PORT RICHEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - STREET LIGHTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 460,310	\$ 458,990	\$ 463,689	\$ 4,699
Investment earnings	-	-	1,235	1,235
Miscellaneous revenues	-	5,030	34,525	29,495
Total revenues	<u>460,310</u>	<u>464,020</u>	<u>499,449</u>	<u>35,429</u>
Expenditures				
Current				
General government	461,310	465,020	369,714	95,306
Total expenditures	<u>461,310</u>	<u>465,020</u>	<u>369,714</u>	<u>95,306</u>
Change in fund balance	(1,000)	(1,000)	129,735	130,735
Fund balance, beginning of year	<u>460,484</u>	<u>460,484</u>	<u>460,484</u>	<u>-</u>
Fund balance, end of year	<u>\$ 459,484</u>	<u>\$ 459,484</u>	<u>\$ 590,219</u>	<u>\$ 130,735</u>

CITY OF NEW PORT RICHEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ -	\$ -	\$ 6	\$ 6
Total revenues	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
Expenditures				
Debt service				
Principal retirement	1,826,890	1,826,890	3,107,881	(1,280,991)
Interest	333,600	333,600	513,755	(180,155)
Total expenditures	<u>2,160,490</u>	<u>2,160,490</u>	<u>3,621,636</u>	<u>(1,461,146)</u>
Deficiency of revenues under expenditures	<u>(2,160,490)</u>	<u>(2,160,490)</u>	<u>(3,621,630)</u>	<u>(1,461,140)</u>
Other financing sources				
Transfers in	2,160,490	2,160,490	3,586,869	1,426,379
Total other financing sources	<u>2,160,490</u>	<u>2,160,490</u>	<u>3,586,869</u>	<u>1,426,379</u>
Change in fund balance	-	-	(34,761)	(34,761)
Fund balance, beginning of year	<u>460,248</u>	<u>460,248</u>	<u>460,248</u>	<u>-</u>
Fund balance, end of year	<u>\$ 460,248</u>	<u>\$ 460,248</u>	<u>\$ 425,487</u>	<u>\$ (34,761)</u>

CITY OF NEW PORT RICHEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,931,810	\$ 2,931,810	\$ 3,957,594	\$ 1,025,784
Intergovernmental revenues	1,850,000	1,850,000	344,445	(1,505,555)
Investment earnings	12,500	12,500	215,556	203,056
Total revenues	<u>4,794,310</u>	<u>4,794,310</u>	<u>4,517,595</u>	<u>(276,715)</u>
Expenditures				
Capital outlay	<u>7,660,000</u>	<u>7,660,000</u>	<u>1,949,593</u>	<u>5,710,407</u>
Total expenditures	<u>7,660,000</u>	<u>7,660,000</u>	<u>1,949,593</u>	<u>5,710,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,865,690)</u>	<u>(2,865,690)</u>	<u>2,568,002</u>	<u>(5,987,122)</u>
Other financing uses				
Transfers out	<u>(1,781,420)</u>	<u>(1,781,420)</u>	<u>(1,781,420)</u>	<u>-</u>
Total other financing uses	<u>(1,781,420)</u>	<u>(1,781,420)</u>	<u>(1,781,420)</u>	<u>-</u>
Change in fund balance	<u>(4,647,110)</u>	<u>(4,647,110)</u>	<u>786,582</u>	<u>5,433,692</u>
Fund balance, beginning of year	<u>6,441,874</u>	<u>6,441,874</u>	<u>6,441,874</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,794,764</u>	<u>\$ 1,794,764</u>	<u>\$ 7,228,456</u>	<u>\$ 5,433,692</u>

Statistical Section

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These tables reflect social and economic data, financial trends and the fiscal capacity of the government.

The Constitution of the State of Florida, Florida Statute 200.181 and the Charter of the City of New Port Richey, Florida set no legal debt margin.

The City has had no general bonded debt outstanding since 1978.

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STATISTICAL SECTION

This part of the City of New Port Richey, Florida's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	94-98
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	99-104
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	105-107
<i>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.</i>	
Demographic and Economic Information	108 and 109
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	110-112
<i>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.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

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Schedules of Financial Trends Information

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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City of New Port Richey, Florida
Schedule 1
Net Position by Component
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 20,724,327	\$ 21,994,422	\$ 26,028,231	\$ 25,979,394	\$ 28,997,102	\$ 32,085,630	\$ 35,271,230	\$ 36,223,946	\$ 38,374,253	\$ 40,869,299
Restricted	5,215,107	8,704,016	6,162,908	5,953,485	4,734,833	4,405,687	7,457,752	8,384,628	9,870,382	10,297,457
Unrestricted	10,506,974	1,505,257	1,333,624	1,481,334	935,224	5,370,744	(593,303)	(494,031)	133,763	3,683,871
Total governmental activities net position	<u>\$ 36,446,408</u>	<u>\$ 32,203,695</u>	<u>\$ 33,524,763</u>	<u>\$ 33,414,213</u>	<u>\$ 34,667,159</u>	<u>\$ 41,862,061</u>	<u>\$ 42,135,679</u>	<u>\$ 44,114,543</u>	<u>\$ 48,378,398</u>	<u>\$ 54,850,627</u>
Business-type activities:										
Net investment in capital assets	\$ 40,710,853	\$ 43,049,853	\$ 43,046,655	\$ 42,717,025	\$ 42,368,692	\$ 34,752,277	\$ 36,871,188	\$ 39,793,708	\$ 41,222,953	\$ 41,508,660
Restricted	2,785,560	3,151,358	3,478,157	3,429,235	3,429,235	3,633,277	3,782,578	4,051,638	4,273,412	4,356,034
Unrestricted	13,665,199	10,009,905	9,702,040	9,018,154	10,193,453	19,203,761	17,800,069	15,701,735	16,236,816	15,332,992
Total business-type activities net position	<u>\$ 57,161,612</u>	<u>\$ 56,211,116</u>	<u>\$ 56,226,852</u>	<u>\$ 55,164,414</u>	<u>\$ 55,991,380</u>	<u>\$ 57,589,315</u>	<u>\$ 58,453,835</u>	<u>\$ 59,547,081</u>	<u>\$ 61,733,181</u>	<u>\$ 61,197,686</u>
Primary Government:										
Net investment in capital assets	\$ 61,435,180	\$ 65,044,275	\$ 69,074,886	\$ 68,696,419	\$ 71,365,794	\$ 66,837,907	\$ 72,142,418	\$ 76,017,654	\$ 79,597,206	\$ 82,377,959
Restricted	8,000,667	11,855,374	9,641,065	9,382,720	8,164,068	8,038,964	11,240,330	12,436,266	14,143,794	14,653,491
Unrestricted	24,172,173	11,515,162	11,035,664	10,499,488	11,128,677	24,574,505	17,206,766	15,207,704	16,370,579	19,016,863
Total primary government activities net position	<u>\$ 93,608,020</u>	<u>\$ 88,414,811</u>	<u>\$ 89,751,615</u>	<u>\$ 88,578,627</u>	<u>\$ 90,658,539</u>	<u>\$ 99,451,376</u>	<u>\$ 100,589,514</u>	<u>\$ 103,661,624</u>	<u>\$ 110,111,579</u>	<u>\$ 116,048,313</u>

