2023

City of Newberry, Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2023

CITY OF NEWBERRY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared by:
Finance and Administrative Services

CITY OF NEWBERRY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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INTRODUCTORY SECTION

CITY OF NEWBERRY, FLORIDA
LIST OF PRINCIPAL OFFICIALS

MAYOR

Jordan Marlowe

CITY COMMISSIONERS

Mark Clark

Rick Coleman

Monty Farnsworth

Tim Marden

Tony Mazon

CITY MANAGER

Mike New, P.E.

CITY ATTORNEY

S. Scott Walker, Esq.

CITY CLERK

Judy S. Rice, MMC

DEPARTMENT HEADS

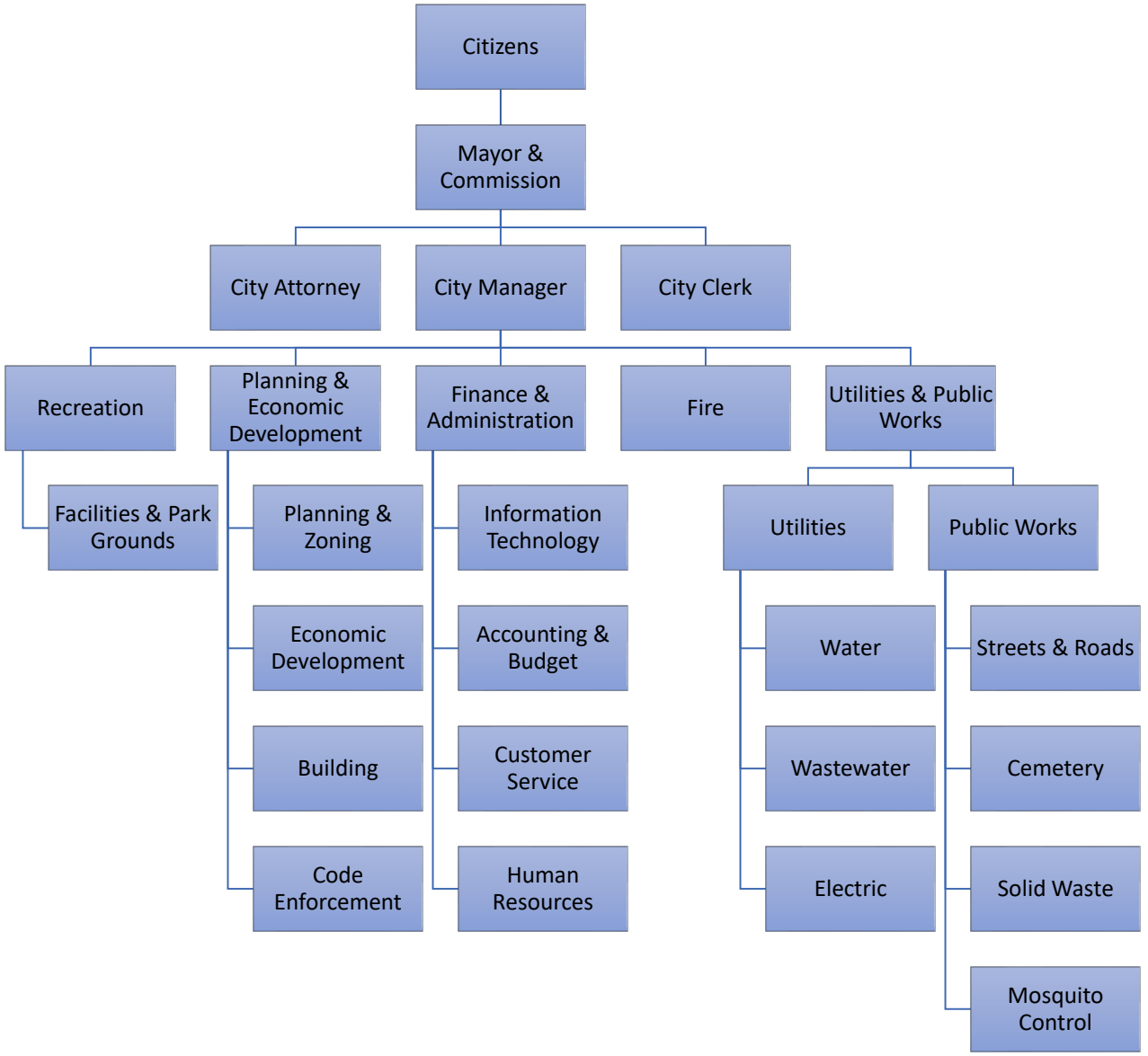
Dallas Lee, CGFO, Assistant City Manager for Finance & Administration/CFO

