2022

City of Dade City, Florida

Financial Statements and Independent Auditor's Report

September 30, 2022

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

CITY OF DADE CITY
DADE CITY, FLORIDA

SEPTEMBER 30, 2022

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AND
INDEPENDENT AUDITOR'S REPORT

CITY OF DADE CITY
DADE CITY, FLORIDA

SEPTEMBER 30, 2022

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PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Dade City
Dade City, 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 Dade City, Florida (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

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.

Honorable Mayor and City Commission
City of Dade City
Dade City, Florida

INDEPENDENT AUDITOR'S REPORT

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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

INDEPENDENT AUDITOR'S REPORT

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2024, 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 St*andards in considering the City's internal control over financial reporting and compliance.

Purvis Gray

August 7, 2024
Ocala, Florida

CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

This section provides a discussion and analysis of the financial activities for the City of Dade City, Florida (the City) for the period of October 1, 2021 through September 30, 2022. Please read this information in conjunction with the audited financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows, resulting in a net position of $62.53 million. Of this amount, $10.00 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- Governmental activities had program revenues of $4,969,707, general revenues of $7,555,849, and net transfers of $193,073. Total expenses were $8,456,445.
- Business-type activities had program revenues of $6,352,198, general revenues of ($424,803), and net transfers of ($193,073). Total expenses were $4,701,660.
- The County-wide one-cent infrastructure surtax generated revenues of $1,600,225, an increase of $235,593 from the previous year.
- During fiscal year 2022, the City incurred costs totaling $1,664,384 to construct a new water facility with three wells, elevated tank, and water treatment system at the Tank Hill and Well Booster Station.

USING THIS REPORT

Statement No. 34 of the Governmental Accounting Standards Board (GASB 34) establishes financial reporting requirements for state and local governments throughout the United States. The intent of GASB 34 is to make financial statements more comprehensive and easier to understand and use.

The financial statements consist of four parts:

- Government-wide financial statements – These statements report information about the City as a whole and have a longer-term viewpoint. The Statement of Net Position reports the financial and capital resources of the City by showing the difference between assets and liabilities. The Statement of Activities presents information on the various functions and services of the City and how they are financed.
- Fund financial statements – These statements report information about the City by its different accounting units, called funds. The Balance Sheet for governmental funds provides information about the current financial resources of each fund. The Statement of Revenues, Expenditures, and Changes in Fund Balance shows how the activities of the year impacted the balance of financial resources available in each fund.
- Notes to the financial statements – These notes include additional information needed to provide a fair presentation and more complete understanding of the financial statements. These notes are an integral part of the basic financial statements.
- Required supplementary information (other than management's discussion and analysis) – This information gives additional details about the City's financial condition that is not included in the other statements.

CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

STATEMENT OF NET POSITION

The primary government has two parts, governmental activities and business-type activities, which are described in more detail under the fund analysis section.

Net position may serve over time as a useful indicator of a government's financial position and condition. Assets and deferred outflows exceeded liabilities and deferred inflows by $62,535,407 at September 30, 2022, compared to $57,365,602 on September 30, 2021, an increase of $5,294,846 (including a prior period adjustment of $125,041).

Net investment in capital assets, such as buildings, equipment, and infrastructure, make up 64%, or $40.12 million, of total net position. An additional $12.39 million, or 20%, of net position is legally restricted for certain purposes and uses. The balance of $10.01 million, or 16%, in net position is unrestricted and available to meet the City's ongoing obligations.

	Governmental Activities		Business-Type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	$ 25,396,311	$ 14,562,697	$ 10,506,238	$ 10,299,067	$ 35,902,549	$ 24,861,764
Capital assets	15,319,330	20,897,775	29,367,539	28,443,516	44,686,869	49,341,291
Total Assets	**40,715,641**	**35,460,472**	**39,873,777**	**38,742,583**	**80,589,418**	**74,203,055**
Deferred Outflow of Resources	**3,347,118**	**205,226**	**2,410**	**3,967**	**3,349,528**	**209,193**
Liabilities:						
Current and other liabilities	5,095,051	2,572,281	1,170,686	1,395,976	6,265,737	3,968,257
Net pension liability and OPEB	3,941,862	447,794	68,260	51,816	4,010,122	499,610
Long-term liabilities	586,466	624,460	9,695,782	9,264,920	10,282,248	9,889,380
Total Liabilities	**9,623,379**	**3,644,535**	**10,934,728**	**10,712,712**	**20,558,107**	**14,357,247**
Deferred Inflow of Resources	**845,432**	**2,689,399**	**-**	**-**	**845,432**	**2,689,399**
Net Position:						
Net investment in capital assets	20,433,654	20,646,740	19,695,302	18,754,903	40,128,956	39,401,643
Restricted	11,291,516	6,716,402	1,099,082	2,846,522	12,390,598	9,562,924
Unrestricted	1,868,778	1,968,622	8,147,075	6,432,413	10,015,853	8,401,035
Total Net Position	**$ 33,593,948**	**$ 29,331,764**	**$ 28,941,459**	**$ 28,033,838**	**$ 62,535,407**	**$ 57,365,602**

CONDENSED STATEMENT OF ACTIVITIES

The total primary government had an increase of $5,294,846 in net position as a result of activities during the fiscal year. Governmental activities had an operating surplus of $4,069,111, while net transfers increased net position by an additional $193,073. Compared to the previous year, charges for services increased about 64% for the total primary government. Grant revenues decreased from $957,977 to $651,787, or 27%, due to the timing and completion of capital projects. Program expenses for the total primary government increased by $2,796,645, or 26.99%. Business-type activities had an increase in net position of $1,032,662, which is net of a $193,073 transfer out to governmental activities.

Excluding grants, charges for services are the majority of revenues of the business-type activities, while taxes and intergovernmental revenues primarily fund the governmental activities.

	Governmental Activities		Business-Type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
REVENUE						
Program Revenue:						
Charges for services	$ 4,855,537	$ 1,787,318	$ 5,767,398	$ 4,695,856	$ 10,622,935	$ 6,483,174
Operating grants	47,183	-	-	-	47,183	-
Capital grants	66,987	175,402	584,800	782,575	651,787	957,977
General Revenue:						
Property taxes	2,846,064	2,225,320	-	-	2,846,064	2,225,320
Other taxes and fees	4,404,968	4,358,830	-	-	4,404,968	4,358,830
Intergovernmental revenues	381,931	581,010	-	-	381,931	581,010
Other revenues	(77,114)	17,779	(424,803)	(53,485)	(501,917)	(35,706)
Total Revenues	**12,525,556**	**9,145,659**	**5,927,395**	**5,424,946**	**18,452,951**	**14,570,605**
EXPENSES						
Program Expenses:						
General government	2,604,931	2,162,783	-	-	2,604,931	2,162,783
Public safety	3,621,356	2,624,427	-	-	3,621,356	2,624,427
Physical environment	187,628	169,015	4,701,660	3,890,341	4,889,288	4,059,356
Transportation	1,308,220	1,077,922	-	-	1,308,220	1,077,922
Culture and recreation	734,310	436,972	-	-	734,310	436,972
Total Expenses	**8,456,445**	**6,471,119**	**4,701,660**	**3,890,341**	**13,158,105**	**10,361,460**
Excess deficiency before transfers	4,069,111	2,674,540	1,225,735	1,534,605	5,294,846	4,209,145
Net transfers	193,073	438,550	(193,073)	(438,550)	-	-
Gain on sale of fixed assets	-	-	-	-	-	-
Change in net position	**4,262,184**	**3,113,090**	**1,032,662**	**1,096,055**	**5,294,846**	**4,209,145**
Net Position - October 1, 2020	-	26,218,674	-	26,812,742	-	53,031,416
Net Position - September 30, 2021, restated	**-**	**29,331,764**	**-**	**27,908,797**	**-**	**57,240,561**
Net Position - October 1, 2021, restated	29,331,764	-	27,908,797	-	57,240,561	-
Net Position - September 30, 2022	**$ 33,593,948**	**$ -**	**$ 28,941,459**	**$ -**	**$ 62,535,407**	**$ -**

FUND ACTIVITY

Governmental activities include the general fund and the special revenue funds. The general fund is where most of the City's basic services are reported, including public safety, public works, and City administration. Special revenue funds are used to record receipts that are legally restricted in their uses, such as impact fees and certain taxes.

Business-type activities are City services that charge fees to pay the costs of those services. In the City, that includes the water and sewer utilities fund, and the sanitation fund. Also, the City reports the Building Fund, which issues building permits and enforces the Florida Building Code, as a major enterprise fund. The Public Utility Fund charges rates and fees that pay the costs of providing the water and sewer service. The City has been awarded a combination of grant and loan funding for some utility improvement projects. The enterprise funds transfer monies to the general fund for overhead allocation charges and other administrative services in support of the enterprise funds. The sanitation fund is responsible for garbage collection through a service agreement with an outside contractor.

GENERAL FUND BUDGET VARIATIONS

	Original 2022 Budget	Final 2022 Budget	Actual 2022 Results	Actual 2021 Results
REVENUE				
Taxes and special assessments	$ 3,594,735	$ 3,721,235	$ 4,566,453	$ 4,097,116
License and permits	45,000	45,000	38,579	33,586
Intergovernmental revenues	3,192,650	3,412,050	1,332,813	1,697,483
Charges for services	270,080	270,080	56,202	77,909
Fines and forfeitures	30,500	30,500	43,319	43,937
Miscellaneous revenue	1,426,678	1,445,678	36,805	58,793
Pension contributions - State	68,452	68,452	68,452	51,322
Transfers in	-	58,000	871,423	777,879
Total Revenues and Transfers In	**8,628,095**	**9,050,995**	**7,014,046**	**6,838,025**
EXPENSES				
Current:				
General government	2,146,680	2,259,680	2,066,226	1,797,081
Public safety	3,364,745	3,674,645	3,432,318	3,472,453
Transportation	580,935	580,935	655,193	516,616
Culture and recreation	428,558	428,558	459,396	370,333
Capital outlay	2,000,000	2,000,000	141,196	406,868
Transfers out	107,177	107,177	100,901	97,632
Total Expenses	**8,628,095**	**9,050,995**	**6,855,230**	**6,660,983**
Increase (Decrease) in Cash Reserves	**$ -**	**$ -**	**$ 158,816**	**$ 177,042**

Significant variations between the final budget and the actual results in the general fund are due to:

- Actual taxes and special assessment revenues exceeded the total budgeted amount by $845,218, as the economy strengthened during fiscal year 2022, and applicable tax revenues on underlying transactions outperformed expectations.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

CAPITAL ASSETS

The City lists capital assets totaling $52.13 million. Most of those assets ($29.3 million) are in the utility system improvements and infrastructure. Amounts in the following table are shown net of accumulated depreciation, where applicable.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	$ 2,027,797	$ 2,027,797	$ 117,862	$ 5,498,879	$ 2,145,659	$ 7,526,676
Buildings	7,458,959	5,875,933	5,317,009	15,737,471	12,775,968	21,613,404
Improvements	8,097,439	8,623,673	15,032,605	2,646,616	23,130,044	11,270,289
Construction in progress	778,687	338,872	4,546,730	4,442,688	5,325,417	4,781,560
Equipment	1,762,932	1,394,719	4,353,333	-	6,116,265	1,394,719
Infrastructure	2,636,781	2,636,781	-	-	2,636,781	2,636,781
Totals	**$ 22,762,595**	**$ 20,897,775**	**$ 29,367,539**	**$ 28,325,654**	**$ 52,130,134**	**$ 49,223,429**

LONG-TERM DEBT ACTIVITY

General government debt consists of a financed grapple truck purchase through a bank loan in the prior year. There are seven outstanding long-term debt obligations in the Public Utility Fund. Two of the debt obligations are loans from the United States Department of Agriculture, Rural Development, made under a grant/loan program for water and wastewater system improvements. The City has five open loan agreements with the State Revolving Fund for water and wastewater system improvements. The City anticipates acquiring additional funding from Rural Development and the State Revolving Fund in future years.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Notes payable	$ -	$ -	$ 5,612,765	$ 5,042,500	$ 5,612,765	$ 5,042,500
Revenue bonds	-	-	3,851,243	3,929,068	3,851,243	3,929,068
Vehicle Financing	74,771	147,110	166,084	218,061	240,855	365,171
Totals	**$ 74,771**	**$ 147,110**	**$ 9,630,092**	**$ 9,189,629**	**$ 9,704,863**	**$ 9,336,739**

POTENTIAL IMPACTS ON FUTURE FINANCIAL CONDITION

The transfer of fire suppression services to Pasco County has provided an ongoing cost savings for the City. Beginning with fiscal year 2004-2005, Pasco County has been charging a millage amount for fire services inside the City limits. This millage rate is counted against the City's overall millage cap of ten mills, which restricts the millage rate that Dade City will be able to charge for other municipal services.

New development within the City has been on an upward trend. The housing market has shown improvement. In general, as new developments occur, they will initially generate more permit and impact fees; after completion, they will provide increases in tax revenues and charges for services. There will also be increases in expenses to provide City services to those developments.

In 2004, the voters of Pasco County approved a local government infrastructure surtax, which adds an additional penny to the County sales tax rate through December 2014. These funds are shared by the County, the School Board, and the municipalities within the County, and may only be used for infrastructure improvements. Voters renewed the tax for another ten years in November 2012. The City realized additional proceeds for these projects due to a revised distribution formula.

The American Rescue Plan Act of 2021 (H.R. 1319) is a $1.9 trillion economic stimulus package passed by United States Congress and signed into law on March 11, 2021, in order to hasten the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. The American Rescue Plan Act established two fiscal recovery funds to distribute money to states, local governments, tribal governments and U.S. territories: 1) $219.8 billion to the Coronavirus State Fiscal Recovery Fund and 2) $130.2 billion to the Coronavirus Local Fiscal Recovery Fund, which was split among counties, metropolitan cities and non-entitlement units of local government. Of the total $130.2 billion appropriation under the Coronavirus Local Fiscal Recovery Fund, cities received $65.1 billion in population-adjusted payments, with additional adjustments for Community Development Block Grant (CDBG) recipients.

The City received a total of $3,675,264 as of fiscal year 2022. Funds must be fully obligated for expenditure by December 31, 2024, and will be used to replace revenue lost as a result of the negative economic impacts of COVID-19. No funds have been expended as of September 30, 2022.

REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed to provide a general overview of the City of Dade City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department at 38020 Meridian Avenue, Dade City, Florida 33525.