City of New Port Richey, Florida
Schedule 2
Changes in Net Assets - "As Restated"
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 3,857,622	\$ 3,948,776	\$ 4,847,183	\$ 5,255,579	\$ 5,122,749	\$ 5,451,679	\$ 6,758,673	\$ 9,273,286	\$ 8,408,256	\$ 8,201,610
Public safety	7,678,826	7,501,095	11,181,310	9,867,703	10,713,611	6,542,323	12,124,276	10,960,956	10,499,272	13,007,325
Public works	2,533,260	2,525,824	2,765,677	2,959,339	3,004,870	3,021,911	3,431,918	2,662,128	3,507,123	4,079,086
Culture and recreation	3,487,705	3,472,055	3,227,168	3,422,156	3,524,029	3,603,000	3,683,758	3,280,604	3,578,289	4,003,415
Interest and fiscal charges on long-term debt	710,587	416,559	393,825	282,297	260,118	244,708	231,636	441,839	772,643	934,324
Total governmental activities expenses	<u>18,268,000</u>	<u>17,864,309</u>	<u>22,415,163</u>	<u>21,787,074</u>	<u>22,625,377</u>	<u>18,863,621</u>	<u>26,230,261</u>	<u>26,618,813</u>	<u>26,765,583</u>	<u>30,225,760</u>
Business-type activities:										
Water and sewer	9,491,918	9,798,540	8,907,807	8,459,773	8,336,216	9,422,740	10,108,675	9,695,452	9,844,979	11,363,033
Stormwater utility	837,742	653,911	856,625	675,874	838,209	519,701	725,089	704,608	802,925	897,073
Total business-type activities expenses	<u>10,329,660</u>	<u>10,452,451</u>	<u>9,764,432</u>	<u>9,135,647</u>	<u>9,174,425</u>	<u>9,942,441</u>	<u>10,833,764</u>	<u>10,400,060</u>	<u>10,647,904</u>	<u>12,260,106</u>
Total primary government expenses	<u>\$ 28,597,660</u>	<u>\$ 28,316,760</u>	<u>\$ 32,179,595</u>	<u>\$ 30,922,721</u>	<u>\$ 31,799,802</u>	<u>\$ 28,806,062</u>	<u>\$ 37,064,025</u>	<u>\$ 37,018,873</u>	<u>\$ 37,413,487</u>	<u>\$ 42,485,866</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 3,738,052	\$ 2,055,286	\$ 4,147,705	\$ 2,509,117	\$ 3,033,865	\$ 2,951,834	\$ 2,736,427	\$ 768,570	\$ 1,069,715	\$ 1,197,117
Public safety	532,867	360,868	163,610	213,985	305,586	289,751	196,488	2,530,462	2,139,612	2,482,453
Public works	36,716	394,107	408,267	38,559	42,826	43,569	37,351	35,082	37,626	37,618
Culture and recreation	488,520	474,779	537,423	518,803	573,822	679,942	319,162	511,880	687,755	846,031
Operating grants and contributions	407,632	371,365	619,432	935,042	1,015,975	721,346	565,917	287,221	200,316	867,933
Capital grants and contributions	71,034	331,170	8,953	140,457	189,541	393,313	12,189	10,013	504,408	782,947
Total governmental activities program revenues	<u>5,274,821</u>	<u>3,987,575</u>	<u>5,885,390</u>	<u>4,355,963</u>	<u>5,161,615</u>	<u>5,079,755</u>	<u>3,867,534</u>	<u>4,143,228</u>	<u>4,639,432</u>	<u>6,214,099</u>
Business-type activities:										
Charges for services:										
Water and sewer	9,879,326	10,343,289	12,617,220	12,643,966	13,436,183	14,157,097	14,478,666	14,771,157	15,231,160	14,871,770
Stormwater utility	992,663	951,875	967,878	1,005,880	1,058,148	1,092,225	1,043,931	1,049,197	1,107,115	1,077,313
Operating grants and contributions	-	-	-	-	-	15,522,597	-	-	-	-
Capital grants and contributions	-	-	-	55,337	-	30,000	-	-	-	-
Total business-type activities program revenues	<u>10,871,989</u>	<u>11,295,164</u>	<u>13,585,098</u>	<u>13,705,183</u>	<u>14,494,331</u>	<u>30,801,919</u>	<u>15,522,597</u>	<u>15,820,354</u>	<u>16,338,275</u>	<u>15,949,083</u>
Total primary government program revenues	<u>\$ 16,146,810</u>	<u>\$ 15,282,739</u>	<u>\$ 19,470,488</u>	<u>\$ 18,061,146</u>	<u>\$ 19,655,946</u>	<u>\$ 35,881,674</u>	<u>\$ 19,390,131</u>	<u>\$ 19,963,582</u>	<u>\$ 20,977,707</u>	<u>\$ 22,163,182</u>
Net (Expense)/Revenue										
Governmental activities net expense	\$ (12,993,179)	\$ (13,876,734)	\$ (16,529,773)	\$ (17,431,111)	\$ (17,463,762)	\$ (13,783,866)	\$ (22,362,727)	\$ (22,475,585)	\$ (22,126,151)	\$ (24,011,661)
Business-type activities net expense	542,329	842,713	3,820,666	4,569,536	5,319,906	20,859,478	4,688,833	5,420,294	5,690,371	3,688,977
Total primary government net expense	<u>\$ (12,450,850)</u>	<u>\$ (13,034,021)</u>	<u>\$ (12,709,107)</u>	<u>\$ (12,861,575)</u>	<u>\$ (12,143,856)</u>	<u>\$ 7,075,612</u>	<u>\$ (17,673,894)</u>	<u>\$ (17,055,291)</u>	<u>\$ (16,435,780)</u>	<u>\$ (20,322,684)</u>