Jamie Jones, Assistant City Manager for Public Works & Utilities

Mike Vogel, Fire Chief

Travis Parker, CPRP, Director of Parks & Recreation

Bryan Thomas, AICP, Director of Planning & Economic Development


Citizens
Mayor & Commission
City Attorney
City Manager
City Clerk
Recreation
Planning & Economic Development
Finance & Administration
Fire
Utilities & Public Works
Facilities & Park Grounds
Planning & Zoning
Information Technology
Utilities
Public Works
Economic Development
Accounting & Budget
Water
Streets & Roads
Building
Customer Service
Wastewater
Cemetery
Code Enforcement
Human Resources
Electric
Solid Waste
Mosquito Control

Newberry
FLORIDA
ESTABLISHED 1895

25440 W Newberry Road
Newberry FL 32669
Tel: 352-472-2161
www.NewberryFL.gov

April 2, 2024

The Honorable Mayor
Members of the City of Newberry Commission
Residents of the City of Newberry, Florida

Dear Honorable Mayor Marlowe:

It is with pleasure that we submit to you the Annual Comprehensive Financial Report of the City of Newberry ("Newberry") for the year ended September 30, 2023. This report was prepared by the Department of Finance and Administration and the City's Independent Auditors in accordance with the Newberry Charter, State Statutes, and U.S. generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects Newberry's commitment to full financial disclosure. We encourage you to thoroughly read this report and some of the important items it addresses.

Independent Audit

State law requires that a complete set of financial statements reporting Newberry's financial position and results of activities are published within nine months of fiscal year end. This report is to be presented in conformance with the U.S. generally accepted accounting principles (GAAP) as applicable to governmental entities and audited by an independent firm of certified public accountants in accordance with the U.S. generally accepted auditing standards.

Purvis Gray and Company, independent auditors, have issued an unmodified opinion on the City of Newberry's financial statements for the fiscal year ended September 30, 2023. The goal of an independent audit is to provide reasonable assurance that the financial statement of the City are free of material misstatement and are presented fairly and in conformity with GAAP. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the basic financial statements; assessing accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor's report is located at the front of the financial section of this report.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of Newberry on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of Newberry's financial activities have been included.

We believe the report will assist in making economic, social and political decisions and in assessing accountability to the residents by:

- comparing actual financial results with the legally adopted budget, where appropriate;
- assessing financial condition and results of operations;
- assisting in determining compliance with fiscally-oriented laws, rules, and regulations; and
- assisting in evaluating the efficiency and effectiveness of Newberry's operations.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it. The remainder of this letter provides an overview of the City government, as well as local economic conditions.

Profile of the Government

The City of Newberry is geographically located in North Central Florida. The City's boundaries encompass 58 square miles. Newberry was established in 1895 on a railroad line and began as a phosphate mining town. Newberry was incorporated as a municipality in 1906. According to the University of Florida Bureau of Economic and Business Research (BEBR), the City's population was approximately 8,503 as of September 30, 2023. The City has a charter government structure approved by a referendum of the electors pursuant to the Constitution and laws of the State of Florida. The City operates under the City Manager form of government with a Commission comprised of five elected commissioners and an elected non-voting Mayor. Elections are non-partisan and each elected official represents the entire City.