BASIC FINANCIAL STATEMENTS

CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 18,444,951	$ 5,987,744	$ 24,432,695
Cash with Fiscal Agent	-	239,734	239,734
Restricted Cash	-	1,062,083	1,062,083
Investments	1,061,752	2,162,061	3,223,813
Receivables, Net	164,421	575,161	739,582
Internal Balances	(303,598)	303,598	-
Due from Other Governments	486,578	-	486,578
Prepaids	42,318	41,704	84,022
Inventories	56,624	134,153	190,777
Capital Assets Not Being Depreciated:			
Land	2,027,797	117,862	2,145,659
Infrastructure	2,636,781	-	2,636,781
Construction in Progress	778,687	4,546,730	5,325,417
Capital Assets, Net of Accumulated Depreciation	15,319,330	24,702,947	40,022,277
Total Capital Assets	20,762,595	29,367,539	50,130,134
Total Assets	40,715,641	39,873,777	80,589,418
Deferred Outflows of Resources			
OPEB Related Items	6,963	2,410	9,373
Pension Related Items	3,340,155	-	3,340,155
Total Deferred Outflows of Resources	3,347,118	2,410	3,349,528
Total Assets and Deferred Outflows of Resources	44,062,759	39,876,187	83,938,946
Liabilities			
Accounts Payable and Accrued Expenses	802,848	395,873	1,198,721
Due to Other Governments	266,667	-	266,667
Deposits - Expansion	-	46,000	46,000
Deposits	39,083	728,813	767,896
Unearned Revenues	3,986,453	-	3,986,453
Long-Term Liabilities:			
Due Within One Year	195,705	402,411	598,116
Due in More Than One Year	390,761	9,293,371	9,684,132
Net Pension Liabilities	3,744,652	-	3,744,652
Net OPEB Liability	197,210	68,260	265,470
Total Liabilities	9,623,379	10,934,728	20,558,107
Deferred Inflows of Resources			
Grants	5,960	-	5,960
Leases	14,555	-	14,555
Pension Related Items	824,917	-	824,917
Total Deferred Inflows	845,432	-	845,432
Total Liabilities and Deferred Inflows of Resources	10,468,811	10,934,728	21,403,539
Net Position			
Net Investment in Capital Assets	20,433,654	19,695,302	40,128,956
Restricted for:			
Other Purposes	11,291,516	1,099,082	12,390,598
Unrestricted	1,868,778	8,147,075	10,015,853
Total Net Position	$ 33,593,948	$ 28,941,459	$ 62,535,407

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities	Net (Expense) Revenue and Change in Net Position: Business-Type Activities	Net (Expense) Revenue and Change in Net Position: Total
Primary Government							
Governmental Activities:							
General Government	$ 2,604,931	$ 49,883	$ -	$ 16,777	$ (2,538,271)	$ -	$ (2,538,271)
Public Safety	3,621,356	201,525	-	49,642	(3,370,189)	-	(3,370,189)
Physical Environment	187,628	3,433,100	4,250	-	3,249,722	-	3,249,722
Transportation	1,308,220	1,171,029	-	568	(136,623)	-	(136,623)
Culture and Recreation	734,310	-	42,933	-	(691,377)	-	(691,377)
Total Governmental Activities	8,456,445	4,855,537	47,183	66,987	(3,486,738)	-	(3,486,738)
Business-Type Activities:							
Sanitation	329,165	402,601	-	-	-	73,436	73,436
Building	364,122	749,302	-	-	-	385,180	385,180
Public Utility	4,008,373	4,615,495	-	584,800	-	1,191,922	1,191,922
Total Business-Type Activities	4,701,660	5,767,398	-	584,800	-	1,650,538	1,650,538
Total Primary Government	$ 13,158,105	10,622,935	$ 47,183	$ 651,787	(3,486,738)	1,650,538	(1,836,200)
		General Revenues					
		Taxes:					
		Property Taxes			2,846,064	-	2,846,064
		Sales Taxes			645,371	-	645,371
		Franchise Fees			717,241	-	717,241
		Communication Tax			231,637	-	231,637
		State Shared Revenues (Undesignated)			419,331	-	419,331
		Discretionary Tax			1,600,226	-	1,600,226
		Utility Tax			791,162	-	791,162
		Intergovernmental Revenues			381,931	-	381,931
		Net Investment Earnings (Losses)			(124,843)	-	(124,843)
		Miscellaneous			47,729	(424,803)	(377,074)
		Transfers (Net)			193,073	(193,073)	-
		Total General Revenues and Transfers			7,748,922	(617,876)	7,131,046
		Change in Net Position			4,262,184	1,032,662	5,294,846
		Net Position, Beginning of Year (Restated)			29,331,764	27,908,797	57,240,561
		Net Position, End of Year			$ 33,593,948	$ 28,941,459	$ 62,535,407

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

CITY OF DADE CITY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	Community Redevelopment Agency	Local Government Infrastructure SurTax	Water and Sewer Impact Fee Fund	Stormwater Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	$ 7,108,867	$ 259,757	$ 1,820,474	$ 6,703,974	$ 119,744	$ 2,432,135	$ 18,444,951
Investments	1,061,752	-	-	-	-	-	1,061,752
Accounts Receivable	163,494	-	-	-	-	927	164,421
Due from Other Funds	9,614	-	-	-	-	-	9,614
Due from Other Governments	140,766	-	100,013	-	245,799	-	486,578
Prepaids	42,318	-	-	-	-	-	42,318
Inventory	56,624	-	-	-	-	-	56,624
Total Assets	8,583,435	259,757	1,920,487	6,703,974	365,543	2,433,062	20,266,258
Liabilities and Fund Balances							
Liabilities							
Accounts Payable and Accrued Expenses	494,138	4,568	28,837	-	272,760	2,545	802,848
Due to Other Funds	-	-	-	-	303,598	9,614	313,212
Due to Other Governments	245,886	20,781	-	-	-	-	266,667
Deposits	39,083	-	-	-	-	-	39,083
Unearned Revenues	3,740,654	-	-	-	245,799	-	3,986,453
Total Liabilities	4,519,761	25,349	28,837	-	822,157	12,159	5,408,263
Deferred Inflows of Resources							
Grants	5,960	-	-	-	-	-	5,960
Leases	14,555	-	-	-	-	-	14,555
Total Deferred Inflows of Resources	20,515	-	-	-	-	-	20,515
Fund Balances							
Non-Spendable	98,942	-	-	-	-	-	98,942
Restricted for:							
Police Education	14,239	-	-	-	-	-	14,239
Forfeiture Fund	17,655	-	-	-	-	-	17,655
Special Revenue	-	234,408	1,891,650	6,703,974	-	2,429,590	11,259,622
Committed to:							
Reserve Policy	1,834,841	-	-	-	-	-	1,834,841
Tree Fund	11,360	-	-	-	-	-	11,360
Park and Recreation	13,899	-	-	-	-	-	13,899
Mausoleum Care	14,140	-	-	-	-	-	14,140
Market Place	1,956	-	-	-	-	-	1,956
Assigned to:							
Dog Park	3,611	-	-	-	-	-	3,611
Budgeted Reserve	168,790	-	-	-	-	-	168,790
Retirement Reserve	85,000	-	-	-	-	-	85,000
Wellness Reserve	740	-	-	-	-	-	740
Unassigned	1,777,986	-	-	-	(456,614)	(8,687)	1,312,685
Total Fund Balances (Deficit)	4,043,159	234,408	1,891,650	6,703,974	(456,614)	2,420,903	14,837,480
Total Liabilities, Deferred Inflows, and Fund Balances	$ 8,583,435	$ 259,757	$ 1,920,487	$ 6,703,974	$ 365,543	$ 2,433,062	$ 20,266,258

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

CITY OF DADE CITY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Total Fund Balance for Governmental Funds	$ 14,837,480
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. The costs of the assets are $30,216,406, and the accumulated depreciation is $9,453,811.	20,762,595
Deferred inflows and outflows of resources related to pensions and OPEB are not recognized in the governmental funds; however, they are recorded in the statement of net position as follows:	
Deferred Inflow of Resources:	
Pension Related	(824,917)
Deferred Outflow of Resources:	
OPEB Related	6,963
Pension Related	3,340,155
Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:	
Note Payable	(74,771)
OPEB Liability	(197,210)
Net Pension Liability	(3,744,652)
Landfill Post-Closure Costs	(27,960)
Compensated Absences	(483,735)
Net Position of Governmental Activities	$ 33,593,948

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Community Redevelopment Agency	Local Government Infrastructure SurTax	Water and Sewer Impact Fee Fund	Stormwater Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues							
Taxes, Impact Fees, and Special Assessments	$ 4,566,453	$ 106,377	$ 1,600,226	$ 3,184,833	$ 240,782	$ 1,291,822	$ 10,990,493
Licenses and Permits	38,579	-	-	-	-	-	38,579
Intergovernmental Revenue	1,332,813	-	-	-	-	-	1,332,813
Charges for Services	56,202	-	-	-	-	-	56,202
Fine and Forfeitures	43,319	-	-	-	-	-	43,319
Pension Contributions - State	68,452	-	-	-	-	-	68,452
Donations and Contributions	4,250	-	-	-	-	-	4,250
Investments Earnings (Losses)	(131,877)	-	7,034	-	-	-	(124,843)
Miscellaneous Revenue	101,542	-	-	-	-	-	101,542
Total Revenues	6,079,733	106,377	1,607,260	3,184,833	240,782	1,291,822	12,510,807
Expenditures							
Current:							
General Government	2,066,226	-	-	-	-	-	2,066,226
Public Safety	3,432,318	-	-	-	-	-	3,432,318
Physical Environment	-	79,360	69,250	-	-	-	148,610
Transportation	655,193	-	-	-	206,034	8,687	869,914
Culture and Recreation	459,396	-	-	-	-	-	459,396
Capital Outlay	141,196	6,463	805,836	-	274,817	2,544	1,230,856
Debt Service:							
Principal Payments	-	-	72,339	-	-	-	72,339
Interest	-	-	3,764	-	-	-	3,764
(Total Expenditures)	(6,754,329)	(85,823)	(951,189)	-	(480,851)	(11,231)	(8,283,423)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(674,596)	20,554	656,071	3,184,833	(240,069)	1,280,591	4,227,384
Other Financing Sources (Uses)							
Proceeds from Sale of Assets	62,890	-	-	-	-	-	62,890
Transfers in	871,423	100,901	-	-	-	-	972,324
Transfers (out)	(100,901)	(80,000)	(200,000)	(297,902)	-	(100,448)	(779,251)
Total Other Financing Sources (Uses)	833,412	20,901	(200,000)	(297,902)	-	(100,448)	255,963
Net Change in Fund Balances	158,816	41,455	456,071	2,886,931	(240,069)	1,180,143	4,483,347
Fund Balances (Deficit), Beginning of Year	3,884,343	192,953	1,435,579	3,817,043	(216,545)	1,240,760	10,354,133
Fund Balances (Deficit), End of Year	$ 4,043,159	$ 234,408	$ 1,891,650	$ 6,703,974	$ (456,614)	$ 2,420,903	$ 14,837,480

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

CITY OF DADE CITY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Net Change in Fund Balances - Total Governmental Funds	$ 4,483,347
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital asset additions recorded in the current year.	1,230,856
Contribution of Assets to Business Type Fund	(48,142)
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(1,317,894)
Cash Pension and OPEB contributions and related deferred inflows and outflows changed as follows:	
Change in Deferred Inflows of Resources:	
Pension Related	1,864,482
Change in Outflows of Resources:	
OPEB Related	(6,783)
Pension Related	3,148,675
The issuance of long-term debt (e.g., bonds, leases) 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. The following principal repayments of long-term debt occurred during the year:	
Principal Repayments:	
Note Payable	72,339
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The amounts comprising the difference in the treatment of expenses are:	
Increase in Compensated Absences	(34,345)
Increase in Net Pension Liabilities	(5,112,689)
Decrease in OPEB Liabilities	(17,662)
Change in Net Position of Governmental Activities	$ 4,262,184

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

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and Special Assessments	$ 3,594,735	$ 3,721,235	$ 4,566,453	$ 845,218
Licenses and Permits	45,000	45,000	38,579	(6,421)
Intergovernmental Revenue	3,192,650	3,412,050	1,332,813	(2,079,237)
Charges for Services	270,080	270,080	56,202	(213,878)
Fine and Forfeitures	30,500	30,500	43,319	12,819
Pension Contributions - State	68,452	68,452	68,452	-
Contributions and Donations	-	-	4,250	4,250
Investment Earnings (Losses)	-	-	(131,877)	(131,877)
Miscellaneous Revenue	1,426,678	1,445,678	101,542	(1,344,136)
Total Revenues	8,628,095	8,992,995	6,079,733	(2,913,262)
Expenditures				
Current:				
General Government	2,146,680	2,259,680	2,066,226	193,454
Public Safety	3,364,745	3,674,645	3,432,318	242,327
Transportation	580,935	580,935	655,193	(74,258)
Culture and Recreation	428,558	428,558	459,396	(30,838)
Capital Outlay	2,000,000	2,000,000	141,196	1,858,804
(Total Expenditures)	(8,520,918)	(8,943,818)	(6,754,329)	2,189,489
Excess (Deficiency) of Revenues Over (Under) Expenditures	107,177	49,177	(674,596)	(723,773)
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	-	62,890	62,890
Transfers in	-	58,000	871,423	813,423
Transfers (out)	(107,177)	(107,177)	(100,901)	6,276
Total Other Financing Sources (Uses)	(107,177)	(49,177)	833,412	882,589
Net Change in Fund Balances	-	-	158,816	158,816
Fund Balances, Beginning of Year	3,884,343	3,884,343	3,884,343	-
Fund Balances, End of Year	$ 3,884,343	$ 3,884,343	$ 4,043,159	$ 158,816

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - COMMUNITY REDEVELOPMENT AGENCY
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and Special Assessment	$ 113,000	$ 113,000	$ 106,377	$ (6,623)
Total Revenues	113,000	113,000	106,377	(6,623)
Expenditures				
Current:				
Physical Environment	129,950	129,950	79,360	50,590
Capital Outlay	145,000	145,000	6,463	138,537
(Total Expenditures)	(274,950)	(274,950)	(85,823)	189,127
Excess (Deficiency) of Revenues Over (Under) Expenditures	(161,950)	(161,950)	20,554	182,504
Other Financing Sources (Uses)				
Transfers in	107,177	107,177	100,901	(6,276)
Transfers (out)	(80,000)	(80,000)	(80,000)	-
Total Other Financing Sources (Uses)	27,177	27,177	20,901	(6,276)
Net Change in Fund Balances	(134,773)	(134,773)	41,455	176,228
Fund Balances, Beginning of Year	192,953	192,953	192,953	-
Fund Balances, End of Year	$ 58,180	$ 58,180	$ 234,408	$ 176,228

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - LOCAL GOVERNMENT INFRASTRUCTURE SURTAX
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and Special Assessment	$ 2,568,800	$ 1,362,675	$ 1,600,226	$ 237,551
Investment Earnings	-	-	7,034	7,034
Total Revenues	2,568,800	1,362,675	1,607,260	244,585
Expenditures				
Current:				
Physical Environment	-	65,000	69,250	(4,250)
Capital Outlay	2,568,800	2,303,800	805,836	1,497,964
Debt Service:				
Principal Payments	-	-	72,339	(72,339)
Interest	-	-	3,764	(3,764)
(Total Expenditures)	(2,568,800)	(2,368,800)	(951,189)	1,417,611
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,006,125)	656,071	1,662,196
Other Financing (Uses)				
Transfers (out)	-	(200,000)	(200,000)	-
Total Other Financing (Uses)	-	(200,000)	(200,000)	-
Net Change in Fund Balances	-	(1,206,125)	456,071	1,662,196
Fund Balances, Beginning of Year	1,435,579	1,435,579	1,435,579	-
Fund Balances, End of Year	$ 1,435,579	$ 229,454	$ 1,891,650	$ 1,662,196

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - WATER AND SEWER IMPACT FEE FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and Special Assessment	$ 1,346,600	$ 1,346,600	$ 3,184,833	$ 1,838,233
Total Revenues	1,346,600	1,346,600	3,184,833	1,838,233
Expenditures				
Current:				
Capital Outlay	970,000	997,600	-	997,600
(Total Expenditures)	(970,000)	(997,600)	-	997,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	376,600	349,000	3,184,833	2,835,833
Other Financing Sources (Uses)				
Transfers (out)	(349,000)	(349,000)	(297,902)	51,098
Total Other Financing Sources (Uses)	(349,000)	(349,000)	(297,902)	51,098
Net Change in Fund Balances	27,600	-	2,886,931	2,886,931
Fund Balances, Beginning of Year	3,817,043	3,817,043	3,817,043	-
Fund Balances, End of Year	$ 3,844,643	$ 3,817,043	$ 6,703,974	$ 2,886,931

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - STORMWATER FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and Special Assessment	$ 215,000	$ 215,000	$ 240,782	$ 25,782
Intergovernmental Revenues	2,350,000	2,350,000	-	(2,350,000)
Total Revenues	2,565,000	2,565,000	240,782	(2,324,218)
Expenditures				
Current:				
Transportation	190,000	190,000	206,034	(16,034)
Capital Outlay	2,375,000	2,375,000	274,817	2,100,183
(Total Expenditures)	(2,565,000)	(2,565,000)	(480,851)	2,084,149
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(240,069)	(240,069)
Net Change in Fund Balances	-	-	(240,069)	(240,069)
Fund Balances (Deficit), Beginning of Year	(216,545)	(216,545)	(216,545)	-
Fund Balances (Deficit), End of Year	$ (216,545)	$ (216,545)	$ (456,614)	$ (240,069)