City of New Port Richey, Florida
Schedule 2
Changes in Net Assets - "As Restated"
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Ad valorem	\$ 4,971,732	\$ 5,067,125	\$ 5,133,835	\$ 5,242,171	\$ 5,514,362	\$ 6,089,939	\$ 6,769,853	\$ 7,442,254	\$ 7,999,485	\$ 9,734,691
Franchise taxes	1,317,052	1,247,460	1,174,076	1,242,978	1,301,335	1,437,438	1,481,158	1,536,140	1,548,701	1,774,263
Utility taxes	1,494,804	1,352,119	1,375,391	1,388,523	1,455,309	1,546,129	1,638,684	1,732,353	1,816,916	1,992,700
Communication services tax	704,995	656,780	651,949	655,342	674,449	647,355	716,503	836,489	861,394	1,038,494
Half-cent sales tax	813,673	882,574	954,797	991,044	1,050,889	1,085,454	1,089,177	1,302,161	1,468,905	1,457,377
Local option gas tax	522,565	654,244	742,954	773,264	811,384	833,547	1,044,516	1,235,494	1,285,109	1,324,123
Infrastructure tax	1,673,113	2,036,452	2,248,051	2,713,655	2,904,945	3,103,243	3,181,780	3,669,723	4,219,720	4,421,283
State excise taxes - public safety	293,365	300,040	321,892	343,262	352,072	329,121	344,600	332,171	350,998	397,898
Other taxes	239,135	-	-	-	-	-	-	-	-	-
State revenue sharing	723,724	818,358	783,876	803,173	799,436	823,034	807,168	871,739	1,079,059	1,105,683
Investment income (loss)	24,713	64,671	66,403	(732,379)	(339,826)	14,577	135,869	14,977	454,893	1,111,018
Miscellaneous	(9,794)	213,901	134,233	158,389	736,011	822,001	1,113,457	865,508	913,166	1,013,680
Total governmental activities	<u>12,769,077</u>	<u>13,293,724</u>	<u>13,587,457</u>	<u>13,579,422</u>	<u>15,260,366</u>	<u>16,731,838</u>	<u>18,322,765</u>	<u>19,839,009</u>	<u>21,998,346</u>	<u>25,371,210</u>
Business-type activities:										
Impact fees (w/charges for Svcs water and sewer-2015)	-	-	-	-	-	-	-	-	-	-
Investment income	465,495	437,135	433,761	409,836	421,809	488,250	489,088	288,392	297,344	688,595
Miscellaneous	222,172	114,515	24,693	124,065	17,357	19,734	179	-	-	-
Total business-type activities	<u>687,667</u>	<u>551,650</u>	<u>458,454</u>	<u>533,901</u>	<u>439,166</u>	<u>507,984</u>	<u>489,267</u>	<u>288,392</u>	<u>297,344</u>	<u>688,595</u>
Special Item:										
Loss from sale of property held for resale	-	-	-	-	-	-	-	-	-	-
Total primary government	<u>\$ 13,456,744</u>	<u>\$ 13,845,374</u>	<u>\$ 14,045,911</u>	<u>\$ 14,113,323</u>	<u>\$ 15,699,532</u>	<u>\$ 17,239,822</u>	<u>\$ 18,812,032</u>	<u>\$ 20,127,401</u>	<u>\$ 22,295,690</u>	<u>\$ 26,059,805</u>
Change in Net Position (Excluding Transfers)										
Governmental activities	\$ (224,102)	\$ (583,010)	\$ (2,942,316)	\$ (3,851,689)	\$ (2,203,396)	\$ 2,947,972	\$ (4,039,962)	\$ (2,636,576)	\$ (127,805)	\$ 1,359,549
Business-type activities	1,229,996	1,394,363	4,279,120	5,103,437	5,759,072	21,367,462	5,178,100	5,708,686	5,987,715	4,377,572
Total primary government	<u>\$ 1,005,894</u>	<u>\$ 811,353</u>	<u>\$ 1,336,804</u>	<u>\$ 1,251,748</u>	<u>\$ 3,555,676</u>	<u>\$ 24,315,434</u>	<u>\$ 1,138,138</u>	<u>\$ 3,072,110</u>	<u>\$ 5,859,910</u>	<u>\$ 5,737,121</u>

City of New Port Richey, Florida
Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ 7,434,660	\$ 9,097,360	\$ 8,904,744	\$ 8,896,577	\$ 8,930,785	\$ 8,914,550	\$ 8,928,665	\$ 8,394,246	\$ 7,893,411	\$ 6,104,951
Restricted	38,553	102,155	101,335	76,138	34,782	66,760	150,606	172,245	120,060	206,389
Committed	2,956,553	2,655,554	3,025,008	3,267,511	2,885,848	2,319,371	1,968,881	1,955,293	2,071,501	1,889,082
Assigned	948,890	111,242	28,642	31,605	70,068	72,131	72,068	72,068	72,068	74,068
Unassigned	1,811,805	519,195	62,770	630,060	272,055	282,561	187,185	406,086	824,956	1,714,705
Total General Fund	<u>\$ 13,190,461</u>	<u>\$ 12,485,506</u>	<u>\$ 12,122,499</u>	<u>\$ 12,901,891</u>	<u>\$ 12,193,538</u>	<u>\$ 11,655,373</u>	<u>\$ 11,307,405</u>	<u>\$ 10,999,938</u>	<u>\$ 10,981,996</u>	<u>\$ 9,989,195</u>
All Other Governmental Funds:										
Nonspendable	\$ 3,241,550	\$ -	\$ -	\$ -	\$ -	\$ 8,936,230	\$ 1,832,565	\$ 1,315,000	\$ 1,213,516	\$ 4,652,900
Restricted	-	8,677,376	6,097,506	5,921,141	4,741,199	4,377,366	5,036,578	8,212,383	9,750,322	10,071,068
Assigned to:										
Redevelopment	-	-	-	-	-	-	-	-	-	-
Street improvement	3,116,725	-	-	-	-	-	-	-	-	-
Debt service	268,111	-	-	-	-	-	-	-	-	-
Capital project fund	4,908,443	-	-	-	-	-	-	-	-	-
Other governmental fund	124,590	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	(7,421,423)	(4,990,418)	(4,988,425)	(5,760,694)	(5,015,890)	(6,849,712)	(6,070,430)	(7,412,465)	(7,564,487)	(5,309,900)
Total all other governmental funds	<u>\$ 4,237,996</u>	<u>\$ 3,686,958</u>	<u>\$ 1,109,081</u>	<u>\$ 160,447</u>	<u>\$ (274,691)</u>	<u>\$ 6,463,884</u>	<u>\$ 798,713</u>	<u>\$ 2,114,918</u>	<u>\$ 3,399,351</u>	<u>\$ 9,414,068</u>