The Newberry Commission appoints the Manager who is the Chief Administrative and Executive Officer and who directs the business and operations of Newberry and its various departments. The Newberry Commission determines policy, adopts legislation, approves the budget, sets taxes and fees, and appoints the Attorney and Clerk and members of various boards and committees.

Newberry is a full-service municipality and provides a wide variety of community services including general government; planning, zoning and building; public works (construction and maintenance of roads, rights of way and other infrastructure; street lighting; and storm water drainage); electric, water and sewer utilities; and solid waste collection and recycling. The public safety program includes providing fire and rescue services and contracting law enforcement services from the Alachua County Sheriff's Office. The City's recreation program includes neighborhood parks, community centers, and a wide variety of programs for youth, adults and senior citizens.

Administrative support services include the Human Resources Division, which is responsible for recruitment, compensation and benefits, employee relations, workers' compensation, property, casualty and liability insurance. The Finance Department handles the City's debt, revenue collections, annual budget planning and preparation, financial reporting, the annual financial audit, cash and investment management, grant management and accounting, capital assets accounting, payroll and other disbursements, and utility billing and collection.

Local Economy

The area's economy continues to show growth through increasing growth indicators including building permits and infrastructure (water and wastewater) connections. This growth comes as a result of increased demand for utility services. The City is actively pursuing increasing it's commercial, agricultural, and industrial customer base by attracting firms to locate within the City limits. This helps create additional jobs and provides for a stable tax base. The Commission has been committed to this cause through its funding of the Economic Development Department.

The City's major challenges, like most cities, are to provide the infrastructure and services needed to maintain the high quality of life, which has attracted considerable growth to our community. History has shown that great emphasis on support systems such as transportation, potable water, wastewater, and electric capacity must be equally balanced with quality of life amenities such as parks, recreation and cultural opportunities to maintain the natural beauty and attractiveness of a community.

Accomplishments and Future Projects

The progress towards achievement of Newberry's vision and mission is also measured by the completed multi-department projects and individual accomplishments of each of the City departments and divisions.

Below are some of the selected accomplishments over the last 18 months:

- Road milling and resurfacing program
- Newberry Lane watermain and forcemain Extensions
- Water system expansion along CR337
- Replacement of artificial turf on all 16 fields at Champions Park
- Completion of Advanced Metering Infrastructure (AMI) implementation and deployment
- Renovation and enhancements of Jimmy Durden Park
- Establishment of the Newberry Community Redevelopment Agency (CRA)
- Replacement of the fire quint engine
- Construction of gateway monument sign
- Substantial completion of design phase of the regional wastewater treatment plant

The following capital projects are planned for the next 18 months:

- Easton Newberry Sports Complex multi-purpose field expansions and sports lighting
- Forcemain realignment projects
- Continuing the road resurfacing program
- Reconstruction and extension of SW 15th Avenue
- Installation of accessible playground equipment at Easton Newberry Sports Complex
- Construction of an expansion to City Hall
- Construction of a gymnasium expansion at Easton Newberry Sports Complex
- Bid and construction phases of the regional wastewater treatment plant
- Construction of an elevated water storage tower
- Construction of a Veterans Memorial Park

Financial Information & Relevant Financial Policies

Accounting and Administrative Controls

Newberry's internal control structure is designed to ensure that Newberry's assets are protected against loss from theft, unauthorized use, or disposition and to ensure that adequate and reliable financial records are available for preparing financial statements in conformity with U.S. generally accepted accounting principles. The internal controls provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework and it is our belief that Newberry's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Control

The annual budget serves as the foundation of the City's financial planning and control. Newberry adopts fiscal year budgets for all funds and maintains budgetary controls with the objective being to ensure compliance with legal provisions contained in the annual appropriated budget approved by the Commission. All departments of the City are required to submit requests for appropriations to the City's Finance & Administration Department. The City Manager submits to the Commission a proposed operating budget by fund for the fiscal year commencing the following October 1st. The City Commission holds two public hearings, and the budget is legally enacted through the passage of two resolutions.