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-Type Activities			
	Public Utility Fund	Sanitation Fund	Building Fund	Totals
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 4,541,296	$ 608,267	$ 838,181	$ 5,987,744
Cash with Fiscal Agent	239,734	-	-	239,734
Investments	2,162,061	-	-	2,162,061
Accounts Receivable, Net	558,943	16,218	-	575,161
Due from other funds	303,598	-	-	303,598
Prepaid	41,704	-	-	41,704
Inventory	134,153	-	-	134,153
Total Current Assets	7,981,489	624,485	838,181	9,444,155
Restricted Assets:				
Cash and Cash Equivalents	1,062,083	-	-	1,062,083
Total Restricted Assets	1,062,083	-	-	1,062,083
Non-Current Assets:				
Capital Assets:				
Land	117,862	-	-	117,862
Buildings	9,131,773	-	-	9,131,773
Improvements Other Than Buildings	23,095,388	-	-	23,095,388
Machinery Equipment and Vehicles	10,064,404	-	34,142	10,098,546
Construction in Process	4,546,730	-	-	4,546,730
Less Accumulated Depreciation	(17,606,487)	-	(16,273)	(17,622,760)
Total Non-Current Assets	29,349,670	-	17,869	29,367,539
Total Assets	38,393,242	624,485	856,050	39,873,777
Deferred Outflows of Resources				
Other Postemployment Benefit Related Items	1,972	-	438	2,410
Total Deferred Outflows of Resources	1,972	-	438	2,410
Total Assets and Deferred Outflows	$ 38,395,214	$ 624,485	$ 856,488	$ 39,876,187

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-Type Activities			
	Public Utility Fund	Sanitation Fund	Building Fund	Totals
Liabilities and Net Position				
Current Liabilities (Payable from Current Assets):				
Accounts Payable	$ 253,344	$ 31,749	$ 9,417	$ 294,510
Accrued Salary Related Expenses	42,594	-	14,994	57,588
Interest Payable	43,775	-	-	43,775
Deposit - Sewer Upgrades	46,000	-	-	46,000
Compensated Absences, Current Portion	7,422	-	9,001	16,423
Financed Purchase, Current Portion	43,612	-	-	43,612
Notes Payable, Current Portion	264,551	-	-	264,551
Revenue Bonds Payable, Current Portion	77,825	-	-	77,825
Total Current Liabilities	779,123	31,749	33,412	844,284
Long-Term Liabilities:				
Payable from Restricted Assets - Customer Deposits	728,813	-	-	728,813
Compensated Absences	22,267	-	27,000	49,267
Net OPEB Liability	55,865	-	12,395	68,260
Financed Purchase	122,472	-	-	122,472
Notes Payable	5,348,214	-	-	5,348,214
Revenue Refunding Bonds	3,773,418	-	-	3,773,418
Total Long-Term Liabilities	10,051,049	-	39,395	10,090,444
Total Liabilities	10,830,172	31,749	72,807	10,934,728
Total Liabilities and Deferred Inflows of Resources	10,830,172	31,749	72,807	10,934,728
Net Position				
Net Investment in Capital Assets	19,677,433	-	17,869	19,695,302
Restricted for:				
Debt Service	333,270	-	-	333,270
Building Department	-	-	765,812	765,812
Unrestricted	7,554,339	592,736	-	8,147,075
Total Net Position	$ 27,565,042	$ 592,736	$ 783,681	$ 28,941,459

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities Enterprise Funds			
	Public Utility Fund	**Sanitation Fund**	**Building Fund**	**Total**
Operating Revenues				
Charges for Services	$ 4,615,495	$ 402,601	$ 749,302	$ 5,767,398
Total Operating Revenues	4,615,495	402,601	749,302	5,767,398
Operating Expenses				
Personal Services	1,281,679	-	267,735	1,549,414
Contractual Services	215,673	316,386	-	532,059
General Operating	1,156,672	12,779	89,498	1,258,949
Depreciation	1,094,834	-	6,889	1,101,723
Total Operating Expenses	(3,748,858)	(329,165)	(364,122)	(4,442,145)
Operating Income	866,637	73,436	385,180	1,325,253
Non-Operating Revenues (Expenses)				
Capital Contribution - Grant Proceeds	536,658	-	-	536,658
Investment Earnings (Losses)	(431,599)	-	-	(431,599)
Capital Contribution - Governmental Fund	48,142	-	-	48,142
Miscellaneous Revenue	6,796	-	-	6,796
Interest Expense	(259,515)	-	-	(259,515)
Total Non-Operating Revenues (Expenses)	(99,518)	-	-	(99,518)
Income Before Transfers	767,119	73,436	385,180	1,225,735
Transfers in	297,902	-	-	297,902
Transfers (out)	(405,975)	(35,000)	(50,000)	(490,975)
Total Transfers	(108,073)	(35,000)	(50,000)	(193,073)
Change in Net Position	659,046	38,436	335,180	1,032,662
Net Position, Beginning of Year (Restated)	26,905,996	554,300	448,501	27,908,797
Net Position, End of Year	$ 27,565,042	$ 592,736	$ 783,681	$ 28,941,459

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities Enterprise Funds			
	Public Utility Fund	**Sanitation Fund**	**Building Fund**	**Total**
Cash Flows from Operating Activities				
Cash Received from Customers	$ 4,607,825	$ 396,709	$ 749,302	$ 5,753,836
Cash Payments to Suppliers and Service Providers	(1,755,403)	(322,252)	(87,517)	(2,165,172)
Cash Payments to Employees for Salaries and Benefits	(1,282,018)	-	(244,006)	(1,526,024)
Net Cash Provided by Operating Activities	1,570,404	74,457	417,779	2,062,640
Cash Flows from Non-Capital Financing Activities				
Transfers in from Other Funds	297,902	-	-	297,902
Transfers to Other Funds	(405,975)	(35,000)	(50,000)	(490,975)
Net Cash (Used in) Non-Capital Financing Activities	(108,073)	(35,000)	(50,000)	(193,073)
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(1,929,091)	-	(2,513)	(1,931,604)
Non-Operating Capital Grant Proceeds	941,559	-	-	941,559
Sale of Surplus Capital Assets	6,796	-	-	6,796
Debt Proceeds	838,679	-	-	838,679
Principal Paid on Debt	(398,216)	-	-	(398,216)
Interest Paid on Debt	(232,730)	-	-	(232,730)
Net Cash (Used in) Capital and Related Financing Activities	(773,003)	-	(2,513)	(775,516)
Cash Flows from Investing Activities				
Proceeds from Sale of Investments	28,378	-	-	28,378
Interest on Investments	105,220	-	-	105,220
Net Cash Provided by Investing Activities	133,598	-	-	133,598
Net Increase in Cash and Cash Equivalents	822,926	39,457	365,266	1,227,649
Cash and Cash Equivalents, Beginning of Year	5,020,187	568,810	472,915	6,061,912
Cash and Cash Equivalents, End of Year	$ 5,843,113	$ 608,267	$ 838,181	$ 7,289,561
Cash and Cash Equivalents	$ 4,541,296	$ 608,267	$ 838,181	$ 5,987,744
Restricted Cash and Cash Equivalents	1,062,083	-	-	1,062,083
Cash with Fiscal Agent	239,734	-	-	239,734
Total	$ 5,843,113	$ 608,267	$ 838,181	$ 7,289,561

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities Enterprise Funds			
	Public Utility Fund	**Sanitation Fund**	**Building Fund**	**Total**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	$ 866,637	$ 73,436	$ 385,180	$ 1,325,253
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,094,834	-	6,889	1,101,723
(Increase) Decrease in Accounts Receivable	(36,378)	(5,892)	-	(42,270)
(Increase) Decrease in Deferred Outflows	1,378	-	-	1,378
(Increase) Decrease in Prepaids	(41,704)	-	-	(41,704)
(Increase) Decrease in Inventory	9,315	-	-	9,315
Increase (Decrease) in Customer Deposits	28,708	-	-	28,708
Increase (Decrease) in Accounts Payable and Accrued Expenses	(350,671)	6,913	1,981	(341,777)
Increase (Decrease) in Compensated Absences	(13,823)	-	19,214	5,391
Increase (Decrease) in OPEB Liability	12,108	-	4,515	16,623
Total Adjustments	703,767	1,021	32,599	737,387
Net Cash Provided by Operating Activities	$ 1,570,404	$ 74,457	$ 417,779	$ 2,062,640

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS - PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Total
Assets	
Cash and Cash Equivalents	$ 19,002
Investments	15,831,303
Contributions Receivable	273,345
Interest and Dividends Receivable	11,079
Total Assets	16,134,729
Net Position - Held in Trust for Pension Benefits	$ 16,134,729

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS - PENSION TRUST FUNDS
SEPTEMBER 30, 2022

	Total
Additions	
Contributions:	
Employer	$ 507,367
Insurance Premium Tax - State	133,345
Employee	22,097
Total Contributions	662,809
Net Investment Earnings (Losses)	(3,594,141)
Total Additions	(2,931,332)
Deductions	
Benefits Paid	1,300,810
Administrative Expenses	124,934
Total Deductions	1,425,744
Change in Net Position	(4,357,076)
Net Position - Beginning of Year	20,491,805
Net Position - End of Year	$ 16,134,729

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1 - Description and Summary of Significant Accounting Policies

Reporting Entity

The City of Dade City (the City) was incorporated June 5, 1889, under the laws of the State of Florida, Chapter 3957 (No. 111).

The financial statements of the government have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements present the City and its blended component unit, an entity for which the City is considered financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations.

The City's financial statements should allow users to distinguish between the primary government and its component unit. However, some component units, because of the closeness of their relationships with the City should be blended as though they were part of the City. Otherwise, component units should be discretely presented.

Blended Component Unit Governmental Type—the Dade City Community Redevelopment Agency (the Agency) was created by City Resolution No. 538 as authorized by Part III of Chapter 163 of the Florida State Statutes for the purpose of rehabilitation, conservation, and redevelopment of certain slum and blighted areas in order to serve the interest of public health, safety, morals, and welfare of the community residents. The members of the Agency Board are the City Commission. The Agency is fiscally dependent on the City and the City Commission approves the Agency's annual budget. The Agency is presented as a special revenue fund in the accompanying financial statements.

The City's municipal Firefighters' Pension Trust Fund and the City's municipal Police Officers' Pension Trust Fund were created under Chapters 175 and 185, respectively, of Florida State Statutes. These trust funds are administered by five-member Board who have limited duties. Because these funds are not legally separable from the City, they are reported as part of the primary government.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental Activities,* which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *Business-Type Activities,* which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

Indirect expenses are allocated automatically, and certain indirect costs are included in program expenses reported for individual function and activities. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Basis of Presentation
While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements
The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The following are reported as major governmental funds:

- **General Fund**—This fund is the general operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Community Redevelopment Agency Fund**—Accounts for the governmental community redevelopment activities for the purpose of eliminating and preventing the development of slum and blighted areas.
- **Local Government Infrastructure Surtax**—Accounts for the 1 percent discretionary sales surtax deposited as authorized under Florida Statutes 212.055 and accounted for in accordance with the Florida Statutes.
- **Water and Sewer Impact Fee Fund**—Accounts for impact fees collected for extensions of water and sewer lines.
- **Stormwater Fund**—This fund is for the operations of the stormwater fees and related operational activities.

The following are reported as major enterprise funds:

- **Public Utility Fund**—Accounts for the operation of water and wastewater facilities.
- **Sanitation Fund**—Accounts for the collection of fees for solid waste pickup and disposal activities.

- **Building Fund**—Accounts for the collection of building permit revenues and payment of expenditures associated with providing inspection related services.

The City also reports the following funds:

- **Fiduciary Funds**—These are trust funds used to account for assets held by the City in a trustee capacity. The City maintains two Fiduciary Funds: 1) the municipal Firefighters' Pension Trust Fund and 2) the municipal Police Officers' Pension Trust Fund.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resource measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and financed purchases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund such as user fees. Non-operating revenues are not related to the operations of the proprietary fund and include interest income and grants.

Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses are not related to operations, such as interest expense.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgetary Information

The annual budget formally adopted by the City Commission serves as the legal authorization for expenditures. Legal budgetary authority and control is established on a fund basis in accordance with Florida Statutes 129.03; however, operational control for management purposes is maintained during the year at the lower of the fund level. The adopted budget can only be changed by a budget amendment or a budget supplement. Management can transfer appropriations within a department without the City Commission approval unless the transfer affects a budgeted reserve. Pursuant to Florida Statutes 129.06, budget amendments require the approval of the City Commission whenever the effect of the amendment is to increase the total appropriations of the fund, to transfer monies between the lower of the department or fund level, or to transfer budgeted reserve funds.

The City's annual budgetary process is governed by Florida Statutes, Chapters 129 and 200. The total of the estimated receipts, including balances brought forward, must equal the total of the appropriations and reserves, therefore, enabling a balanced budget. During the budgeting process, budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at year-end.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized executive changes applicable to the fiscal year, whenever legally authorized.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general and special revenue funds. Encumbrances outstanding at year-end are reported in the fund financial statements as assigned fund balances since they do not constitute expenditures of liabilities.

Cash and Cash Equivalents

The City considers cash and cash equivalents to be cash on hand, demand deposits, and highly liquid investments, including those held as restricted assets, with original maturities of three months or less when purchased.

Investments

Investments, including pension funds, are stated at fair value-quoted market price or the best available estimate thereof.

Inventories and Prepaid Items
Inventories are determined by physical count and are valued at cost using the first-in, first-out method. The cost is recorded as an expenditure using the consumption method at the time the individual inventory items are used.

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Lease Receivable
The City is the lessor for one non-cancelable lease. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted to lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

Capital Assets
Capital assets, which include property, plant and equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements.

The City has established the following thresholds for additions to capital assets and estimated useful lives for depreciation purposes:

Assets	Threshold	Years
Land	$ 5,000	N/A
Buildings	5,000	10-50
Infrastructure	50,000	10-50
Equipment	5,000	5-20

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost on the date of donation. Interest incurred during the construction phase of capital assets in business-type activities is expensed.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Depreciation is charged as an expense against the operations of the governmental and business-type activities in the government-wide financial statements. Depreciation of assets in the proprietary funds is also charged as an expense at the fund level. Since the purpose of the governmental fund level statements is to show the sources and uses of current assets, capital assets, and depreciation are not shown.

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation were reported in the financial statements prior to the implementation of GASB Statement No. 34. The retroactive reporting of infrastructure is not required for the City. The City has elected to implement the general provisions of GASB Statement No. 34 prospectively and has elected not to implement any infrastructure retroactively.

Net Position Flow Assumption
Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

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

Governmental Fund Balances
In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either: (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The City has the following minimum reserve requirements:

- Minimum balances for restricted reserve funds will be 100% of the unexpended balance of the restricted reserve funds.

- Minimum balances for limited reserve funds will be 25% of the original budget of a fund for the current fiscal year. If an authorized use causes limited reserve funds to fall below the minimum balance, the amount below the minimum should be repaid, within one calendar year of its use, unless specific funding for that use has not been received within that time.

- Minimum balances for assigned reserve funds will be the amount currently assigned for each specific purpose.

- The cost basis will be used to determine minimum balance requirements for reserve funds that have been invested.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- *Restricted Fund Balance*—This classification reflects the constraints imposed on resources either: (a) externally by creditors, grantors, contributors, by laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

- *Committed Fund Balance*—These amounts can be used only for specific purposes determined by a formal action of City Commissioners, the City's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Commissioners.

- *Assigned Fund Balance*—This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes. Under the City's adopted policy, only City Commissioners may assign amounts for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.

- *Unassigned Fund Balance*—This fund balance is the residual classification for the general fund and includes deficit fund balances.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Commissioners have provided otherwise in their commitment or assignment actions.