City of New Port Richey, Florida
Schedule 4
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 11,090,929	\$ 11,353,527	\$ 11,673,019	\$ 11,982,392	\$ 12,626,315	\$ 13,664,738	\$ 14,840,935	\$ 16,452,453	\$ 17,731,325	\$ 20,285,554
Licenses and permits	337,764	322,553	404,488	390,984	451,759	429,997	554,555	682,008	911,557	1,053,559
Intergovernmental revenue	2,472,297	2,635,950	3,594,353	3,197,521	3,393,372	3,333,955	2,806,862	2,803,305	3,603,686	4,611,838
Charges for services	3,033,884	640,005	743,141	840,199	988,105	1,080,354	637,659	842,186	1,022,534	1,153,641
Fines and forfeitures	339,445	1,705,093	2,777,550	2,049,281	2,516,235	2,454,745	2,097,214	2,321,800	2,000,617	2,356,019
Investment income (loss)	-	-	-	(750,039)	(360,956)	(6,037)	148,233	14,966	455,602	1,107,072
Miscellaneous revenue	233,902	348,173	209,204	225,048	807,151	853,839	1,104,841	865,508	913,166	1,013,680
Total revenues	<u>17,508,221</u>	<u>17,005,301</u>	<u>19,401,755</u>	<u>17,935,386</u>	<u>20,421,981</u>	<u>21,811,591</u>	<u>22,190,299</u>	<u>23,982,226</u>	<u>26,638,487</u>	<u>31,581,363</u>
Expenditures										
General government	2,919,051	3,174,239	4,463,664	4,555,614	4,682,137	5,003,396	5,912,880	8,202,491	7,035,559	6,805,466
Public safety	7,910,644	9,683,755	11,319,074	10,169,514	10,570,319	10,470,824	10,362,701	10,651,639	11,050,046	11,682,200
Public works	1,708,078	1,738,639	1,852,146	2,097,798	2,223,566	2,187,827	2,375,204	2,457,060	2,460,525	2,688,855
Culture and recreation	2,355,535	2,446,502	1,999,993	2,179,970	2,211,104	2,285,871	2,099,660	2,183,468	2,377,639	2,644,235
Capital outlay	2,380,655	4,597,311	6,590,420	4,093,734	5,619,468	5,614,638	5,176,853	14,493,132	4,163,413	7,359,623
Debt service:										
Principal retirement	7,579,989	873,000	11,295,000	609,000	625,000	640,000	657,000	1,859,198	2,100,035	3,585,362
Interest and fiscal charges	710,587	489,100	422,968	284,875	262,764	247,417	230,858	441,839	770,252	933,330
Total expenditures	<u>25,564,539</u>	<u>23,002,546</u>	<u>37,943,265</u>	<u>23,990,505</u>	<u>26,194,358</u>	<u>26,449,973</u>	<u>26,815,156</u>	<u>40,288,827</u>	<u>29,957,469</u>	<u>35,699,071</u>
Excess of revenues over (under) expenditures	(8,056,318)	(5,997,245)	(18,541,510)	(6,055,119)	(5,772,377)	(4,638,382)	(4,624,857)	(16,306,601)	(3,318,982)	(4,117,708)
Other Financing Sources (Uses)										
Proceeds from borrowing	22,219	-	-	-	-	-	890,000	12,691,145	193,813	4,046,944
Proceeds from sale of capital assets	17,169,557	16,215	72,241	-	-	-	-	8,754	-	-
Gain (loss) from sale of properties held for resale	(8,572,040)	-	-	-	-	-	-	-	-	-
Redemption of refunded debt	-	-	11,265,000	-	43,826	-	-	-	-	-
Transfers in	-	7,369,842	31,082,146	9,556,455	9,566,204	8,902,878	10,682,890	22,497,943	10,846,097	17,545,047
Transfers out	-	(3,195,862)	(26,818,762)	(4,320,335)	(4,868,504)	(4,655,948)	(6,369,310)	(17,882,503)	(6,454,437)	(12,432,367)
Total other financing sources (uses)	<u>8,619,736</u>	<u>4,190,195</u>	<u>15,600,625</u>	<u>5,236,120</u>	<u>4,741,526</u>	<u>4,246,930</u>	<u>5,203,580</u>	<u>17,315,339</u>	<u>4,585,473</u>	<u>9,159,624</u>
Net change in fund balances	563,418	(1,807,050)	(2,940,885)	(818,999)	(1,030,851)	(391,452)	578,723	1,008,738	1,266,491	5,041,916
Fund balances - beginning of year	16,830,212	17,428,457	16,172,465	13,231,578	13,062,338	11,918,847	11,527,395	12,106,118	13,114,856	14,381,347
Prior period adjustment	34,827	551,058	-	649,759	(112,640)	-	-	-	-	-
Fund balances - end of year	<u>\$ 17,428,457</u>	<u>\$ 16,172,465</u>	<u>\$ 13,231,580</u>	<u>\$ 13,062,338</u>	<u>\$ 11,918,847</u>	<u>\$ 11,527,395</u>	<u>\$ 12,106,118</u>	<u>\$ 13,114,856</u>	<u>\$ 14,381,347</u>	<u>\$ 19,423,263</u>
Debt service as a percentage of noncapital expenditures	35.8%	7.4%	37.4%	4.5%	4.3%	4.3%	4.1%	9.0%	10.4%	15.4%

City of New Port Richey, Florida
Schedule 5
Tax Revenues by Source, General Fund
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Ad Valorem	Franchise Fees	Communications Service Tax	Total
2023	\$ 6,803,297	\$ 1,532,117	\$ 1,038,494	\$ 9,373,908
2022	5,959,233	1,548,701	861,394	8,369,328
2021	5,653,597	1,536,140	836,490	8,026,227
2020	5,292,534	1,481,158	716,503	7,490,195
2019	4,956,886	1,437,438	547,355	6,941,679
2018	4,673,607	1,301,335	674,449	6,649,391
2017	4,561,087	1,242,978	655,342	6,459,407
2016	4,476,414	1,174,076	651,949	6,302,439
2015	4,510,864	1,247,460	656,780	6,415,104
2014	4,482,608	1,317,052	704,995	6,504,655

City of New Port Richey, Florida
Schedule 6
Ratio of Unassigned Fund Balance to General Fund Budget
Ten Fiscal Years

Fiscal Year	General Fund Original Budget	Unassigned Fund Balance at Beginning of Year	
		Amount	% of Budget
2023	\$ 28,644,377	\$ 824,956	3%
2022	25,732,690	406,086	2%
2021	24,203,600	187,185	1%
2020	23,047,430	282,561	1%
2019	22,350,160	282,667	1%
2018	20,159,730	630,060	3%
2017	19,628,645	62,770	0%
2016	30,206,880	519,195	2%
2015	20,229,720	1,811,805	9%
2014	17,684,110	4,391,831	25%

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Schedules of Revenue Capacity Information

These schedules contain information to help the reader assess the City's most significant local revenue source - the property tax.