Budgets are monitored at varying levels of detail; however, budgetary control is legally maintained at the fund level. The City Manager or designee is authorized to transfer budgeted amounts within departments of any fund, while revisions that alter the budgeted totals of any fund require the approval of the Commission. Monthly budget reports are prepared in detail for each department, with actual revenues and expenditures being compared with appropriated revenues and estimated expenditures. Corrective actions are initiated as necessary to maintain budgetary compliance.

As demonstrated by the budgetary comparison schedules included in the required supplementary information and other supplementary information sections of this Annual Financial Report, Newberry continues to meet its responsibility for sound financial management practices.

Capital Financing

The City has been working diligently on an array of capital projects that encompass 1) economic development, 2) infrastructure improvement/replacement and 3) expansion of existing facilities. The number and magnitude of City capital projects will continue in the upcoming years. Most City capital projects are financed by the use of accumulated fund balance cash; however, the City's large utility infrastructure improvements have primarily used loans from the State Department of Environmental Protection – State Revolving Fund (SRF loans).

In conjunction with the operating budget, the City Manager annually presents a program to provide for improvements to Newberry's public facilities for the ensuing fiscal year and next four years,

along with proposals for the financing of these improvements. This five-year plan is called the Capital Improvement Program. The first year of the program constitutes the capital budget for the coming fiscal year; the remaining years are used as a planning guide. The program allocates funding over five years for Newberry's roads, park development, public works projects, and new equipment.

Debt Service Administration

In Florida, there is no legal debt limit. All general obligation debt pledging payment from ad valorem taxes must be approved by referendum unless it is to refund outstanding debt. Article VII, Section 12, of the Florida State Constitution states "Counties, school districts, municipalities, special districts, and local governmental bodies with taxing powers may issue bonds, certificates of indebtedness, or any form of tax anticipation certificates payable from ad valorem taxes and maturing more than twelve months after issuance only to finance or refinance capital projects authorized by law and only when approved by vote of the electors …" During the year ended September 30, 2023, Newberry issued a loan agreement to finance the new quint fire engine and issued a bond to finance the extension of a watermain. No ad valorem taxes have been pledged for repayment of these debts.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newberry for its Annual Comprehensive Financial Report for the year ended September 30, 2022. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that the September 30, 2023, Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report could not have been accomplished without the dedicated efforts of the entire staff of the Finance & Administration Department. Their technical expertise and concerted efforts were truly evident in the audit process. Their assistance and cooperation have allowed us to prepare, on a timely basis, a report which gives its readers a comprehensive view of Newberry's financial and economic position. We also extend our sincere appreciation to the independent certified public accounting firm of Purvis Gray and Company for the professionalism and cooperation shown during the performance of the engagement and the expertise shown in financial reporting for government entities. We believe that this report reflects the sound financial position of Newberry.

We would like to thank the Mayor, the Commission, Department Heads, City Staff, and the residents of Newberry for their interest and support in ensuring the planning and administration of the financial operations of Newberry are in a responsible, progressive manner. With this support,

we have been able to maintain a high degree of fiscal health and responsibility for Newberry.

Respectfully submitted,

G. Mike New, P.E.
City Manager

Dallas M. Lee, CGFO
Assistant City Manager/ CFO

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Newberry
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Commissioners
City of Newberry, 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 Newberry, Florida (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other postemployment benefit schedules on pages 5-17 and 48-55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an

essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual non-major fund financial statements and schedules, the statement of revenues, expenses, and changes in fund net position - water and sewer fund, combining and individual internal service funds financial statements, and schedule of expenditures of state financial assistance, as required by Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules, the statement of revenues, expenses, and changes in fund net position - water and sewer fund, combining and individual internal service funds financial statements, and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 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 Standards* in considering the City's internal control over financial reporting and compliance.

Purvis Gray

April 2, 2024
Gainesville, Florida

CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

As management of the City of Newberry, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. The Management's Discussion and Analysis (MD&A) is designed to: assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Financial Highlights

- The City of Newberry's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources on September 30, 2023, by $50.5 million. Unrestricted net position was at $3.0 million.