Compensated Absences
The City incurs a liability for employees' rights to receive compensation for future absences when certain conditions are met. Both the current and long-term portion of compensated absences are accrued and reported in the government-wide and proprietary fund financial statements.

Long-Term Obligations
In the government-wide financial statements and proprietary fund financial statements, material discount, and premiums related to long-term debt are deferred and amortized over the life of the bonds using the straight-line method of accounting. Discount, premium, and issuance costs related to debt in the governmental fund financial statements are recorded as expenditures when paid and, therefore, are not accounted for in subsequent periods.

State and federal laws and regulations require the Sanitary Landfill to place a final cover on the landfill cells when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the landfill reports an estimated portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

Property Taxes
Property tax collections, sales, and liens are governed by Chapter 197 of the Florida Statutes. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due and payable on November 1, or as soon as the assessment rolls are available to the county tax collector. Discounts, ranging from 4% to 1%, are given for payments prior to March 1 of the following calendar year. Taxes become delinquent April 1. Taxes are collected by the Pasco County Tax Collector and remitted to the City. The tax collector sells tax certificates on all delinquent property on or before June 1 of each year and such proceeds are remitted to the City. Under this system, there remain no uncollectible delinquent taxes at year-end.

Due from Other Governments
Receivables from other governments include amounts due for entitlements for state revenue sharing, gas taxes, sales taxes, and other amounts collected by the state on behalf of the City and various grants.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. In the statement of net position, the deferred outflow for pensions is an aggregate of items related to pensions and the deferred outflow for OPEB is an aggregate of items related to OPEB. The deferred outflows related to pensions and OPEB will be recognized as either expense or a reduction in the related liability in future reporting years. Details on the composition of the deferred outflows related to pensions and OPEB are further discussed in the notes. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. In the statement of net position, the deferred inflow for pensions is an aggregate of items related to pensions. The composition of the deferred inflows related to pensions are further discussed in the notes.

Government-Wide and Proprietary Fund Net Position
As of September 30, 2022, net position is classified as follows:

Net Investment in Capital Assets—Consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted Net Position—Consists of net position that is restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted—All other net position is reported in this category.

On-Behalf Payments for Fringe Benefits

The City receives on-behalf payments from the State of Florida to be used for Police Officers' and Firefighters' Retirement Plan Contributions. On-behalf payments to the City totaled $133,345 for the year ended September 30, 2022.

Adjustment to Beginning Net Position

The beginning net position of the City' Building Fund was decreased due to amounts being incorrectly reported in this fund that were payable from the City's General Fund. Below is a summary of the required changes in beginning net position and payables:

	Business-Type Activities	Governmental-Type Activities
Business-Type Activities		
Beginning Net Position, as Previously Reported	$ 573,542	$ -
Amounts Included in Accounts Payable Previously Reported	-	-
Cumulative Effect of Change in Reclass of Amounts	(125,041)	125,041
Beginning Net Position, as Restated	$ 448,501	$ -
Change in Due to Other Governments	$ -	$ 125,041

Note 2 - Deposits and Investments

Type	Fair Value	Interest Rate Risk WAM	Level	Credit Ratings
Cash and Cash Equivalents - Non-Pension:				
Cash and Cash Equivalents	$ 25,733,467	N/A	N/A	N/A
Petty Cash	1,045	N/A	N/A	N/A
Total Cash and Cash Equivalents	$ 25,734,512			
Type				
Investments - Non-Pension:				
Corporate Backed Securities	$ 3,211,518	13.41 Years	1	NR
Government Backed Securities	12,295	21.43 Years	1	NR
Total Investments	$ 3,223,813			
Type				
Pension Cash and Investments:				
Cash Deposits	$ 19,002	N/A	N/A	N/A
Investments:				
Equity Mutual Funds	10,310,477	0.01-4.04 Years	1	N/A
Fixed Income Mutual Funds	5,520,826	0.01-4.04 Years	1	N/A
Total Investments	15,831,303			
Total Pension Cash and Investments	15,850,305			
Total	$ 44,808,630			
Entity-Wide Cash and Cash Equivalents	$ 24,432,695			
Entity-Wide Non-Pension Investments	3,223,813			
Entity-Wide Restricted Cash	1,062,083			
Cash with Fiscal Agent	239,734			
Pension Cash	19,002			
Pension Investments	15,831,303			
Total	$ 44,808,630			

Fair Value Hierarchy
The City holds assets that are defined as short-term investments. The City's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1—Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2—Inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3—Inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Custodial Credit Risk—Cash Deposits
At September 30, 2022, the City's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. Authorized investments per the City's policy are: local government surplus trust fund, or any intergovernmental investment pool authorized pursuant to the *Florida Inter-Local Cooperation Act*, SEC registered money market funds with highest credit quality ratings from a national recognized rating agency, interest bearing time deposits or savings accounts in qualified public depositories, direction obligations of the United States Treasury, Federal agencies and instrumentalities, securities of, or other interest in, any open-end or closed-end management type investment company or investment trust registered under the *Investment Company Act of 1940*, as amended, and overnight repurchase agreements that are collateralized by approved investments - maintaining liquidity.

Interest Rate Risk
As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy is structured so that securities mature to meet anticipated cash requirements for ongoing operations.

Credit Risk
Statute 218.415 of the State of Florida allows municipalities to invest in the following:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Inter-Local Cooperation Act*, as provided in the Florida Statute 163.01.

- Securities and Exchange Commission-registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

- Savings accounts in state-certified qualified public depositories, as defined in Florida Statute 280.02.

- Certificates of deposit in state-certified qualified public depositories, as defined in Florida Statute 280.02.
- Direct obligations of the U.S. Treasury.
- Federal agencies and instrumentalities.
- Other investments authorized by a written policy adopted under Florida Statute 218.415.

Statutes 175 and 185 of the State of Florida permit investments by the Police and Firefighter Pension funds as follows:

- Time or savings accounts of a national bank, a state bank insured by the Bank Insurance fund, or a savings, building, and loan association insured by the Savings Association Insurance fund, which is administered by the Federal Deposit Insurance Corporation (FDIC), or state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance fund.
- Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.
- Bonds issued by the State of Israel.
- Bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided:
    - The Corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and, in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service.
    - The Board of Trustees shall not invest more than 5% of its assets in the common stock or capital stock of any one issuing corporation, nor shall the aggregate investment in any one issuing corporation exceed 5% of the outstanding capital stock of that corporation, or the aggregate of its investments under this subparagraph at cost 50% of the assets of the fund.

Foreign Currency Risk
The City does not have a formal investment policy that limits its investment in foreign currency. The City has no investments which are exposed to foreign currency risk at September 30, 2022.

Note 3 - Interfund Transactions and Due to/Due From

Interfund Transfers
Individual interfund transfers were as follows:

	Transfers in	Transfers (out)
General Fund	$ 770,975	$ 100,901
Non-Major Governmental Funds	-	73,192
Community Redevelopment District	100,901	80,000
Local Government Infrastructure Surtax	-	200,000
Impact Fee Funds	-	224,710
Business-Type Activities:		
Public Utility	297,902	405,975

	Transfers in	Transfers (out)
Sanitation	$ -	$ 35,000
Building	-	50,000
Total Transfers in/(out)	$ 1,169,778	$ 1,169,778

Transfers between funds are primarily to move unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations, as well as payments from proprietary funds and the Community Redevelopment Agency fund, to the general fund relating to each fund's respective share of administrative overhead allocation.

Due to/Due From

Individual due to/due from were as follows:

	Due To	Due From
General Fund	$ -	$ 9,614
Non-Major Governmental Funds	313,212	-
Business-Type Activities:		
Public Utility	-	303,598
Total Due To/Due From	$ 313,212	$ 313,212

Due to/due from between funds are primarily to provide short-term liquidity for funds in a near cash deficit position.

Note 4 - Capital Assets

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

	Beginning Balance	Additions	Deletions	Transfers/ Adjustments	Ending Balance
Governmental-Type Activities					
Capital Assets					
Not Being Depreciated:					
Land	$ 2,027,797	$ -	$ -	$ -	$ 2,027,797
Construction in Process	338,872	532,332	-	(92,517)	778,687
Infrastructure	2,636,781	-	-	-	2,636,781
Total Capital Assets, Not Depreciated	5,003,450	532,332	-	(92,517)	5,443,265
Capital Assets					
Being Depreciated:					
Buildings	8,224,035	-	-	-	8,224,035
Infrastructure	10,895,724	114,525	-	92,517	11,102,766
Machinery and Equipment	4,910,483	583,999	-	(48,142)	5,446,340
Total Capital Assets, Depreciated	24,030,242	698,524	-	44,375	24,773,141
Less Accumulated Depreciation for:					
Buildings	(2,348,102)	(416,974)	-	-	(2,765,076)
Infrastructure	(2,272,051)	(733,276)	-	-	(3,005,327)
Machinery and Equipment	(3,515,764)	(167,644)	-	-	(3,683,408)
Total Accumulated Depreciation	(8,135,917)	(1,317,894)	-	-	(9,453,811)
Total Capital Assets, Depreciated	15,894,325	(619,370)	-	44,375	15,319,330
Total Governmental-Type Activities, Capital Assets, Net	$ 20,897,775	$ (87,038)	$ -	$ (48,142)	$ 20,762,595

	Beginning Balance	Additions	Deletions	Transfers/ Adjustments	Ending Balance
Business-Type Activities					
Capital Assets					
Not Being Depreciated:					
Land	$ 117,862	$ -	$ -	$ -	$ 117,862
Construction in Process	2,646,616	1,900,114	-	-	4,546,730
Total Capital Assets, Not Depreciated	2,764,478	1,900,114	-	-	4,664,592
Capital Assets					
Being Depreciated:					
Buildings	9,131,773	-	-	-	9,131,773
Infrastructure	23,095,388	-	-	-	23,095,388
Machinery and Equipment	9,972,914	77,490	-	48,142	10,098,546
Total Capital Assets, Depreciated	42,200,075	77,490	-	48,142	42,325,707
Less Accumulated Depreciation for:					
Buildings	(3,632,894)	(181,870)	-	-	(3,814,764)
Infrastructure	(7,357,917)	(704,866)	-	-	(8,062,783)
Machinery and Equipment	(5,530,226)	(214,987)	-	-	(5,745,213)
Total Accumulated Depreciation	(16,521,037)	(1,101,723)	-	-	(17,622,760)
Total Capital Assets, Depreciated	25,679,038	(1,024,233)	-	48,142	24,702,947
Total Business-Type Activities, Capital Assets	$ 28,443,516	$ 875,881	$ -	$ 48,142	$ 29,367,539

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	$ 518,942
Public Safety	57,988
Transportation	430,975
Culture and Recreation	272,223
Community Redevelopment Agency - Physical Environment	37,766
Total Depreciation Expense Governmental Activities	$ 1,317,894
Business-Type Activities	
Public Utility Fund	$ 1,094,834
Buildling Fund	6,889
Total Depreciation Expense Business-Type Activities	$ 1,101,723

Note 5 - Pledged Revenues

The City has pledged certain revenues to repay certain bond, notes, and financed purchases outstanding as of September 30, 2022. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue, which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2022:

Type	Revenue Pledged	Revenues (Net)	Principal and Interest Paid	Estimated Revenue Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Business-Type Activities						
Revenue Bonds - 2003 - Utility System	Net Utility System Revenues - plus Franchise Fees (1)	$ 3,741,013	$ 70,498	2%	$ 1,406,000	2042
State Revolving Funds - DW510400 - Utility System	Net Utility System Revenues (2)	2,845,201	14,359	0%	122,053	2031
State Revolving Funds - WW67005P - Utility System	Net Utility System Revenues (2)	2,830,842	40,715	1%	285,004	2029
State Revolving Funds - WW67006P - Utility System	Net Utility System Revenues (2)	2,790,127	18,340	1%	146,724	2030
Revenue Bonds - 2013 - Utility System	Net Utility System Revenues - plus Franchise Fees (2)	2,879,860	161,750	6%	5,006,268	2053
State Revolving Funds - DW510420 - Utility System	Net Utility System Revenues (2)	2,610,036	246,467	9%	3,414,281	2036
State Revolving Funds - DW510411 - Utility System	Net Utility System Revenues (2)	2,366,262	79,371	0%	79,371	2029
State Revolving Funds - DW510412 - Utility System	Net Utility System Revenues (2)	855,093	-	0%	2,253,780	2050

(1) Net System Revenues are defined as gross revenues less operating expenses, not including depreciation.

(2) Net System Revenues are defined as gross revenues less operating expenses, not including depreciation minus previous issuances.

Note 6 - Long-Term Liabilities

The following is a summary of changes in long-term liabilities:

Type	Balance Beginning	Additions	Deletions	Ending Balance	Due Within One Year
Governmental-Type Activities					
Landfill Closure/Post-Closure	$ 27,960	$ -	$ -	$ 27,960	$ -
Note Payable - Clam Truck - Direct Borrowing	147,110	-	72,339	74,771	74,771
Compensated Absences	449,390	34,345	-	483,735	120,934
Total	$ 624,460	$ 34,345	$ 72,339	$ 586,466	$ 195,705
Business-Type Activities					
Financed Purchase - Vactor Truck - Direct Borrowing	$ 218,061	$ -	$ 51,977	$ 166,084	$ 43,612
Notes Payable - Direct Placement	5,042,500	838,679	268,414	5,612,765	264,551
Bonds Payable - Direct Placement	3,929,068	-	77,825	3,851,243	77,825
Compensated Absences	75,291	-	9,601	65,690	16,423
Total	$ 9,264,920	$ 838,679	$ 407,817	$ 9,695,782	$ 402,411

Business-Type Activities

The following is a schedule of debt outstanding at September 30, 2022:

	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rates
State Revolving Funds -				1.12/1.155/ 2.71/1.85/
Direct Placement	Utility System	$ 9,654,818	$ 5,612,765	.66/.74/1.02%
Series 2003 - Direct Placement	Utility System	1,275,400	916,400	3.59%
Series 2013 - Direct Placement	Utility System	3,248,000	2,934,843	3.75%
Total Business-Type Activities			$ 9,464,008	

	Business-Type Activities			Governmental-Type Activities		
	Direct Placements			Direct Placements		
Year Ending September 30,	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2023	$ 406,426	$ 225,367	$ 631,793	$ 74,771	$ 1,321	$ 76,092
2024	415,313	217,175	632,488	-	-	-
2025	423,356	208,740	632,096	-	-	-
2026	432,557	200,096	632,653	-	-	-
2027	440,920	191,203	632,123	-	-	-
2028-2032	2,118,283	819,988	2,938,271	-	-	-
2033-2037	1,886,219	605,144	2,491,363	-	-	-
2038-2042	1,163,569	415,833	1,579,402	-	-	-
2043-2047	1,092,096	253,266	1,345,362	-	-	-
2048-2052	931,428	112,661	1,044,089	-	-	-
2053-2056	153,841	-	153,841	-	-	-
Totals	$ 9,464,008	$ 3,249,473	$ 12,713,481	$ 74,771	$ 1,321	$ 76,092

The City's business-type activities incurred interest costs of $261,715, all of which were charged to operations. The schedule above includes estimated portion of current principal payments.

Note 7 - Lease Receivable

The City is the lessor of a City-owned building with Sunrise of Pasco County.

Description	Date	Payment Terms	Payment Amount	Incremental Borrowing Rate	Total Lease Receivable	Balance 9/30/2022
Building Lease – Sunrise of Pasco	11/1/2021	23 Months	$ 1,220	.79%	$ 27,858	$ 14,555

The City recognized revenue associated with this lease during the fiscal year of $13,323.

Year Ending September 30,	Principal	Interest	Total Debt Service
2023	$ 14,555	$ 62	$ 14,617
Totals	$ 14,555	$ 62	$ 14,617

Note 8 - State of Florida Retirement System

City employees hired prior to January 1, 1996, except for participants in the separate firefighters' and police officers' pension funds (see Note 9), participate in the State of Florida Retirement System (the System), a multiple-employer public employee retirement system. However, as discussed in Note 10, the City has elected to opt out of the System beginning with employees hired after January 1, 1996. The payroll for employees covered by the System for the year ended September 30, 2022, was $276,070; the City's total payroll was $4,581,174.