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City of New Port Richey, Florida
Schedule 7
Assessed Value and Just Value of Taxable Property
Recertified Tax Roll
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Just Value Residential Property	Just Value Commercial Property	Just Value Governmental Property	Just Value Institutional Property	Just Value Real Property	Just Value Tangible Personal Property	Just Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2023	\$ 1,140,861,283	\$ 457,566,359	\$ 72,564,279	\$ 94,057,843	\$ 1,765,049,764	\$ 81,120,428	\$ 1,846,170,192	\$ 338,600,227	947,326,905	8.4500
2022	758,357,276	395,321,436	101,105,114	46,344,550	1,301,128,376	80,056,642	1,381,185,018	531,234,866	849,950,152	8.5000
2021	631,718,502	380,648,960	122,994,500	45,372,902	1,180,734,864	82,631,693	1,263,366,557	306,433,319	956,933,238	8.7500
2020	527,551,349	331,863,218	106,329,331	44,251,469	1,009,995,367	78,339,122	1,088,334,489	272,139,885	816,194,604	8.7500
2019	506,297,081	204,833,586	107,964,299	44,352,309	863,447,275	80,691,958	944,139,233	324,485,156	619,654,077	8.9000
2018	421,286,674	168,846,082	100,473,652	45,895,216	736,501,624	81,277,563	817,779,187	280,151,518	537,627,669	8.9950
2017	397,134,374	167,945,635	98,748,596	44,526,874	708,355,479	83,348,562	791,704,041	277,412,531	514,291,510	9.1500
2016	392,819,017	167,477,041	98,677,708	43,629,871	702,603,637	83,208,411	785,812,048	276,170,720	509,641,328	9.5000
2015	383,126,881	166,961,843	98,884,754	44,344,555	693,318,033	82,418,764	775,736,797	286,808,517	488,928,280	9.5000
2014	373,695,338	167,659,998	98,759,224	48,793,955	688,908,515	88,058,373	776,966,888	292,265,179	484,701,709	9.5799

Source: Pasco County Property Appraiser.

City of New Port Richey, Florida
Schedule 8
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rates per \$1,000 of assessed value)

Fiscal Year	City	Pasco County				Pasco County School Board				Southwest Florida Water Management District	Florida Coastal Rivers Basin	Pinellas Anclote River Basin	Total ⁽¹⁾
		Operating	District Bond	Mosquito Control	Total County - Operating	Operating	Capital Outlay	School Bond	Total School Board				
2023	8.4500	7.6076	0.0000	0.2545	7.8621	4.0160	1.5000	0.0000	5.5160	0.2260	0.0000	0.0000	22.0541
2022	8.5000	7.6076	0.0000	0.2545	7.8621	4.3100	1.5000	0.0000	5.8100	0.2535	0.0000	0.0000	22.4256
2021	8.7500	7.6076	0.0000	0.2545	7.8621	4.4220	1.5000	0.0000	5.9220	0.2669	0.0000	0.0000	22.8010
2020	8.7500	7.6076	0.0000	0.2646	7.8722	4.6010	1.5000	0.0000	6.1010	0.2801	0.0000	0.0000	23.0033
2019	8.9000	7.6076	0.0000	0.2034	7.8110	4.7790	1.5000	0.0000	6.2790	0.2955	0.0000	0.0000	23.2855
2018	8.9950	7.6076	0.0000	0.2154	7.8230	5.0650	1.5000	0.0000	6.5650	0.3131	0.0000	0.0000	23.6961
2017	9.1500	7.6076	0.0000	0.2254	7.8330	5.2777	1.5000	0.0000	6.7777	0.3317	0.0000	0.0000	24.0924
2016	9.5000	7.6076	0.0000	0.2336	7.8412	5.6090	1.5000	0.0000	7.1090	0.3488	0.0000	0.0000	24.7990
2015	9.5000	7.3441	0.0000	0.2400	7.5841	5.6490	1.5000	0.0000	7.1490	0.3658	0.0000	0.0000	24.5989
2014	9.5799	7.3441	0.0000	0.1620	7.5061	5.8570	1.5000	0.0000	7.3570	0.3818	0.0000	0.0000	24.8248

Notes: ⁽¹⁾ The overall total includes the Florida Coastal Rivers Basin (and excludes the Pinellas Anclote River Basin) because it is the most predominant in the City.

Source: Pasco County Property Appraiser.

City of New Port Richey, Florida
Schedule 9
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Southgate Shopping Center LLC	\$ 21,340,525	1	2.39%	\$ 12,912,127	1	2.66%
Stonehaven at Main Street LP	18,463,810	2	2.07%			
Sunshine Lake Estates MHC LLC	11,559,460	3	1.30%	7,192,700	6	1.48%
Prometheus Port Richey LLP	6,379,480	4	0.72%			
Harbor View MHC LLC	6,300,410	5	0.71%	10,280,825	2	2.12%
DAS Hospitality LLC	6,024,533	6	0.68%			
High Point Apartments LTD	3,626,610	7	0.41%			
Central Orange Partners LLC	3,545,506	8	0.40%			
PM Preferred Properties LP	3,425,290	9	0.38%			
KG New Port Richey RE Holdings LLC	3,187,040	10	0.36%			
Duke Energy Florida				9,331,988	3	1.93%
HCA Health Services of Florida				7,999,625	4	1.65%
Verizon Communications, Inc.				7,487,276	5	1.54%
Pasco Richey Woods LTD				5,313,419	7	1.48%
Orchard Ridge Nursing Center				4,343,187	8	0.90%
R-Motels, Inc.				2,882,069	9	0.59%
Florida-LTC Inc.				2,726,596	10	0.56%
	<u>\$ 83,852,664</u>		<u>14.30%</u>	<u>\$ 70,469,812</u>		<u>13.20%</u>

Source: Pasco County Property Appraiser's Office.

City of New Port Richey, Florida
Schedule 10
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Year Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 7,172,746	\$ 6,806,448	94.89%	\$ (3,152)	\$ 6,803,296	94.85%
2022	6,152,180	5,945,352	96.64%	13,881	5,959,233	96.86%
2021	5,795,401	5,640,949	97.33%	12,648	5,653,597	97.55%
2020	5,487,947	5,282,194	96.25%	10,340	5,292,534	96.44%
2019	5,117,928	4,939,351	96.51%	17,535	4,956,886	96.85%
2018	4,865,530	4,431,108	91.07%	242,499	4,673,607	96.06%
2017	4,732,351	4,315,635	91.19%	245,452	4,561,087	96.38%
2016	4,754,168	4,284,165	90.11%	192,249	4,476,414	94.16%
2015	4,730,784	4,486,507	94.84%	24,357	4,510,864	95.35%
2014	4,765,358	4,473,225	93.87%	9,383	4,482,608	94.07%

Source: Pasco County Property Appraiser.

Schedules of Debt Capacity Information

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.