- The City of Newberry's total long-term debt (loans and notes payable) increased by $2,484,287 during the current fiscal year primarily driven by debt issued for the City's utility system expansion and purchase of a new quint fire engine.

- Total net position of $50.5 million is comprised of the following:
    - The $42.3 million net investments in capital assets includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
    - $5.2 million of net position is restricted by constraints imposed from outside of the City such as debt covenants, grantors, laws, or regulations, or by enabling legislation.
    - $3.0 million of unrestricted net position.

- On September 30, 2023, the City's governmental funds reported combined ending fund balances of $6.3 million, an increase of $1.4 million, in comparison with the prior fiscal year.

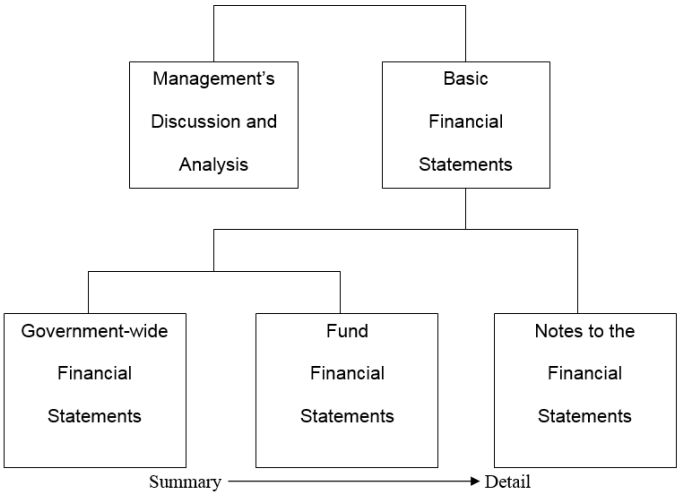
- Governmental fund revenues (excluding interfund transfers) were $11,468,775 or $1.1 million more than the previous fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves that will enhance the reader's understanding of the financial condition of the City.

The graph on the following page is provided to assist in understanding the component parts of the financial statements:

Required Components of Annual Financial Report



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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. A schedule of the City's net position over the last ten years can be found in the statistical section of this document.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, transportation, culture and recreation, economic development, and health and welfare. The business-type activities of the City include physical environment (electric, water, and sewer utilities) and human services (mosquito control).

The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund financial statements. The fund financial statements provide a more detailed look at the City's most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds—*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, and the *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Such information may be useful in evaluating a government's near-term financing requirements. Governmental funds are reported using an accounting method called *modified accrual accounting,* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the American Rescue Plan fund, which are considered to be major funds. The non-major governmental funds include the Champions Park, Wild Spaces and Public Places, Infrastructure Sales Surtax, Community Development Block Grant, Opioid Settlement Proceeds, and Community Redevelopment Agency special revenue funds, and a Capital Improvement fund to account for the financial resources to be used for the construction of capital improvement projects, such as the expansion of the City's gymnasium and sports complex.

The City adopts an annual appropriated budget for its general fund, special revenue funds, and capital improvement fund. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Commission about which services to

provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. A budgetary comparison schedule has been provided for the general fund, special revenue funds, and capital improvement fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20 and 22 of this report.

Proprietary funds—The City maintains two different types of proprietary funds. *Enterprise funds* are used to report business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, sewer, and mosquito control operations. *Internal Service Funds* are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its customer service, vehicle and equipment replacement, and utility administration functions. The customer service and utility administration services have been included within the government-wide financial statements as business-type activities, and the vehicle and equipment replacement internal service fund has been included in governmental activities.