All City employees, other than those described above, participate in the System. Employees who retire at or after age 62 with 10 years of credited service, or 30 years of credited service regardless of age, are entitled to a retirement benefit equal to 1.60% to 1.68% (dependent upon age and years of service) of their average final compensation. The average final compensation is the average of the five highest fiscal years of earnings. Benefits are adjusted annually for a cost-of-living increase in the Consumer Price Index up to a maximum of 3%.

Benefits are payable monthly under one of four options elected by the participant upon retirement. The options range from a full benefit during life of the member to reduced benefits paid to survivors upon the death of the member. Benefits fully vest on reaching 6 years of service. Vested employees may retire at any time after vesting and receive a 5% benefit reduction for each year prior to normal retirement age or date. The System also provides death and disability benefits.

Contribution rates are established statewide for all participating governmental units by acts of the state legislature. These acts provide that if the accumulated funds are insufficient to pay the benefits due, future contributions to the plan will be adjusted upward accordingly. From October 1, 2021 to June 30, 2022, the City contributed 10.82% and from July 1, 2022 to September 30, 2022, the City contributed 11.91% of covered salaries. Employees are required to contribute 3% of their salary. The total contribution for the year ended September 30, 2022, and the preceding three years is as follows:

Years Ending September 30,	Total Contribution
2020	$ 21,212
2021	25,315
2022	31,826

The System's Annual Comprehensive Financial Report may be obtained from the State of Florida, Department of Management Services, and Division of Retirement.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2022, the City reported a net pension liability of $218,222 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the City's proportionate share was .00058649191%, which was a decrease of .00005269302 from the prior year.

Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources—On September 30, 2022, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflow Funds	Deferred Inflow Funds
Differences Between Expected and Actual Experience	$ 10,364	$ -
Change in Assumptions	26,875	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,409	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	20,166	7,637
City Contributions Subsequent to Measurement Date	8,297	-
Total	$ 80,111	$ 7,637

The Deferred Outflows of Resources related to pensions totaling $8,297 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Total Inflows/Outflows
2023	$ 12,527
2024	7,193
2025	345
2026	40,835
2027	3,277
Total	$ 64,177

Actuarial Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%	
Salary Increases	3.25%	Including Inflation
Investment Rate of Return	6.70%	Net Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation report.

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 expense 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.60%	2.60%	1.10%
Fixed Income	19.80%	4.40%	4.40%	3.20%
Global Equity	54.00%	8.80%	7.30%	17.80%
Real Estate	10.30%	7.40%	6.30%	15.70%
Private Equity	11.10%	12.00%	8.90%	26.30%
Strategic Investments	3.80%	6.20%	5.90%	7.80%
Total	100.00%			
Assumed Inflation - Mean			2.40%	1.30%

Discount Rate—The discount rate used to measure the total pension liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, 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.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate—The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	1% Decrease 5.70%	Current Discount Rate – 6.70%	1% Increase 7.70%
City's Proportionate Share of the Net Pension Liability	$ 377,400	$ 218,222	$ 85,130

Florida Retirement System (FRS) Pension Plan Fiduciary Net Position—Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Annual Comprehensive Financial Report.

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

Plan Description—The HIS Pension Plan (HIS Plan) is a defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for health

insurance subsidy payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system, except those individuals who are pension recipients under Sections 121.40, 237.08(18)(a), and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the FRS and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.

- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

Any person retiring on or after July 1, 2001, as a member of the FRS, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes. Additionally, participants in the Senior Management Service Optional Annuity Program and the State City System Optional Retirement Program are not eligible to receive benefits from the HIS Plan.

Benefits Provided—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 Department of Management Services, Division of Retirement.

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $5. The payments are at least $30 but not more than $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions—The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2022, the contribution rate was 1.60% of payroll pursuant to Section 112.363, Florida Statutes. The state contributed 100% of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS 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 defined-benefit pension plan are reported as a total with the pension plan contributions listed above.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2022, the City reported a net pension liability of $78,391 for its proportionate share of the net pension liability for HIS. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the City's proportionate share was .00074012848%, which was a decrease of .00004650046 from its proportionate share measured as of June 30, 2022.

For the year ended June 30, 2022, the City recognized pension expense as listed above. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow Funds	Deferred Inflow Funds
Differences Between Expected and Actual Experience	$ 2,379	$ 345
Change in Assumptions	4,493	12,127
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	115	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	4,759	5,319
City Contributions Subsequent to Measurement Date	1,229	-
Total	$ 12,975	$ 17,791

The deferred outflows of resources related to pensions totaling $1,229, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30,	Inflows/Outflow
2023	$ 3,982
2024	(1,429)
2025	27
2026	(1,509)
2027	(6,372)
Thereafter	(744)
Total	$ (6,045)

Actuarial Assumptions—The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%	
Salary Increases	3.25%	Average, Including Inflation
Investment Rate of Return	N/A	Net Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The discount rate changed from 2.16% to 3.54%.

Discount Rate—The discount rate used to measure the total pension liability was 3.54%. 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.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	1% Decrease 2.54%	Current Discount Rate – 3.54%	1% Increase 4.54%
City's Proportionate Share of the Net Pension Liability	$ 89,686	$ 78,391	$ 69,045

Pension Plan Fiduciary Net Position—Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Annual Comprehensive Financial Report.

Note 9 - Firefighters' and Police Officers' Pension Funds

Plan Descriptions

The City contributes to two pension trust funds, which are single-employer, defined benefit pension plans administered by the plans' Board of Trustees.

The pension plans do not issue stand-alone financial statements.

All of the City's full-time certified police and fire employees are eligible to participate in the plans. The current membership in the plans as of October 1, 2021, is comprised of the following:

Group	Firefighters	Police Officers
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	21	12
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	1	12
Active Plan Members	2	22
Total Participants	24	46

Summary of Plan Provisions - Firefighters and Police Officers

Eligibility	Full-time or part-time employees who are classified as Firefighters or full-time sworn Police Officers shall participate in the System as a condition of employment.

Board of Trustees	a. Two Commission Appointees. b. Two Members of the Department elected by the membership, and Fifth Member elected by other four and appointed by Commission. c. Fifth Member elected by other four and appointed by Commission (Firefighter's Plan only).
Credited Service	Total years and fractional parts of years of employment with the City as a Firefighter or Police Officer (Credited Service is calculated separately for periods of full-time and part-time service).
Salary - Firefighters	Fixed compensation reportable on form W-2, plus tax deferred, tax sheltered, and tax exempt items.
Salary - Police Officers	Total W-2 earnings plus all tax deferred, tax sheltered, or tax exempt items of income. For Service after October 1, 2011, salary shall only include up to 300 hours of overtime per year and include lump sum sick and vacation time.
Average Final Compensation	Average salary for the highest 5 years during the 10 years immediately preceding retirement or termination (Average is determined separately for full-time and part-time service).
City and State Contributions	Remaining amount necessary to pay current costs and amortize past service cost, if any, as provided in Part VII of Chapter 112, Florida Statutes.
<u>Normal Retirement</u>	
Date	Earlier of age 55 and 10 years of Credited Service, or age 52 and 25 years of Credited Service.
Benefit-Firefighters	3.25% of Average Final Compensation times Credited Service.
Benefit-Police Officers	3.50% of Average Final Compensation times Credited Service.
<u>Early Retirement</u>	
Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3.0% per year.
Cost of Living Adjustment - Police Officers	Normal Retirees after June 24, 2003, receive 2% annual benefit increases each October 1, beginning on the October 1st following 1 full year of retirement.
<u>Vesting</u>	
Schedule	100% after 10 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise normal retirement date.
<u>Death Benefits</u>	
Pre-Retirement:	
Vested	Monthly accrued benefit payable to designated beneficiary for 10 years.
Non-Vested	Refund of accumulated contributions without interest.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

Disability	
Eligibility	Service incurred: Covered from date of employment. Non-service incurred: 10 years of credited service. Benefit accrued to date of disability but not less than 42% of average final compensation (service incurred).
Contributions	
Police Officers	Member Contributions: 1.5% of Salary.
Firefighters	Member Contributions: 1.0% of Salary.
Deferred Retirement Option Plan (Police Officers)	
Eligibility	Satisfaction of normal retirement requirements.
Participation	Not to exceed 60 months.
Rate of Returns	Participants' Election: a. Interest at 6.5% per year, or b. Actual net rate of investment return (total return net of fees) credited each fiscal quarter. Members may change option once during the DROP period. The DROP balance at September 30, 2022, is $22,451.
Form of Distribution	Cash lump sum (options available) at termination of employment.
Deferred Retirement Option Plan (Firefighters)	
Eligibility	Satisfaction of normal retirement requirements. Earlier of: 1) Age 55 and 10 years of credited service, or 2) Age 52 and 25 years of credited service.
Participation	Not to exceed 60 months.
Rate of Returns	Participants' Election: a. Interest at 6.5% per year, or b. Actual net rate of investment return (total return net of fees) credited each fiscal quarter. Members may change option once during the DROP period. The DROP balance at September 30, 2022, is $197,441.

Summary of Significant Accounting Policies

Basis of Accounting—The pension fund financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments—Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Investment Policy—The following was the Board's adopted asset allocation policy as of September 30, 2022:

Asset Class	FIREFIGHTERS Target Allocation	POLICE OFFICERS Target Allocation
Domestic	50%	50%
International Equity	15%	15%
Fixed Income (Core)	15%	15%
Core/Core-Plus Real Estate	10%	10%
Alternative Investments	5%	5%
Global Fixed Income	5%	5%
Totals	100%	100%

Concentrations—The Plans did not hold investments in any one organization that represent 5% or more of the Pension Plans' fiduciary net position.

Rate of Return—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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of September 30, 2022, is summarized in the following table:

Asset Class	FIREFIGHTERS Long-Term Expected Real Rate of Return	POLICE OFFICERS Long-Term Expected Real Rate of Return
Domestic	7.50%	7.50%
International Equity	8.50%	8.50%
Fixed Income (Core)	2.50%	2.50%
Global Fixed Income	3.50%	3.50%
Private Real Estate	4.50%	4.50%
Alternative	6.34%	6.34%

Discount Rate—The discount rate used to measure the total pension liability was 7.00% for the Firefighters Pension and 7.00% for the Police Officers Pension.

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 sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate:

	1% Decrease 6.00%	Current Discount Rate – 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability - Firefighters	$ 2,494,620	$ 1,787,255	$ 1,191,557

	1% Decrease 6.00%	Current Discount Rate – 7.00%	1% Increase 0%
Sponsor's Net Pension Liability - Police Officers	$ 3,234,595	$ 1,660,784	$ 361,311

Actuarial Assumptions and Methods

The total pension liability was determined by an actuarial valuation as of October 1, 2021, updated to September 30, 2022, using the following actuarial assumptions:

Mortality Rate:	
	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 (Below Median) for Healthy Retirees, set forward one year.
	Mortality Rate Beneficiary Lives:
	Female: PubG.H-2010 (Below Median) for Healthy Retirees.
	Male: PubG.H-2010 (Below Median) 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.
Inflation Rate:	2.50% per year for Fire.
Retirement Age:	Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement:	Commencing with the earliest Early Retirement Age (age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. For Firefighters, the accrued benefit is reduced by 3.0% per year.
Discount Rate:	Firefighter's Pension Plan - 7.00%
	Police Pension Plan - 7.00%
Investment Rate of Return:	Firefighter's Pension Plan - 7.00%
	Police Pension Plan - 7.00%
Termination Rate:	See Table in Required Supplementary Information.

Salary Increases:	
Firefighters	5.75% per year until the assumed retirement age.
Police Officers	Included in the Required Supplementary Information (Service Based)
Payroll Growth:	N/A
Amortization Method:	
Firefighters	Level Dollar
Funding Method:	
Firefighters	Entry Age Normal Actuarial Cost Method.
Police Officers	Aggregate Actuarial Cost Method.
Actuarial Asset Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Contributions and Reserves

The Plans are established and operate under Florida State Statutes and City Ordinances. Chapter 175 of the Florida Statutes provides for a system of retirement plans for firefighters. Each incorporated municipality with fire-fighting equipment with a value exceeding $5,000 is permitted to establish a firefighters' pension fund. Chapter 175 sets forth benefits and administrative arrangements. It also provides that a tax of 1.85% of fire and windstorm premiums written in the various cities is to be collected by the state and remitted to the pension funds to partially finance the benefits. Firefighters contribute 1% of their earnings to the fund and the City, authorized by City ordinance. The City and County contributed $208,496 for the year ended September 30, 2022. The County's portion is based on the terms of the interlocal agreement.

Chapter 185 of the Florida Statutes provides for a system of retirement plans for police officers. Each incorporated municipality with police equipment with a value exceeding $500 is permitted to establish a police officers' retirement fund. Chapter 185 sets forth benefits and administrative arrangements. It also provides that certain casualty premium taxes collected by the state will be remitted to these pension funds to partially finance the benefits. Police officers contribute 1.5% of their earnings to the fund by City Ordinance. The City contributed from general revenues at the rate of 20.5% of covered earnings. The City was required to contribute $298,871 for the year ended September 30, 2022.

The contribution rates for members and the City are established by the state statutes and City Ordinances through actuarial valuations. The costs of administration are paid by the plans from investment earnings. The plans do not have any contracts for contributions. There are no legal or designated reserves other than the entire net position of the plans are available only for retirement benefits. At September 30, 2022, the plans held no investments of a single issuer greater than 5% or more of the plan net positions.

The payroll covered by the two pension trusts for the year ended September 30, 2022, was $1,514,718.

Net Pension Liability

The components of the net pension liability of the sponsor on September 30, 2022, were as follows:

	Police Officers' Pension	Firefighters' Pension
Total Pension Liability	$ 12,317,801	$ 7,329,096
Plan Fiduciary Net Position	(10,657,017)	(5,541,841)
Sponsor's Net Pension Liability (Asset)	$ 1,660,784	$ 1,787,255
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.52%	75.60%

The differences between the actuarial financial statements and the pension financial statements were due to the recording of investment expense as a direct reduction of investment income and timing differences related to broker sold investments.

Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources—On September 30, 2022, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to Police Officers pensions from the following sources:

	Deferred Outflow Funds	Deferred Inflow Funds
Differences Between Expected and Actual Experience	$ 146,457	$ 720,302
Changes of Assumptions	-	79,187
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,067,510	-
Total	$ 2,213,967	$ 799,489

On September 30, 2022, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to Firefighter's pensions from the following sources:

	Deferred Outflow Funds	Deferred Inflow Funds
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	$ 1,033,102	$ -
Total	$ 1,033,102	$ -

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Police Total Inflows/Outflows	Firefighters' Total Inflows/Outflows
2023	$ 42,806	$ 259,279
2024	224,217	202,034
2025	491,269	217,598
2026	656,186	354,191
Total	$ 1,414,478	$ 1,033,102

	Combining Statement of Net Position		
	Police Officers' Pension	Firefighters' Pension	Total
Assets			
Cash and Cash Equivalents	$ 15,719	$ 3,283	$ 19,002
Investments	10,512,210	5,319,093	15,831,303
Interest and Dividends Receivable	7,870	3,209	11,079
Due from Other Governments	103,497	169,848	273,345
Total Assets	10,639,296	5,495,433	16,134,729
Net Position - Held in Trust for Pension Benefits	$ 10,639,296	$ 5,495,433	$ 16,134,729

	Combining Statement of Changes in Net Position		
	Police Officers' Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	$ 298,871	$ 208,496	$ 507,367
State	103,497	29,848	133,345
Employee	20,761	1,336	22,097
Total Contributions	423,129	239,680	662,809
Net Investment Earnings	(2,342,799)	(1,251,342)	(3,594,141)
Total Additions	(1,919,670)	(1,011,662)	(2,931,332)
Deductions			
Benefits Paid	325,689	975,121	1,300,810
Administrative Expenses	64,822	60,112	124,934
Total Deductions	390,511	1,035,233	1,425,744
Change in Net Position	(2,310,181)	(2,046,895)	(4,357,076)
Net Position, Beginning of Year	12,949,477	7,542,328	20,491,805
Net Position, End of Year	$ 10,639,296	$ 5,495,433	$ 16,134,729

Combining Schedule – Florida Retirement System, Health Insurance Subsidy, Police Officers, and Fire Fighters Pension Plans

	Deferred Inflows	Deferred Outflows	Net Pension Liability (Asset)
Florida Retirement System	$ 7,637	$ 80,111	$ 218,222
Health Insurance Subsidy	17,791	12,975	78,391
Police Officers' Pension Plan	799,489	2,213,967	1,660,784
Firefighters' Pension Plan	-	1,033,102	1,787,255
Total	$ 824,917	$ 3,340,155	$ 3,744,652

Schedule of Changes in Employer's Net Pension Liability

	Firefighters' 2022	Police Officers' 2022
Total Pension Liability		
Service Cost	$ 33,320	$ 293,700
Interest on the Total Pension Liability	508,352	803,716
Differences Between Expected and Actual Experience	44,354	195,275
Benefit Payments, Including Refunds of Employee Contributions	(971,572)	(325,689)
Net Change in Total Pension Liability	(385,546)	967,002
Total Pension Liability, Beginning of Year	7,714,642	11,350,799
Total Pension Liability, End of Year (a)	$ 7,329,096	$ 12,317,801
Plan Fiduciary Net Position		
Contributions - Employer	$ 216,232	$ 283,747
Contributions - State	29,848	103,497
Contributions - Employee	1,307	20,761
Net Investment Income	(1,266,908)	(2,370,422)
Benefit Payments, Including Refunds of Employee Contributions	(971,572)	(325,689)
Administrative Expense	(38,868)	(41,959)
Net Change in Plan Fiduciary Net Position	(2,029,961)	(2,330,065)
Plan Fiduciary Net Position, Beginning of Year	7,571,802	12,987,082
Plan Fiduciary Net Position, End of Year (b)	$ 5,541,841	$ 10,657,017
Net Pension Liability (Asset) - Ending (a) - (b)	$ 1,787,255	$ 1,660,784
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.60%	86.52%
Covered Payroll	$ 130,679	$ 1,384,039
Net Pension Liability as a Percentage of Covered Payroll	1368.23%	120.00%

Note 10 - Defined Contribution Plan

During 1995, the Florida Legislature approved a bill allowing local governments the option of withdrawing from the Florida Retirement System. In December 1995, the City passed a resolution to adopt a defined contribution plan under Section 401(a) of the Internal Revenue Code, effective for employees hired after January 1, 1996, except those covered by the Police Officers' or Firefighters' Pension Plans.

The City of Dade City Money Purchase Plan adopted the Nationwide Life Insurance Company Prototype Money Purchase Plan and appointed Public Employees Benefit Services Corporation (PEBSCO) as the Plan administrators. Changes to the Plan can be made via City Commission resolution.

The City adopted Resolution No. 2017-29, which established the City's contribution rate at 8% of all eligible employee wages. The City's contribution was $194,085 for the fiscal year ended September 30, 2022.

Note 11 - Deferred Compensation Plan

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

The plan assets are held in trust for the employees by a third-party administrator and investments are directed by the participating employees. Therefore, the assets, liabilities, fund equity, and operations of this plan are not presented on the City's financial statements.

Note 12 - Other Disclosures

Allowances for Doubtful Accounts
Allowances for doubtful accounts at September 30, 2022, are as follows:

Utility Funds	$ 114,570
Total Allowances for Doubtful Accounts	$ 114,570

Note 13 - Risk Management

The City has purchased commercial insurance to cover its risk of loss on the following categories:

Type of Coverage	Limits
General/Professional Liability	$ 2,000,000
Law Enforcement Liability	3,000,000
Automobile Liability	2,000,000
Property Damage	Blanket/Replacement Cost
Worker's Compensation	Statutory
Employee Dishonesty	1,000,000

There have been no significant reductions in insurance coverage for the past three years and the City does not participate in a risk sharing pool. No settlements exceeded insurance over the past three years.

Note 14 - Contract for Solid Waste Collection

The City has an agreement with a private contractor to collect solid waste. The total expense recorded by the City under this contract for the year ended September 30, 2022, was $316,386.

Note 15 - Landfill Post-Closure Costs

Regulations of the U.S. Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (FDEP) required the City to place a final cover on its internally used debris landfill when it was closed in 1991 and perform certain maintenance and monitoring functions at the landfill site for 20 years after its closure. All amounts recognized are based on what it would cost to perform the post-closure functions in current dollars. Actual costs may be different due to inflation, changes in technology, or changes in laws and regulations.

The landfill has ceased operations and the required closure work was completed. However, in 2011, the EPA notified the City that continued monitoring and maintenance of the Landfill was required to be fulfilled by the City. The estimated future cost for post-closure maintenance is reported in the Government-wide statement of net position.

Note 16 - Commitments

The City has the following commitments outstanding for future projects as of September 30, 2022:

Projects	Contract Amount	Amount Expended To-Date
Tankhill and Well Booster Station	$ 4,018,859	$ 3,745,232
Howard Ave/Dade Oaks	3,418,599	312,959
Morningside Drive Extension	2,000,000	78,757
Force Main	970,000	212,579

Note 17 - Postemployment Benefits Other Than Pension (OPEB)

Plan Description

The OPEB Plan is a single employer benefit plan administered by the City. Pursuant to the provision of Section 112.0801, Florida Statutes, former employees who retire from the City are eligible to participate in the City administered single-employer defined benefit healthcare plan (the Retiree Health Plan). The Retiree Health Plan provides healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. The City subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The benefits provided under this defined benefit plan are provided until the retiree's attainment of age 65 or until such time at which the retiree discontinues coverage under the City sponsored plans, whichever is earlier. The Retiree Health Plan does not issue a stand-alone report and is not included in the report of another entity.

For the OPEB Plan, contribution requirements of the City are established and may be amended through action from the City's Commissioners. Currently, the City's OPEB benefits are unfunded, no assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. The actual contributions are based on a pay-as-you-go financing requirement.

The actuarial valuation, dated September 30, 2021, involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend.

Amounts determined regarding the OPEB Plan are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future.

Employee Contribution Information

Retirees participating in the group insurance plans offered by the City are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums.

Employees Covered by Benefit Terms
Note that the projected employee contributions for the Dental and Vision benefits are assumed to cover the entire cost of the program.

The following employees were covered by benefit terms as of September 30, 2021, the latest actuarial measurement date:

Retirees and Beneficiaries	1
Inactive, Non-Retired Members	0
Active Members	80
Total	81

Actuarial Assumptions
Calculations are based upon the types of benefits provided under the terms of the substantive OPEB Plan at the time of the valuation and on the pattern of sharing of costs between the employer and OPEB Plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. As authorized by GASB Statement No. 75, the City utilizes the Alternative Measurement Method, which allows the employer to use simplifications of certain assumptions in measuring the costs and liabilities.

Actuarial Assumptions:

Valuation Measurement Date	September 30, 2021
Measurement Date	September 30, 2021
Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	2.19%
Salary Increases	3.00%
Retirement Age	Varies based on several factors, including plan-specific retirement eligibility provisions and experience. If employees had already attained their normal retirement age as of the valuation date, they were assumed to retire one year after the valuation date.
Mortality Rate	Mortality tables used in the July 1, 2021 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class members. These rates were taken from adjusted PUB-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Health Care Cost Trend Rates	6.00% for FY beginning 2022, 5.75% for FY beginning 2023 and then gradually decreasing to an ultimate trend rate of 3.75%

Other Information:

Notes	Changes in assumptions and other inputs reflected the change in Total OPEB Liability include:

	- Discount rate changed to 2.19% (from 2.41%). - Premiums were updated based on information provided. - Updated healthcare cost trend rates as described above. - Updated mortality and withdrawal rates to those used for non-K-12 Instructional Regular Class members in the July 1, 2021 Florida Retirement System (FRS) valuation.
	There were no benefit changes during the year.

The following simplifying assumptions were made:

Retirement Age	Age 62 for general employees and age 60 for police officers; participants who have attained such age as of the valuation date are assumed to retire one year after the valuation date.
Active Member Marital Status	Assumption of marital status for active employees has been incorporated in the acceptance probability for spousal coverage. Using this approach, the percentage of future retired plan members taking spousal coverage was assumed at 25%. For active employees, spouses' genders were assumed to be opposite to the members' genders and females were assumed 3 years younger than their spouses. Covered spouse dates were collected for current retired plan members as of the valuation date and were assumed to remain unchanged until the assumed death of the spouses.
Turnover	Non-group specific age-based turnover rates derived from the withdrawal assumption used in the July 1, 2018, actuarial valuation of the Florida Retirement System for Regular Class members were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to the periods the present value of total benefits to be paid.
Health Insurance Premiums	Health insurance premiums for retirees in effect June 1, 2019, were used as the basis for the calculation of the present value of total benefits to be paid. *(Age-adjusted premium for retirees were estimated using the method provided in paragraph 226c GASB Statement No. 75, as appropriate.)*

Total OPEB Liability

The measurement date for the City's total/net OPEB liability is September 30, 2021. The measurement period for OPEB cost was October 1, 2020 to September 30, 2021. The components of the City's net OPEB liability at September 30, 2022, are as follows:

Total OPEB Liability	$ 265,470
OPEB Plan Fiduciary Net Position	-
City's Net OPEB Liability	$ 265,470
OPEB Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%

Changes in the OPEB Liability	Fiscal Year 2022
Total OPEB Liability	
Service Cost	$ 23,991
Interest on the OPEB Liability	5,941
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience Of the Total OPEB Liability	10,696
Changes in the Assumptions and Other Inputs	11,190
Benefit Payments	(17,712)
Net Change in OPEB Liability	34,106
Total OPEB Liability - Beginning	231,364
Total OPEB Liability - Ending	$ 265,470

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability, calculated using the discount rate of 2.19%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (1.19%) or one percentage-point higher (3.19%) than the current discount rate:

	1% Decrease 1.19%	Current Trend Rate 2.19%	1% Increase 3.19%
Total OPEB Liability	$ 282,810	$ 265,470	$ 247,584

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher that the current discount rate:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	$ 239,654	$ 265,470	$ 295,557

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resourced Related to OPEB

For the fiscal year ended September 30, 2022, the City recognized OPEB expense of $42,445. At September 30, 2022, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions after the Measurement Date	$ 9,373	$ -

Note 18 - American Rescue Plan Act (ARPA)

During the fiscal year, the City was awarded funding through the Coronavirus State and Local Fiscal Recover Funds program of the *American Rescue Plan Act* (ARPA) in the amount of $3,675,264. As of September 30, 2022, the City had received $3,675,264 and the amount was considered unearned revenues. ARPA was signed into law on March 11, 2021, to provide $350 billion in additional funding for state and local governments. Due to no allowable costs incurred or other eligibility requirements not yet met, there was no revenue or receivables recorded related to these funds as of September 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

The following supplementary schedules present trend information regarding the retirement plans for the City's Firefighters and Police Officers, Florida Retirement System Pension Funds, and Other Postemployment Benefits. This information is necessary for a fair presentation in conformity with generally accepted accounting principles.

CITY OF DADE CITY, FLORIDA
SCHEDULE OF NET CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

Reporting Period Ending	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018
Valuation Date	September 30, 2021	September 30, 2019	September 30, 2019	September 30, 2017	September 30, 2017
Measurement Date	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017
Total OPEB Liability					
Service Costs	$ 23,991	$ 21,933	$ 20,954	$ 21,355	$ 21,801
Interest	5,941	6,254	9,887	8,703	7,640
Changes in Benefit Terms	-	-	-	-	-
Difference Between Expected and Actual Experience	10,696	-	(45,458)	-	-
Changes in Assumptions	11,190	5,374	1,164	(6,207)	(7,438)
Benefit Payments	(17,712)	(15,372)	(21,106)	(6,831)	(31,860)
Net Change in Total OPEB Liability	34,106	18,189	(34,559)	17,020	(9,857)
Total OPEB Liability - Beginning	231,364	213,175	247,734	230,714	240,571
Total OPEB Liability - Ending	$ 265,470	$ 231,364	$ 213,175	$ 247,734	$ 230,714
Covered-Employee Payroll	$ 3,779,671	$ 3,648,556	$ 3,661,784	$ 3,529,100	$ 3,421,000
Total OPEB Liability as a Percentage of Covered-Employee Payroll	7.02%	6.34%	5.82%	7.02%	6.74%

Notes to Schedule:

Note 1: GASB Statement No. 75 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

Note 2: No assets are accumulated in trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Note 3: Changes in assumptions and other inputs reflected in the schedule of changes in the Total OPEB Liability include:

- discount rate changed to 2.19% (from 2.41%)
- premiums were updated based on information provided
- updated inflation and healthcare cost trend rates as described above

  Inflation: 2.25%

  Health Cost Trend Rates: 6.00% for fiscal year beginning 2022, 5.75% for fiscal year beginning 2023, and then gradually decreasing to an ultimate trend rate of 3.75%

CITY OF DADE CITY, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

FIREFIGHTERS' PENSION PLAN

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service Cost	$ 33,320	$ 42,946	$ 56,814	$ 53,670	$ 50,182	$ 62,305	$ 57,109	$ 73,291	$ 69,178	$ 64,292
Interest on the Total Pension Liability	508,352	529,176	547,203	566,394	547,748	521,734	479,195	465,906	444,362	421,333
Change in Excess State Money	-	-	-	-	-	-	(236,880)	-	-	-
Share Plan Allocation	-	-	-	-	-	-	118,440	-	-	-
Changes in Benefit Terms	-	-	-	(127)	-	-	-	-	-	-
Changes of Assumption	-	192,897	(137,261)	-	69,430	-	253,846	-	62,185	-
Differences Between Expected and Actual Experience	44,354	(33,933)	(29,754)	(288,677)	(32,479)	45,129	14,274	(96,908)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(971,572)	(444,979)	(895,170)	(299,665)	(263,194)	(267,801)	(265,932)	(231,915)	(197,332)	(177,666)
Net Change in Total Pension Liability	(385,546)	286,107	(458,168)	31,595	371,687	361,367	420,052	210,374	378,393	307,959
Total Pension Liability, Beginning of Year	7,714,642	7,428,535	7,886,703	7,855,108	7,483,421	7,122,054	6,702,002	6,491,628	6,113,235	5,805,276
Total Pension Liability, End of Year (a)	$ 7,329,096	$ 7,714,642	$ 7,428,535	$ 7,886,703	$ 7,855,108	$ 7,483,421	$ 7,122,054	$ 6,702,002	$ 6,491,628	$ 6,113,235
Plan Fiduciary Net Position										
Contributions - Employer	$ 216,232	$ 222,033	$ 220,041	$ 241,308	$ 197,648	$ 186,045	$ 165,798	$ 176,552	$ 173,000	$ 169,273
Contributions - State	29,848	42,820	40,473	37,681	38,180	39,355	42,598	46,272	50,496	49,729
Contributions - Employee	1,307	1,598	2,739	2,868	2,706	2,948	3,215	3,817	3,756	3,675
Net Investment Income	(1,266,908)	1,159,299	546,857	194,876	499,603	511,409	457,863	(181,834)	503,118	336,055
Benefit Payments, Including Refunds of Employee Contributions	(971,572)	(444,979)	(895,170)	(299,665)	(263,194)	(267,801)	(265,932)	(231,915)	(197,332)	(177,666)
Administrative Expense	(38,868)	(46,671)	(36,665)	(33,948)	(35,748)	(33,164)	(31,008)	(37,380)	(16,578)	(12,125)
Net Change in Plan Fiduciary Net Position	(2,029,961)	934,100	(121,725)	143,120	439,195	438,792	372,534	(224,488)	516,460	368,941
Plan Fiduciary Net Position, Beginning of Year	7,571,802	6,637,702	6,759,427	6,616,307	6,177,112	5,738,320	5,365,786	5,590,274	5,073,814	4,704,873
Plan Fiduciary Net Position, End of Year (b)	$ 5,541,841	$ 7,571,802	$ 6,637,702	$ 6,759,427	$ 6,616,307	$ 6,177,112	$ 5,738,320	$ 5,365,786	$ 5,590,274	$ 5,073,814
Net Pension Liability - Ending (a) - (b)	$ 1,787,255	$ 142,840	$ 790,833	$ 1,127,276	$ 1,238,801	$ 1,306,309	$ 1,383,734	$ 1,336,216	$ 901,354	$ 1,039,421
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.60%	98.15%	89.35%	85.71%	84.23%	82.54%	80.57%	80.06%	86.12%	93.00%
Covered Payroll**	$ 130,679	$ 159,817	$ 273,867	$ 286,806	$ 270,632	$ 294,798	$ 321,518	$ 395,515	$ 375,625	$ 367,453
Net Pension Liability as a Percentage of Covered Payroll	1368.23%	89.39%	288.77%	393.04%	457.74%	443.12%	430.38%	337.84%	239.96%	282.87%

Changes of Assumptions:

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees.