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City of New Port Richey, Florida
Schedule 11
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Business-Type Activities						Total
	Redevelopmt. Refunding Rev. Note Series 2005A	Redevelopmt. Revenue Note Series 2005B	Redevelopmt. Revenue Note Series 2016	Non-Ad Valorem Revenue Bond Series 2020A	Non-Ad Valorem Revenue Bond Series 2020B	Non-Ad Valorem Revenue Bond Series 2022	Fire Truck Note	Lease Liability	Revenue Bonds Series 2007A	Refunding Revenue Bond Series 2012	Revenue Bond Series 2017A	Lease Liability	Revenue Bond Series 2019	
2023	\$ -	\$ -	\$ 6,351,000	\$ -	\$ 7,919,907	\$ 1,719,001	\$ 736,527	\$ 2,033,920	\$ -	\$ 2,747,152	\$ 465,000	\$ 348,081	\$ 4,893,000	\$ 27,213,588
2022	-	-	7,059,000	631,199	8,355,207	-	-	1,489,050	-	3,390,988	517,000	346,676	5,798,000	27,587,120
2021	-	-	7,750,000	1,685,990	8,355,207	-	-	1,630,713	-	4,018,609	568,000	418,891	6,680,000	31,107,410
2020	-	-	8,423,000	-	-	-	-	890,000	-	4,630,128	617,000	170,453	7,540,000	22,270,581
2019	-	-	9,080,000	-	-	-	-	-	-	5,226,248	665,000	251,700	8,378,000	23,600,948
2018	-	-	9,720,000	-	-	-	-	-	-	5,807,261	712,000	330,404	-	16,569,665
2017	-	-	10,345,000	-	-	-	-	-	-	6,373,551	758,000	-	-	17,476,551
2016	-	-	10,954,000	-	-	-	-	-	-	6,925,490	-	-	-	17,879,490
2015	5,497,000	5,487,000	-	-	-	-	-	-	-	7,463,443	-	-	-	18,447,443
2014	5,934,000	5,923,000	-	-	-	-	-	-	654,150	7,463,443	-	-	-	19,974,593

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

The City has had no general obligation bonded debt in the last ten years.

The Constitution of the State of Florida, Florida Statute 200.181 and the Charter of the City of New Port Richey, Florida set no legal debt margin.

City of New Port Richey, Florida
Schedule 12
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Pasco County School Board ⁽¹⁾	\$ 661,017,159	20.78%	\$ 137,365,657
City's direct debt			<u>27,213,588</u>
Total direct and overlapping debt			<u>\$ 164,579,245</u>
<u>Notes:</u> ⁽¹⁾ The City's share is calculated based on the ratio of the 2023 City Taxable Value of to the County's Taxable Value of \$40,900,444			\$ 849,950,152

Source: Pasco County School Board and Pasco County Property Appraiser

City of New Port Richey, Florida
Schedule 13
Pledged Revenue Coverage
Last Ten Fiscal Years

Year	Public Service Tax	Revenue Note, Series 2000			Tax Increment Revenue	Redevelopment Revenue Notes			Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Water and Sewer Revenue Bonds		
		Principal	Interest	Coverage		Principal	Interest	Coverage				Principal	Interest	Coverage
2022	\$ -	\$ -	\$ -	\$ -	\$ 6,093,619	\$ 708,000	\$ 365,096	5.68	\$ -	\$ -	\$ -	\$ 1,600,836	\$ 252,282	-
2022	-	-	-	-	4,281,699	691,000	371,988	0.13	-	-	-	1,560,521	301,470	-
2021	-	-	-	-	3,796,901	673,000	354,766	0.13	-	-	-	1,520,619	338,173	-
2020	-	-	-	-	3,187,389	657,000	246,888	0.13	-	-	-	1,482,120	263,865	-
2019	-	-	-	-	2,471,163	640,000	246,888	0.13	-	-	-	973,013	263,865	-
2018	-	-	-	-	1,834,839	625,000	254,826	0.13	-	-	-	612,290	184,810	-
2017	-	-	-	-	1,546,795	609,000	284,875	0.13	-	-	-	580,939	192,800	-
2016	-	-	-	-	1,468,482	11,295,000	422,968	0.13	-	-	-	537,953	194,050	-
2015	-	-	-	-	1,275,820	11,295,000	422,968	0.11	-	-	-	654,150	222,113	-
2014	1,356,940	673,522	44,098	1.89	1,121,409	7,037,359	535,596	0.15	-	-	-	626,400	248,914	-

Note: The revenue bonds are secured by non ad-valorem revenues.

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Schedules of Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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City of New Port Richey, Florida
Schedule 14
Demographic and Economic Statistics
Last Ten Calendar Years

Year	City		Pasco County				
	Population ⁽¹⁾	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2023	17,213	610,743	\$ 32,023,475,000	\$ 52,601	45	85,867	3.2%
2022	17,332	592,669	29,482,838,000	50,479	44.5	81,157	2.8%
2021	16,812	561,891	23,304,817,000	42,070	44.2	77,109	5.6%
2020	16,935	553,947	21,983,432,000	40,779	44.5	76,687	10.0%
2019	16,027	539,630	20,540,387,000	39,114	43.6	74,324	3.8%
2018	15,863	525,643	19,444,411,000	38,131	44.2	73,645	4.2%
2017	15,764	512,368	18,262,733,000	36,902	44.2	72,493	6.5%
2016	15,619	497,909	17,010,349,000	35,189	44.1	69,813	5.3%
2015	15,351	485,331	16,069,820,000	33,877	N/A	68,116	6.1%
2014	15,107	475,502	15,856,881,000	33,764	44.1	68,904	8.1%

N/A - Not available

Sources:

⁽¹⁾ Bureau of Economic and Business Research

⁽²⁾ Bureau of Economic and Business Research-Florida Statistical Abstract

⁽³⁾ Florida Department of Education

⁽⁴⁾ Florida Department of Economic Opportunity

City of New Port Richey, Florida
Schedule 15
Principal Employers
Current Year and Nine Years Ago ⁽¹⁾

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment ⁽¹⁾	Employees	Rank	Percentage of Total City Employment ⁽¹⁾
North Bay Hospital/Morton Plant	1,152	1	13.29%	700	1	8.32%
Baycare Behavioral Health, Inc.	341	2	5.01%	340	2	4.04%
Madison Pointe Rehab & Health	166	3	2.10%	186	3	2.21%
Publix Supermarket #1020 (Southgate)	160	4	2.07%	131	7	1.56%
Southern Pines Nursing Home	124	5	2.03%	128	10	1.52%
Applicant Insight, Inc.	120	6	1.97%	130	9	1.55%
Friendly Kia	112	7	1.78%			
Heather Hills Nursing Home	105	8	1.54%	130	8	1.55%
Cracker Barrel	73	9	1.15%	136	6	1.62%
Keiser College	54	10	0.87%			
Med-Fleet Systems, Inc.				150	5	1.78%
Orchard Ridge Nursing Center				160	4	1.90%
	<u>2,407</u>		<u>31.81%</u>	<u>2,191</u>		<u>26.05%</u>

Source: City of New Port Richey Billing & Collection Division.

Schedules of 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.