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The Enterprise Fund financial statements provide separate information for each individual Enterprise Fund. The Internal Service Fund is also presented in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 24-28.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-47 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary information and pension and other postemployment benefits. Required supplementary information can be found on pages 48-55 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by $50,514,235 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (84%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Newberry - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	$ 9,380,802	$ 7,756,973	$ 10,045,837	$ 8,817,975	$ 19,426,639	$ 16,574,948
Capital Assets	20,222,346	17,920,467	26,879,990	21,838,511	47,102,336	39,758,978
Total Assets	29,603,148	25,677,440	36,925,827	30,656,486	66,528,975	56,333,926
Deferred Outflows of Resources	1,542,217	1,641,281	281,501	308,778	1,823,718	1,950,059
Long-Term Liabilities	7,224,779	5,503,581	5,271,499	3,410,105	12,496,278	8,913,686
Other Liabilities	2,749,417	2,844,523	1,967,621	975,769	4,717,038	3,820,292
Total Liabilities	9,974,196	8,348,104	7,239,120	4,385,874	17,213,316	12,733,978
Deferred Inflows of Resources	417,399	355,920	207,743	225,777	625,142	581,697
Net Position:						
Net Investment in Capital Assets	19,340,346	17,901,083	22,984,630	19,538,269	42,324,976	37,439,352
Restricted	2,560,304	968,479	2,621,814	1,619,946	5,182,118	2,588,425
Unrestricted	(1,146,880)	(254,865)	4,154,021	5,195,398	3,007,141	4,940,533
Total Net Position	$ 20,753,770	$ 18,614,697	$ 29,760,465	$ 26,353,613	$ 50,514,235	$ 44,968,310

The balance of *unrestricted net position*, $3,007,141, may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City reports positive balances in net position, for the government as a whole, as well as for its separate governmental and business-type activities.

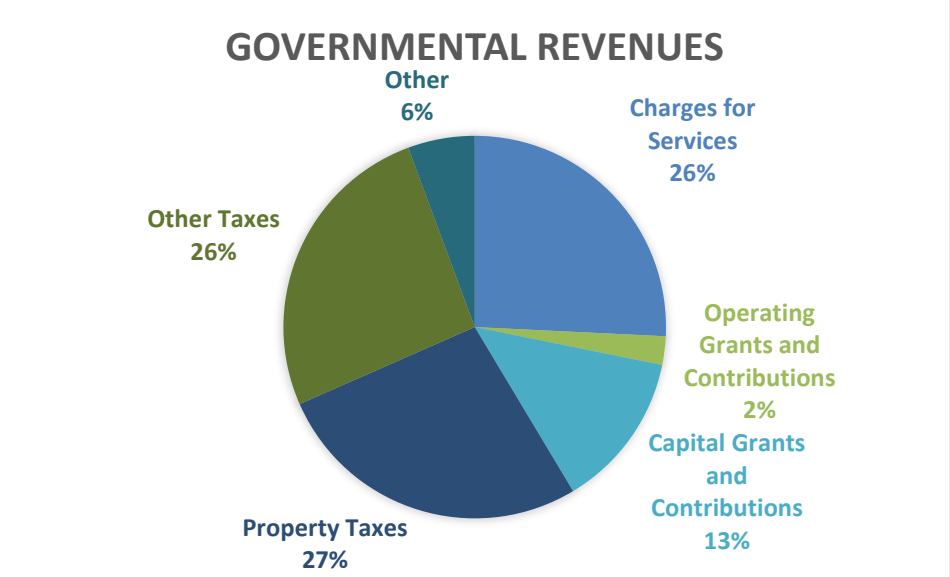
A portion of the City's net position, $5,182,118, represents resources that are subject to external restrictions on how they may be used. A large portion of this is related to Water and Wastewater Development fees, which are restricted to defray the cost of new facilities to the extent that new usage requires new facilities. Additionally, accumulated funds from the Wild Spaces Public Places and Infrastructure surtax have contributed to the increase in restricted position. These funds are to be used for future enhancements to the City's parks system.