For measurement date September 30, 2018, amounts reported as changes of assumptions were related to lowering the investment rates of return from 7.4% to 7.3% per year, net of investment related expenses.

For measurement date September 30, 2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

Additionally, the investment return assumption was reduced from 7.50% to 7.40% at September 30, 2016, and remained that amount for September 30, 2017 and 2018.
Finally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant at September 30, 2016, and remained that amount for September 30, 2017.

For measurement date September 30, 2021, the investment rate of return was lowered from 7.30% to 7.00% per year, net of investment related expenses

Changes in Benefit Terms:

For measurement date September 30, 2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

** The Covered Payroll numbers shown are in compliance with GASB Statement No. 82.

Effective for the City's fiscal year ended September 30, 2020, the GASB 68 measurement date of the Pension Expense has been approved and changed from September 30, 2019 to September 30, 2020.

CITY OF DADE CITY, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

POLICE OFFICERS' PENSION PLAN

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service Cost	$ 293,700	$ 296,403	$ 305,413	$ 299,081	$ 275,150	$ 274,006	$ 232,694	$ 231,742	$ 222,220	$ 206,524
Interest on the Total Pension Liability	803,716	821,468	836,652	786,576	750,739	723,973	642,677	614,062	570,466	530,188
Change of Benefit Terms	-	-	-	-	55,986	-	-	-	-	-
Differences Between Expected and Actual Experience	195,275	(1,062,571)	(756,065)	58,762	(27,183)	(238,832)	61,548	(238,374)	-	-
Changes of Assumption	-	-	(316,749)	348,585	136,407	-	461,939	-	99,655	-
Benefit Payments, Including Refunds of Employee Contributions	(325,689)	(286,723)	(267,562)	(376,821)	(681,481)	(227,666)	(223,887)	(229,801)	(211,201)	(233,668)
Net Change in Total Pension Liability	967,002	(231,423)	(198,311)	1,116,183	509,618	531,481	1,174,971	377,629	681,140	503,044
Total Pension Liability, Beginning of Year	11,350,799	11,582,222	11,780,533	10,664,350	10,154,732	9,623,251	8,448,280	8,070,651	7,389,511	6,886,467
Total Pension Liability, End of Year (a)	$ 12,317,801	$ 11,350,799	$ 11,582,222	$ 11,780,533	$ 10,664,350	$ 10,154,732	$ 9,623,251	$ 8,448,280	$ 8,070,651	$ 7,389,511
Plan Fiduciary Net Position										
Contributions - Employer	$ 283,747	$ 456,762	$ 481,488	$ 367,785	$ 268,685	$ 206,524	$ 200,903	$ 202,014	$ 180,861	$ 192,889
Contributions - State	103,497	107,538	107,783	89,739	86,523	81,333	76,053	71,372	72,789	75,568
Contributions - Employee	20,761	19,291	18,335	17,463	14,538	10,520	10,303	9,893	9,394	9,906
Net Investment Income	(2,370,422)	1,840,189	709,669	266,304	690,619	766,558	664,654	(262,685)	736,583	523,467
Benefit Payments, Including Refunds of Employee Contributions	(325,689)	(286,723)	(267,562)	(376,821)	(681,481)	(227,666)	(223,887)	(229,801)	(211,201)	(233,668)
Administrative Expense	(41,959)	(46,169)	(41,920)	(39,225)	(48,459)	(37,908)	(32,953)	(35,483)	(17,925)	(12,968)
Net Change in Plan Fiduciary Net Position	(2,330,065)	2,090,888	1,007,793	325,245	330,425	799,361	695,073	(244,690)	770,501	555,194
Plan Fiduciary Net Position, Beginning of Year	12,987,082	10,896,194	9,888,401	9,563,156	9,232,731	8,433,370	7,738,297	7,982,987	7,212,486	6,657,292
Plan Fiduciary Net Position, End of Year (b)	$ 10,657,017	$ 12,987,082	$ 10,896,194	$ 9,888,401	$ 9,563,156	$ 9,232,731	$ 8,433,370	$ 7,738,297	$ 7,982,987	$ 7,212,486
Net Pension Liability - Ending (a) - (b)	$ 1,660,784	$ (1,636,283)	$ 686,028	$ 1,892,132	$ 1,101,194	$ 922,001	$ 1,189,881	$ 709,983	$ 87,664	$ 177,025
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.52%	114.42%	94.08%	83.94%	89.67%	90.92%	87.64%	91.60%	98.91%	97.60%
Covered Payroll**	$ 1,384,039	$ 1,286,087	$ 1,222,327	$ 1,164,183	$ 1,105,629	$ 1,051,978	$ 1,030,263	$ 1,051,778	$ 939,443	$ 990,617
Net Pension Liability as a Percentage of Covered Payroll	120.00%	-127.23%	56.12%	162.53%	99.60%	87.64%	115.49%	67.50%	9.33%	17.87%

Changes in Benefit Terms:

For measurement date September 30, 2018, amounts reported as changes of benefit terms resulting from the pre-retirement death were amended and the Member Contribution Rate was increased by 0.50% of payroll.

Changes of Assumptions:

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics

For measurement date September 30, 2019, as a result of an Actuarial Experience Study dated September 5, 2019, the Board approved the following changes:

The Investment Return Assumption was reduced from 7.3% to 7.0% per year, net of investment related expenses.

The assumed rate of individual salary increases was changed from a flat 5.5% per year to 10.0% in the first year of employment and 5.0% for all future years of service.

The assumed rates of pre-retirement withdrawal have been changed from an age-based table to an assumption of 15.0% per year during the first 5 years of employment and 2.5% per year after 5 years of employment.

The assumption that a member eligible for normal retirement on the valuation date will work one more year was eliminated.

For measurement date September 30, 2018, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

Additionally, the investment return assumption was reduced to 7.30% at September 30, 2017, and remained at that amount for September 30, 2018.

Finally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant at September 30, 2016, and remained that amount for September 30, 2017.

** The Covered Employee Payroll numbers shown are in compliance with GASB Statement No. 82, except for the September 30, 2015, measurement period, which includes DROP payroll.

Effective for the City's fiscal year ending September 30, 2020, the GASB 68 measurement date of the Pension Expense has been approved and changed from September 30, 20219 to September 30, 2020.

CITY OF DADE CITY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' PENSION PLAN
LAST 10 FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	$ 246,080	$ 264,853	$ 271,870	$ 285,464	$ 276,323	$ 211,370	$ 173,941	$ 212,983	$ 223,496	$ 219,002
Contributions in Relation to the Actuarially Determined Contribution	246,080	264,853	260,514	278,989	235,828	225,400	208,396	222,824	223,496	219,002
Contribution Deficiency (Excess)	$ -	$ -	$ 11,356	$ 6,475	$ 40,495	$ (14,030)	$ (34,455)	$ (9,841)	$ -	$ -
Covered Payroll	$ 139,679	$ 159,817	$ 276,867	$ 286,806	$ 270,632	$ 294,798	$ 321,518	$ 395,515	$ 375,625	$ 367,453
Contributions as a Percentage of Covered Payroll	188.31%	167.72%	94.09%	97.27%	87.14%	76.46%	64.82%	56.34%	59.50%	59.60%

Notes to Schedule

Valuation Date	October 1, 2020
	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 Actuarial Cost Method
Amortization Method	Level Dollar
Asset Valuation Method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.
Inflation	2.5% per Year.
Salary Increases	5.75% per year until the assumed retirement age - see table below. This assumption is based on an experience study issued April 25, 2011.
Interest Rate	7.4% per year compounded annually, net of investment related expenses. This assumption is supported by the target asset class allocation of the trust and the expected long-term return by asset class.
Payroll Growth	N/A
Retirement Age	Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. These rates are deemed reasonable based on plan provisions.
Early Retirement	Commencing with the earliest Early Retirement Age (age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. These rates are deemed reasonable based on plan provisions.
Termination Rates	See Table Below. It is assumed that 75% of disablements and active Member deaths are service related. These rates are consistent with rates used in other fire plans.
Disability Rates	See Table Below. It is assumed that 75% of disablements and active Member deaths are service related.
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 (Below Median) for Healthy Retirees, set forward one year. Mortality Rate Beneficiary Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) 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.

CITY OF DADE CITY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' PENSION PLAN
LAST 10 FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	$ 420,748	$ 514,435	$ 581,828	$ 457,524	$ 379,231	$ 291,398	$ 259,626	$ 263,151	$ 253,650	268,457
Contributions in Relation to the Actuarially Determined Contribution	387,244	564,300	589,271	457,524	355,208	287,857	276,956	273,386	253,650	268,457
Contribution Deficiency (Excess)	$ 33,504	$ (49,865)	$ (7,443)	$ -	$ 24,023	$ 3,541	$ (17,330)	$ (10,235)	$ -	$ -
Covered Payroll	$ 1,384,039	$ 1,286,087	$ 1,222,327	$ 1,164,183	$ 1,105,629	$ 1,051,978	$ 1,030,263	$ 1,051,778	$ 939,443	$ 990,617
Contributions as a Percentage of Covered Payroll	27.98%	43.88%	48.21%	39.30%	32.13%	27.36%	26.88%	25.99%	27.00%	27.10%

Notes to Schedule

Valuation Date	October 1, 2020
	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	Aggregate Actuarial Cost Method
Asset Valuation Method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation	2.50% per year.
Salary Increases	Service Based
Interest Rate	7.5% per year compounded annually, net of investment related expenses.
Payroll Growth	N/A
Retirement Age	Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited services. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Actuarial Asset Method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Vale of Assets.
Early Retirement	Commencing with the earliest Early Retirement Age (50 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Termination Rates	See Table Below.
Disability Rates	See Table Below.
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 (Below Median) for Healthy Retirees, set forward one year. Mortality Rate Beneficiary Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) 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.

CITY OF DADE CITY, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION PLAN
LAST 10 FISCAL YEARS

	September 2022	September 2021	September 2020	September 2019	September 2018	September 2017	September 2016	September 2015	September 2014	September 2013
Annual Money-Weighted Rate of Return Net of Investment Expense	-17.81%	17.73%	8.17%	2.95%	8.14%	9.01%	8.62%	-3.28%	9.98%	7.12%

CITY OF DADE CITY, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
POLICE OFFICERS' PENSION PLAN
LAST 10 FISCAL YEARS

	September 2022	September 2021	September 2020	September 2019	September 2018	September 2017	September 2016	September 2015	September 2014	September 2013
Annual Money-Weighted Rate of Return Net of Investment Expense	-18.32%	16.75%	7.14%	2.79%	7.66%	9.10%	8.61%	-3.30%	10.24%	7.84%

CITY OF DADE CITY, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.000586492%	0.000533799%	0.000494568%	0.000491573%	0.000518104%	0.000661177%	0.000666503%	0.0011699814%	0.0014725377%
City's Proportionate Share of the Net Pension Liability	$ 218,222	$ 40,322	$ 214,353	$ 169,291	$ 156,056	$ 195,572	$ 168,293	$ 151,119	$ 89,846
City's Covered-Payroll	$ 269,524	$ 246,574	$ 243,407	$ 234,803	$ 231,851	$ 259,595	$ 261,769	$ 354,060	$ 344,846
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll	80.97%	16.35%	88.06%	72.10%	67.31%	75.34%	64.29%	42.68%	26.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	87.00%

SCHEDULE OF THE CITY'S CONTRIBUTIONS - FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 31,826	$ 25,315	$ 21,212	$ 19,829	$ 17,930	$ 21,602	$ 21,094	$ 28,525	$ 32,255
Contributions in Relation to the Contractually Required Contribution	31,826	25,315	21,212	19,829	17,930	21,602	21,094	28,525	32,255
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered-Payroll	$ 276,070	$ 248,634	$ 244,731	$ 237,766	$ 231,851	$ 259,258	$ 261,769	$ 354,060	$ 344,846
Contributions as a Percentage of Covered-Payroll	11.53%	10.18%	8.67%	8.34%	7.73%	8.33%	8.06%	8.06%	9.35%

Note:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2014.

Information for prior years is not available.

CITY OF DADE CITY, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA HEALTH INSURANCE SUBSIDY PENSION PLAN

	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.000740128%	0.000693628%	0.000701324%	0.000696765%	0.000709849%	0.000814424%	0.000814007%	0.001155987%	0.0013817262%
City's Proportionate Share of the Net Pension Liability	$ 78,391	$ 85,084	$ 85,631	$ 77,961	$ 75,131	$ 87,082	$ 94,869	$ 117,892	$ 129,195
City's Covered-Payroll	$ 269,524	$ 246,574	$ 243,407	$ 234,803	$ 231,851	$ 259,595	$ 261,769	$ 354,060	$ 344,846
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll	29.08%	34.51%	35.18%	33.20%	32.40%	33.55%	36.24%	33.30%	37.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

SCHEDULE OF THE CITY'S CONTRIBUTIONS - FLORIDA HEALTH INSURANCE SUBSIDY PENSION PLAN

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 31,826	$ 25,315	$ 21,212	$ 19,829	$ 17,930	$ 21,602	$ 21,094	$ 28,525	$ 32,255
Contributions in Relation to the Contractually Required Contribution	31,826	25,315	21,212	19,829	17,930	21,602	21,094	28,525	32,255
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered-Payroll	$ 276,070	$ 248,634	$ 244,731	$ 237,766	$ 231,851	$ 259,258	$ 261,769	$ 354,060	$ 344,846
Contributions as a Percentage of Covered-Payroll	11.53%	10.18%	8.67%	8.34%	7.73%	8.33%	8.06%	8.06%	9.35%

Note:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2014.

Information for prior years is not available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF DADE CITY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Special Revenue			
	Public Safety Impact Fee Fund	Transportation Impact Fee Fund	Community Redevelopment Block Grant	Total Non-Major Governmental Funds
Assets				
Cash and Cash Equivalents	$ 100,590	$ 2,331,545	$ -	$ 2,432,135
Accounts Receivable	-	-	927	927
Total Assets	100,590	2,331,545	927	2,433,062
Liabilities and Fund Balances				
Liabilities:				
Accrued Liabilities	2,545	-	-	2,545
Due to Other Funds	-	-	9,614	9,614
Total Liabilities	2,545	-	9,614	12,159
Fund Balances:				
Restricted	98,045	2,331,545	-	2,429,590
Unassigned	-	-	(8,687)	(8,687)
Total Fund Balances (Deficit)	98,045	2,331,545	(8,687)	2,420,903
Total Liabilities and Fund Balances	$ 100,590	$ 2,331,545	$ 927	$ 2,433,062

CITY OF DADE CITY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue			
	Public Safety Impact Fee Fund	Transportation Impact Fee Fund	Community Redevelopment Block Grant	Total Non-Major Governmental Funds
Revenues				
Impact Fees	$ 151,626	$ 1,140,196	$ -	$ 1,291,822
Total Revenues	151,626	1,140,196	-	1,291,822
Expenditures				
Current:				
Transportation	-	-	8,687	8,687
Capital Outlay	2,544	-	-	2,544
Total Expenditures	2,544	-	8,687	11,231
Excess (Deficiency) of Revenues Over (Under) Expenditures	149,082	1,140,196	(8,687)	1,280,591
Other Financing (Uses)				
Transfer (out)	(100,448)	-	-	(100,448)
Total Other Financing (Uses)	(100,448)	-	-	(100,448)
Net Change in Fund Balances	48,634	1,140,196	(8,687)	1,180,143
Fund Balances, Beginning	49,411	1,191,349	-	1,240,760
Fund Balances, Ending	$ 98,045	$ 2,331,545	$ (8,687)	$ 2,420,903

COMPLIANCE SECTION

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*

Honorable Mayor and City Commissioners
City of Dade City, Florida
Dade City, 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 Dade City, Florida (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 7, 2024.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-02 to be a material weakness.