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City of New Port Richey, Florida
Schedule 16
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of September 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Legislative	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	1.00
Executive	1.50	1.50	1.45	1.45	1.80	1.75	3.00	2.40	2.75	2.80
Technology Solutions ⁽¹⁾	8.00	7.00	5.00	4.40	3.80	4.00	4.00	3.00	3.00	3.00
Human Resources	3.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	2.90
Financial Administration	16.70	16.70	15.40	15.10	14.00	14.00	14.00	14.60	14.60	14.30
City Clerk	0.25	0.30	0.25	0.30	0.30	0.25	1.00	1.00	1.00	1.00
Police:										
Supervision	3.00	3.00	3.00	3.00	2.00	2.00	3.00	3.80	3.80	2.50
Support Services	15.00	16.50	16.44	16.44	14.70	14.73	16.19	14.80	14.80	13.60
Community Services	7.00	8.00	8.00	8.00	8.00	9.00	9.00	11.00	11.00	9.00
Patrol	40.77	40.80	38.73	38.73	37.73	34.68	34.68	28.70	28.70	26.70
Code Enforcement	5.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	2.00	1.00
Code Enforcement - Grant Funded	-	-	-	-	-	-	-	-	1.00	1.00
Red Light Camera	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.18	2.00	2.00
Fire:										
Supervision	3.00	3.70	3.73	4.23	4.23	4.00	3.70	2.73	3.00	3.00
Firefighting	23.40	23.40	22.40	22.40	24.00	24.00	24.00	24.06	23.80	23.80
Development:										
Development Department	10.46	9.50	9.19	8.23	8.50	7.73	10.00	10.00	7.00	7.00
Redevelopment:										
Economic Development	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community Redevelopment	1.25	1.30	1.30	1.30	0.50	0.50	0.50	0.50	-	-
Public Works:										
Supervision	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Road and Street Facilities	9.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00	7.00	7.00
Facilities Maintenance	6.72	6.70	6.46	6.46	7.46	6.88	5.50	5.50	-	-
Grounds Maintenance	11.00	11.00	11.00	11.00	9.46	9.44	9.44	8.00	-	-
Parking Garage	2.46	-	-	-	-	-	-	-	-	-
Water Production	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Water Distribution	13.00	13.00	12.00	12.00	10.00	10.00	10.00	10.00	11.00	12.00
Water Pollution Control	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Sewer Collection	11.00	11.00	11.00	11.00	9.00	9.00	8.00	7.00	7.00	8.00
Reclaimed Water Production	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Construction Services	5.00	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00	-
Stormwater	6.00	6.00	6.00	6.00	5.72	6.00	5.00	5.00	5.00	5.00
Central Garage	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Culture and Recreation:										
Library	15.28	15.00	15.01	15.01	14.78	13.78	13.67	13.18	13.90	13.90
Recreation	18.80	17.10	17.05	18.05	17.92	16.57	14.60	11.90	12.50	16.80
Aquatics	9.26	8.80	7.50	8.00	8.00	8.00	8.25	7.31	6.40	5.30
	<u>284.85</u>	<u>278.30</u>	<u>268.91</u>	<u>269.10</u>	<u>257.90</u>	<u>252.06</u>	<u>253.28</u>	<u>240.41</u>	<u>224.00</u>	<u>214.60</u>

Source: City of New Port Richey Accounting & Budgeting Division.

⁽¹⁾ Previously part of Financial Administration.

City of New Port Richey, Florida
Schedule 17
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Calls for service	38,050	30,477	30,477	30,899	34,500	38,684	32,741	28,461	28,230	27,274
Physical arrests	953	956	956	841	1,601	1,517	985	953	841	884
Parking violations	-	-	-	-	-	1	7	5	6	5
Traffic violations	2,004	2,202	2,202	3,880	2,560	3,704	2,749	1,649	1,462	2,048
Fire:										
Emergency responses	5,908	5,746	5,746	5,072	4,836	3,333	3,856	3,923	3,977	3,921
Fires extinguished	56	46	46	45	48	31	29	27	33	46
Inspections	438	429	429	926	2,071	749	890	1,000	1,100	1,088
Development services:										
Building permits	1,476	1,956	1,856	1,762	1,547	1,757	1,527	1,696	1,515	1,665
Building permit amount	34,735,321	47,397,499	47,397,499	30,777,286	31,100,483	33,125,842	31,678,000	32,809,997	16,400,350	14,606,289
Public works:										
Street resurfacing (miles)	4.97	4.97	4.97	4.96	4.96	4.17	-	-	-	-
Recreation:										
Daily attendance	233,732	275,943	237,291	174,315	309,584	263,013	251,452	279,456	281,221	280,521
Memberships	4,673	4,828	4,246	2,567	5,353	3,121	2,341	2,275	2,269	2,254
Library:										
Attendance ⁽¹⁾	97,474	64,271	56,211	85,370	139,344	149,432	491,489	491,256	490,920	471,581
Volumes in collection ^{(1) (2)}	85,105	79,167	1,172,944	966,534	126,243	126,521	167,452	165,487	157,964	141,152
Total volumes borrowed ⁽²⁾	149,454	168,965	150,898	119,823	371,005	142,492	755,412	754,260	734,425	652,164
Water:										
New connections	52	50	132	165	484	354	10	10	45	13
Avg. daily consumption (MG)	5.56	5.54	4.24	6.42	6.24	5.91	5.62	5.27	5.15	5.20
Sewer:										
New connections	52	50	132	165	484	289	112	150	20	8
Average daily flow (MG)	5.08	5.08	4.24	6.42	6.24	5.91	5.62	5.43	5.25	5.133
Miles of new sewer lines	-	-	-	-	-	-	-	-	-	-
Reclaimed water:										
New connections	8	4	-	-	-	5	(6)	(12)	19	224
Avg. daily consumption (MG) (Pasco County & City)	4.84	5.08	4.15	5.03	4.7	4.62	4.46	4.97	5.05	5.133
Avg. daily consumption (MG) (City only)	1.42	1.52	3.23	2.38	2.31	2.38	2.19	2.21	2.25	2.267

Notes:

N/A = not available
MG = million gallons

⁽¹⁾ In 2018, a change in reporting system and method of how information is recorded resulted in a significant change in statistical information from previous years.

⁽²⁾ Beginning in 2020, the amount includes downloadable, electronic, digital, and physical collections.

Source: All data was provided by the various City of New Port Richey departments.