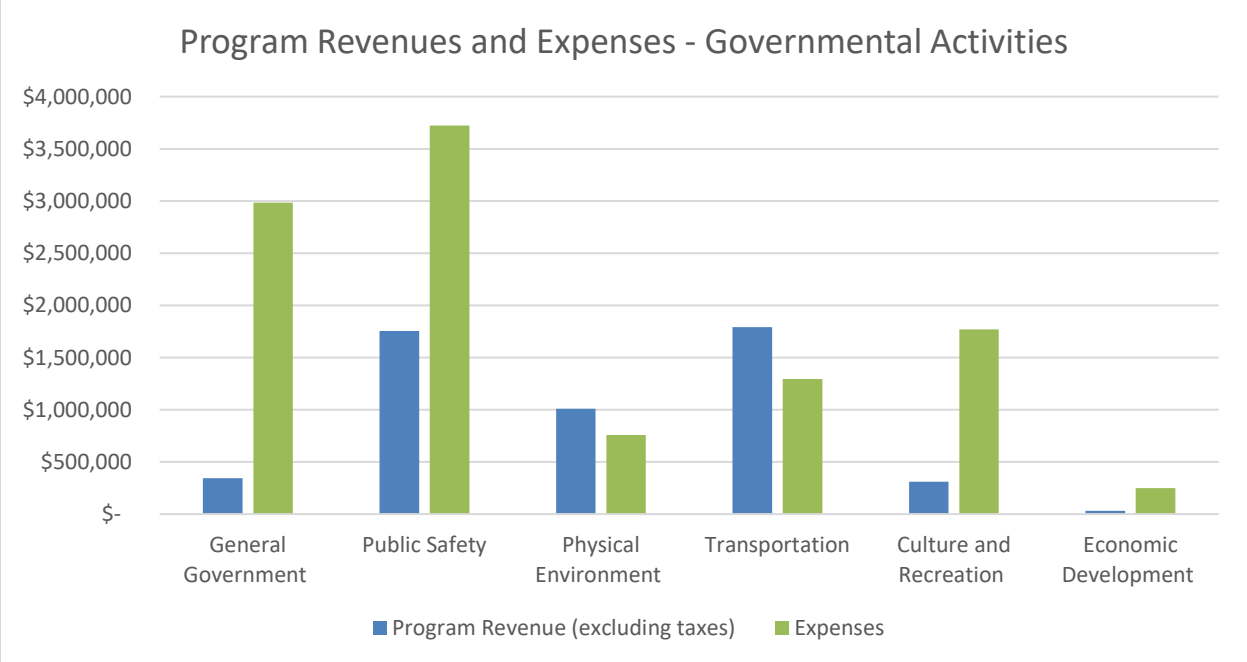
City of Newberry
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	$ 3,260,739	$ 2,905,333	$ 8,715,517	$ 8,652,706	$ 11,976,256	$ 11,558,039
Operating Grants and Contributions	305,119	296,125	-	-	305,119	296,125
Capital Grants and Contributions	1,674,250	1,997,083	3,859,154	3,085,221	5,533,404	5,082,304
General Revenues:						
Property Taxes	3,416,767	3,168,059	-	-	3,416,767	3,168,059
Other Taxes	3,283,595	2,577,026	-	-	3,283,595	2,577,026
Other	714,934	209,133	314,735	66,605	1,029,669	275,738
Total Revenues	12,655,404	11,152,759	12,889,406	11,804,532	25,544,810	22,957,291
Expenses						
General Government	2,983,857	2,351,649	-	-	2,983,857	2,351,649
Public Safety	3,721,718	3,149,445	-	-	3,721,718	3,149,445
Physical Environment	757,933	722,422	-	-	757,933	722,422
Transportation	1,359,315	1,197,045	-	-	1,359,315	1,197,045
Culture and Recreation	1,768,728	1,431,049	-	-	1,768,728	1,431,049
Health and Welfare	-	15,000	-	-	-	15,000
Economic Development	249,780	210,260	-	-	249,780	210,260
Unallocated Interest on Long-Term Debt	-	35	-	-	-	35
Electric Utility	-	-	6,018,802	6,253,048	6,018,802	6,253,048
Water and Sewer Utilities	-	-	3,098,020	2,435,546	3,098,020	2,435,546
Mosquito Control	-	-	40,732	29,383	40,732	29,383
Total Expenses	(10,841,331)	(9,076,905)	(9,157,554)	(8,717,977)	(19,998,885)	(17,794,882)
Increase in Net Position Before Transfers	1,814,073	2,075,854	3,731,852	3,086,555	5,545,925	5,162,409
Transfers	325,000	(689,072)	(325,000)	689,072	-	-
Change in Net Position	2,139,073	1,386,782	3,406,852	3,775,627	5,545,925	5,162,409
Net Position, Beginning of Year	18,614,697	17,227,915	26,353,613	22,577,986	44,968,310	39,805,901
Net Position, End of Year	$ 20,753,770	$ 18,614,697	$ 29,760,465	$ 26,353,613	$ 50,514,235	$ 44,968,310