Honorable Mayor and City Commissioners
City of Dade City, Florida
Dade City, Florida

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*

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-01 to be a significant deficiency.

Report on Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated August 7, 2024, titled Management Letter Comments required by Chapter 10.550, *Rules of the Auditor General*.

The 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 and the management response letter. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Purvis Gray

August 7, 2024
Ocala, Florida

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

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the City of Dade City, 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 the each of the City's major federal program for the year ended September 30, 2022. The City's major federal program 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, 2022.

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 the 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 programs. 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.

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material non-compliance when it exists. The risk of not detecting material non-compliance 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. Non-compliance 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 non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

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, non-compliance 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.

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

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

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.

Purvis Gray

August 7, 2024
Ocala, Florida

CITY OF DADE CITY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Federal Grantor/Pass-Through Grantor/Project Title	Assistance Listing No.	Grantor's Contract Number	Project Award	Expenditures
U.S. Environmental Protection Agency				
Passed Through the Florida Department of Environmental Protection				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW510412	$ 3,768,859	$ 1,664,384
U.S. Department of Housing and Urban Development				
Passed Through Florida Department of Economic Opportunity				
CDBG - Entitlement Grant Cluster				
Community Development Block Grant - DR	14.228	IR020	700,000	156,067
U.S. Department of the Treasury				
Passed Through Pasco County, Florida				
COVID-19 Coronavirus Relief Funds	21.019	2022	16,777	16,777
U.S. Department of Justice				
Passed Through Florida Department of Law Enforcement				
2020 CESF Program	16.034	2021-CESF-PASC-1-C9-098	50,000	49,642
				$ 1,886,870

Note 1 - Basis of Presentation

The Schedule of Federal Awards includes the federal grant activity of the City of Dade City, Florida (the City) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note 2 - Indirect Cost Rate

The City has elected not to use the de minimis indirect cost rate allowed under the OMB Uniform Guidance.

CITY OF DADE CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	Yes
Non-compliance material to financial statements noted?	No

Federal Awards

Internal Control Over Major Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	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 CFR 200.516(A)?	Yes

Identification of Major Programs:

Federal Program or Cluster	Assistance Listing No.
U.S. Environmental Protection Agency	
Passed Through the Florida Department of Environmental Protection:	
Capitalization Grants for Drinking Water State Revolving Funds	66.468

Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Awards	$750,000
Auditee Qualified as Low-Risk Auditee Pursuant to Uniform Guidance?	No

CITY OF DADE CITY, FLORIDA
PRIOR YEAR FINANCIAL STATEMENT FINDINGS

Reference Number 2022-02: Period-End Financial Reporting (Material Weakness)

Criteria The City of Dade City, Florida (the City) is required by Chapter 10.550, *Rules of the Auditor General*, to have an annual examination (audit) of financial statements to determine whether they are presented fairly, in all material respects, in conformity with generally accepted accounting principles.

Condition For the year ended September 30, 2022, the audit of the City's basic financial statements was significantly delayed because the financial records were not timely reconciled and closed out in preparation of the audit. Several key events caused this delay:

- Implementation of new software for the financial accounting records and training of the software to management was not properly fulfilled and all accounting records had to be transferred back to the old system.
- The contract with the outsourced Finance Director was terminated subsequent to year-end before the accounting records could be prepared for the September 30, 2022 audit.
- The City subsequently hired a new Finance Director to attempt to ensure all accounting records were reconciled but was unable to perform this task in a timely manner due to the complexities with reconciling the accounting records.
- A trial balance was provided in preparation of the audit in March 2024; however, the information provided continued to have reconciling problems which required multiple accounting adjustments for the City's basic financial statements.

Effect The City's annual financial audit was not timely provided to the Auditor General of the State of Florida.

Recommendation With the change in structure of the Finance Department, we recommend the City redevelop the monthly and year-end closing function to ensure accurate and timely reporting. A functioning closing routine should clearly identify tasks that are necessary for a timely period-end close and preparation of period financial information, as well as year-end financial schedules for the audit.

Response See attached management letter response.

CITY OF DADE CITY, FLORIDA
PRIOR YEAR FINANCIAL STATEMENT FINDINGS

Reference Number 2022-01: Purchasing Policy (Significant Deficiency)

Criteria The City has an established purchasing policy that outlines the documentation requirements for change order approvals, bidding requirements, documentation provided by third parties, and approval limits.

Condition For the year ended September 30, 2022, the audit of the City's basic financial statements determined that the City could not provide consistent documentation for adherence to the policy listed above.

Effect Two invoices provided for payment of construction costs did not have the approval from a City representative.

Recommendation We recommend the City reevaluate their internal control process within the various departments to ensure that the policy is followed, personnel are trained in requirements, and appropriate documentation retained.

Response See attached management letter response.

Scott Black, Mayor
Normita L. Woodard, Mayor Pro Tem
Kristin Church, Commissioner
Ann Cosentino, Commissioner
James D. Shive, Commissioner

Leslie Porter, City Manager
Angelia Guy, City Clerk
Peter Altman, Finance Officer
Patrick Brackins, City Attorney

August 7th, 2024

City of Dade City Commission
Dade City, Florida

RE: Corrective Action Plan - September 30, 2022 Audit Findings

Dade City Mayor and City Commissioners,

In accordance with the rules of the Auditor General, our Independent Auditor has provided the City with an Unmodified Opinion and informed the City that their tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, in their report on Internal Control, a material weakness was reported (Reference number 2022-02) and a significant deficiency (Reference number 2022-01) The following response and Corrective Action Plan is herein provided as required to address those findings in the Report on Internal Control Over Financial Reporting. Our corrective actions will be implemented as we turn our attention to the Fiscal Year ended September 30, 2023 audit and prepare for the fiscal year ending September 30 2024 year end procedures.

2022-002 Timely Period-End Financial Reporting (Material Weakness)

For the year ended September 30, 2022, the audit of the City's basic statements was significantly delayed because the financial records were not timely reconciled and closed out in preparation of the audit. It has been recommended that the City redevelop the monthly and year-end closing routine.

In response to the Auditor's recommendation, we agree with the findings of the conditions that caused the lateness in the completion of the annual financial audit and in its delivery to the Auditor General. Actions have been taken to address the core causes of the audit delay. They include:

- Qualified staff has been added to the Finance Department. Deliverables are established.
- A permanent Finance Director has been employed by the Commission replacing contracted services.
- The City is utilizing the support of a CPA consultant to assist in audit preparation.
- Legacy Issues have been resolved and updated software functionality is in progress.
- Year-end accruals of receivables and payables will be made timely and invoices examined according to matching principles based on the delivery of product and services rendered.
- Work in Progress of multi-year contracts will be calculated and Capital Assets kept current.
- Timing of Corrective Action: Underway and Ongoing

2022-001 Purchasing Policy (Significant Deficiency)

For the year ended September 30, 2022, the audit of the City's basic financial statements determined that the City could not provide consistent documentation for adherence to the policies in place for change orders, bidding requirements, documentation provided by third parties, and approval limits.

In response, due to the implementation of an alternative ERP software which had been installed on a trial basis in the last quarter of fiscal year end 2022 and its subsequent withdrawal from service, the reconversion process failed to include proper supervision and compliance with the City's policies. The failure to locate signed staff approvals on invoices for two of the invoices tested is noted as a cause for this finding. These invoices were signed off by our engineer who confirmed that the vendor's payment requests matched the percentage of completion asserted under an existing contract.

Additional actions have been taken to correct the deficiency to include:

- The Accounts Payable position has been shifted to the Finance Department for oversight.
- An updated Accounts Payable electronic processing feature will require approval for processing.
- Timing of Corrective Action: Underway and Ongoing



Peter Altman, Finance Officer

MANAGEMENT LETTER
REQUIRED BY CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

Report on the Financial Statements
We have audited the financial statements of the City of Dade City, Florida (the City) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated August 7, 2024.

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 Regulation*s 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 the 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 the American Institute of Certified Public Accountants 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 August 7, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report except as noted. See Management Letter Comments.

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. This information is disclosed in Note 1 to the financial statements.

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

MANAGEMENT LETTER
REQUIRED BY CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. Please see No. 2022-1 and 2022-02 in the Schedule of Findings and Questioned Costs.

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

Specific information as required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1(i)6, *Rules of the Auditor General,* for the Dade City Community Redevelopment Agency can be found in its separately issued report.

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

Purpose of this Letter
Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal, state, and other granting agencies, the Mayor and City Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray
August 7, 2024
Ocala, Florida

MANAGEMENT LETTER COMMENTS

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

Please note the following comments:

Prior Year Comments

2015-2—Information Technology (IT) General Controls and Policies (Updated)
During our audit fieldwork, we reviewed the City of Dade City, Florida's (the City) IT general controls and policies. The purpose of the review was to determine the control design for the IT environment, to identify any potential control deficiencies, and to make recommendations for improvements to strengthen controls where noted. Recommendations for management's consideration included the areas of Risk Management, Incident Response, Disaster Recovery Planning and Testing, Penetration Testing, and User Access Reviews. Actions on prior year recommendations taken by management include:

- Purvis, Gray and Company, LLP recommended a disaster recovery plan be developed and the recovery requirements tested to determine the viability of the Plan and the organizations readiness to achieve the defined business objectives. The City developed a Disaster Recovery Plan, which is expected to be approved July 1, 2022. We were also informed IT is planning to perform a recovery test of their systems.

- Purvis, Gray and Company, LLP recommended that the City mature their IT policies and procedures to define how critical processes are performed, monitored, and enforced. The City has documented a policy on Cyber Security Awareness and Training, and Acceptable Use of Information Technology Resources, which is expected to be approved July 1, 2022. We were informed policies on IT Risk Assessment, IT Incident Response, Change Management, Identification and Authentication, and a standard on Information Security Risk Management are a work-in-process.

2021-1—Building Permit Fees (Updated for 2022) and Building Department Fund Balance Carryforward
While performing permit fee testing, it was noted some permits were not charged the correct amount in accordance with the City's policy. Although the errors were not significant in amount, the amount charged in many cases resulted in loss revenues to the City. We recommend that management provide a secondary review of the permit charges and configure the billing software system to ensure all charges for various permit fee categories have the most current and up-to-date rates to charge its customers correctly.

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

MANAGEMENT LETTER COMMENTS

Additionally, based on the review of the building department's operations, it appears the restricted net position (unexpended balances) exceeds the average of its operating budget for the previous 4 fiscal years less any reserves per Florida Statute 553.80(7)(a). This results in an excess unexpended carryforward which is not in compliance with Florida Statute 553.80(7)(a) and is subject to Florida Statute 553.80(7)(a)(2), "A local government must use any excess funds that it is prohibited from carrying forward to rebate and reduce fees". We recommend management determine treatment of the building fund excess reserves to become compliant with the Florida Statutes.

We would like to take this opportunity to express our appreciation for the courtesies that have been extended to our staff. If you have any questions or comments about the contents of this letter, please do not hesitate to contact us.

Purvis Gray

August 7, 2024
Ocala, Florida

CITY OF DADE CITY

"Proud Heritage, Promising Future"

Scott Black, Mayor
Normita L. Woodard, Mayor Pro Tem
Kristin Church, Commissioner
Ann Cosentino, Commissioner
James D. Shive, Commissioner

Leslie Porter, City Manager
Angelia Guy, City Clerk
Peter Altman, Finance Officer
Patrick Brackins, City Attorney

August 7th, 2024

City of Dade City
Dade City, Florida

RE: Management Letter Response -

Dade City Mayor and City Commissioners,

Please find the following responses to the comments noted in the Management Letter as required by the rules of the Auditor General.

Prior Year Comments

2015-2 Information Technology (IT) General Controls and Policies (Updated)

The IT Department has been active in attending conferences and webinars that provide information and guidance for its controls and Policies. Progress has been made through the purchase and implementation of hardware and State sponsored cyber security programs that have been implemented. IT is continuing to work with Public Works to complete a comprehensive update to its emergency Management processes as they relate to data and continuity of government services.

2021-001 Building Permit Fees (Updated for 2022) and Building Department Fund Balance Carryforward

- A software bridge is underway between the independent Building Department software and the upgraded City Financial software which has been upgraded. Procedures are being instituted to review and correct the calculation errors that have occurred based on misinterpretation of the formula to be applied to determine the various permit fee charges.
- Staff oversight will be enhanced with increased interaction with the Finance Department.
- Building Fees will be tested regularly to ensure proper calculation.
- The Property Appraiser records will be downloaded regularly and used to confirm the completion of residential housing to compare to records for accuracy.

2021-001 Building Permit Fees (Updated for 2022) and Building Department Fund Balance Carryforward

Regarding the Building Department Fund Balance Carryforward.

The existing City Hall Building has been overcrowded which has created a limit for the space required to handle the flow of work including new construction, master planned development infrastructure internal permitting and inspections. The City understands the requirement to formerly declare the need for the reserves for the construction of a new facility and a formal Resolution will be requested in the current year to confirm its intentions.

Additional actions have however, already been taken to address the use of the Building Department Fund Balance Carryforward for a new facility.

- The FYE 2024 approved budget included a project to Demolish old Police Department Building and build a new Building Department Operations Center. Funding for the project continues to be reflected in the FYE 25 proposed budget and preparations are underway for the demolition of the existing old obsolete structure on the site designated for the new building.
- Dade City has experienced continued high residential growth that requires additional space for records and staffing space. Population growth for the past year has been estimated by the State at 7.3% which is among the highest in the state.
- Timing of Corrective Action: Underway and Ongoing

Peter Altman, Finance Officer

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

We have examined the City of Dade City, Florida's (the City) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2022. City Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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 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 fiscal year ended September 30, 2022.

The purpose of this report is solely to comply with Chapter 10.550, *Rules of the Auditor General*, and is intended solely for the information and use of the Florida Auditor General, the City Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

August 7, 2024
Ocala, Florida

CITY OF DADE CITY

"Proud Heritage, Promising Future"

Scott Black, Mayor
Normita L. Woodard, Mayor Pro Tem
Kristin Church, Commissioner
Ann Cosentino, Commissioner
James D. Shive, Commissioner

Leslie Porter, City Manager
Angelia Guy, City Clerk
Peter Altman, Finance Officer
Patrick Brackins, City Attorney

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Peter Altman, who being duly sworn, deposes and says on oath that:

1. I am the Chief Finance Officer of the City of Dade City which is a municipality of the State of Florida;
2. The City of Dade City adopted Ordinance Numbers 2004-0851, 2016-01, 2021-10 and 2021-14 implementing impact fees; and
3. The City of Dade City has compiled and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Peter Altman

STATE OF FLORIDA
COUNTY OF PASCO

SWORN TO AND SUBSCRIBED before me this 5 day of August, 2024.

NOTARY PUBLIC
Print Name Griselle Pizarro

Personally know ✓ or produced identification ____
Type of identification: _____

My Commission Expires:
April 30, 2027

GRISELLE PIZARRO
NOTARY PUBLIC
MY COMMISSION
EXPIRES 4-30-2027
STATE OF FLORIDA
COMMISSION NUMBER HH 346283

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com