City of New Port Richey, Florida
Schedule 18
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Public works:										
Streets (miles)	80.53	80.53	80.53	80.53	80.53	80.53	80.53	80.53	80.53	80.53
Streetlights	2,782	2,779	2,779	2,779	2,776	2,762	2,726	2,726	2,726	2,718
Recreation:										
Number of parks	11.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Acreage	171.25	172.43	172.43	172.43	172.43	172.43	172.43	172.43	172.43	158.50
Baseball fields	-	-	-	-	-	-	-	-	-	-
Community centers	2	2	2	2	2	2	2	2	2	2
Water:										
Water mains (miles)	154.87	154.21	154.21	154.21	154.19	150.25	142.65	141.22	141.22	139.56
Fire hydrants	684	697	697	697	697	687	669	669	669	669
Storage capacity (MG)	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.5	3.5	3.5
Number of connections	17,975	17,975	17,975	17,843	17,838	17,354	16,951	16,612	16,550	16,505
Wastewater:										
Number of connections	14,888	14,888	14,888	14,756	14,753	14,269	13,791	13,750	13,600	13,580
Sanitary sewers (miles)	87.46	87.64	87.64	87.64	87.52	84.85	84.85	84.77	84.77	84.77
Forced main (miles)	29.82	29.37	29.37	29.37	29.37	29.25	29.25	29.25	29.25	29.25
Treatment capacity (MG)	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Reclaimed water:										
Reclaimed lines (miles)	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Number of connections	496	496	496	496	496	496	493	503	515	496

Notes:

N/A = not available

MG = million gallons

Source: All data provided by various City of New Port Richey departments

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OTHER AUDITOR REPORTS

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CITY OF NEW PORT RICHEY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Agency, Pass-through Entity, Federal Program	AL Number	Contract Grant Number	Expenditures	Passed Through to Subrecipients
Federal Expenditures				
U.S. Department of Treasury				
Direct				
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	Y5266	\$ 1,519,938	\$ -
Total Department of Treasury			<u>1,519,938</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed through the Florida Department of Emergency Management Disaster Grants - Public Assistance (Hurricane Ian)	97.036		126,435	-
Total Department of Homeland Security			<u>126,435</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Passed through Pasco County Community Development Block Grants	14.218		21,667	-
Total Department of Housing and Urban Development			<u>21,667</u>	<u>-</u>
Total expenditures of Federal Awards			<u>\$ 1,668,040</u>	<u>\$ -</u>

Notes:

This schedule includes the federal grant activity of the City of New Port Richey, Florida for the fiscal year ended September 30, 2023, and is presented using modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of the basic financial statements.

The City chose not to use the 10% de minimis indirect cost rate for the year ended September 30, 2023

The City did not receive non-cash federal awards during the year ended September 30, 2023

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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,
Members of the City Commission and City Clerk
City of New Port Richey, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Port Richey, Florida (the "City"), as of and for the year ended September 30, 2023, 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 3, 2025. Our report includes a reference to other auditors who audited the financial statements of the Police Officers' Retirement System, and the Firefighters' Retirement System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Police Officers' Retirement System and the Firefighters' Retirement System were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-002 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

City's Response to Findings

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

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.



Bradenton, Florida
March 3, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor,
Members of the City Commission and City Clerk
City of New Port Richey, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of New Port Richey, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal program for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City 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 for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance 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. 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.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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, 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

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 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 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 3, 2025

CITY OF NEW PORT RICHEY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weaknesses identified? ___ yes X no

Significant deficiencies identified not considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Programs and State Financial Assistance Projects

Internal control over major federal programs:
Material weaknesses identified? ___ yes X no

Significant deficiencies identified not considered to be material weaknesses? ___ yes X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ yes X no

Assistance Listing Number
21.027 – COVID-19

Name of Federal Program or Cluster
U.S. Department of the Treasury –
Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000

Auditee qualified as low-risk auditee? ___ yes X no

State Financial Assistance Projects

There was not an audit of major state financial assistance projects as of September 30, 2023 due to the total amount expended being less than \$750,000.

**CITY OF NEW PORT RICHEY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

2023-001. Annual Financial Reports

Type of Finding: Instance of Noncompliance

Criteria or Specific Requirement: Section 218.32 of the Florida Statutes requires each local governmental entity that is determined to be a reporting entity, as defined by generally accepted accounting principles, and each independent special district shall submit to the State of Florida a copy of its annual financial report for the previous fiscal year in a format prescribed by the State. In addition, each local governmental entity that is required to provide for an audit must submit a copy of the audit report to the State within 45 days after the completion of the audit but no later than nine months after the end of the fiscal year.

Condition: Due to various issues within the City and the City's finance department, these financial statements were not submitted and completed within the nine month required timeframe.

Effect: The City is not in compliance with State Law.

Cause: The City did not have processes and procedures in place to ensure the timely completion of the annual audit process.

Recommendation: We recommend the City implement corrective actions to establish the proper processes and procedures to ensure the annual completion of the audit process within the state prescribed timeframe.

Views of Responsible Officials: Management concurs with the above finding and recommendation and will implement the necessary processes and procedures to ensure timely completion of the audit process in future periods.

2023-002. Required Adjusting Entries

Type of Finding: Material Weakness

Criteria: Internal controls should be in place to support effective and efficient processing of transactions to support a financial reporting framework that provides decision makers with the ability to make timely decisions. As part of the audit process, we noted the several account balances needing material adjustment as of September 30, 2023.

Condition: Material entries were required to properly report opening fund balance across multiple funds, report balances due between funds, report the proper allocation of cash between funds, report the current year amount of grant revenues and unearned grant revenues, and to report property held for resale.

Context: Per discussions with management, the City did not have adequate staffing levels reconciling activity throughout the year to correct these items on a timely basis.

Effect: There were material entries required across the City funds to ensure the financial statements were free of material misstatement.

Recommendation: We recommend the City implement internal controls to ensure that these accounts are properly reconciled throughout the year and in a timely basis to allow for proper reporting in accordance with GAAP as well as a more timely completion of the year end audit process.

**CITY OF NEW PORT RICHEY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

2023-002. Required Adjusting Entries (Continued)

Views of Responsible Officials: Management concurs with the above finding and recommendation and will implement the necessary processes and procedures to ensure timely completion of the audit process in future periods.

**SECTION III
FEDERAL PROGRAMS FINDINGS AND QUESTIONED COSTS**

None noted.

**CITY OF NEW PORT RICHEY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

**SECTION IV
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

None.

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Mayor,
Members of the City Commission and City Clerk
City of New Port Richey, Florida

Report on the Financial Statements

We have audited the financial statements of the City of New Port Richey, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 3, 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program 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 and schedule, which are dated March 3, 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 annual financial audit report. There were no findings or recommendations in the preceding annual financial report requiring correction.

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and 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 did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.d, 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 determined that all special district component units provided 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have 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, the Mayor and Members of the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 3, 2025



INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor,
Members of the City Commission and City Clerk
City of New Port Richey, Florida

We have examined the City of New Port Richey, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2023.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 3, 2025

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IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Crystal M. Dunn, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of City of New Port Richey which is a local governmental entity of the State of Florida.
2. The governing body of City of New Port Richey adopted Ordinance No. 2014-2030 implementing an impact fee or authorized City of New Port Richey to receive and expend proceeds of an impact fee implemented by City of New Port Richey.
3. City of New Port Richey has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Crystal M. Dunn
 (Chief Financial Officer of Entity)

STATE OF FLORIDA

COUNTY OF Pasco

SWORN TO AND SUBSCRIBED before me this 28 day of February, 2025.



Jeff Olds
 NOTARY PUBLIC
 Print Name JEFF OLDS

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

11/18/2025