Governmental activities—Governmental activities increased the City's net position by $2,139,073 in 2023, compared with an increase of $1,386,782 in 2022.

Overall, governmental activities reported an increase in revenues of 13.47% $(1,502,645) and an increase in expenses of 19.4% $(1,764,426) in comparison with the prior year. This increase in revenues is primarily due to the passing of a one-cent Wild Spaces Public Places and Infrastructure sales surtax. The increase in expenditures is related to increased investment in infrastructure, as well as cost increases due to inflation and personnel expenses.



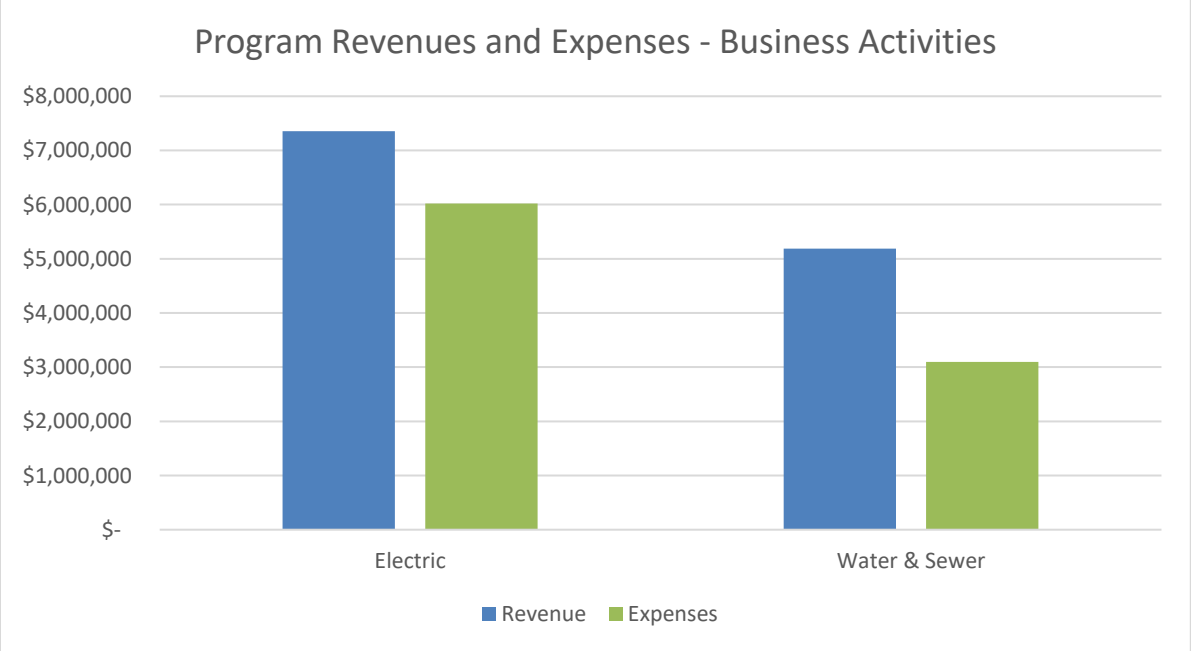


***Business-type activities*—**Business-type activities increased the City's net position, before transfers, by $3,731,852 while in 2022 net position increased by $3,086,555.

- The Electric Utility of the City operates at 7.2/12.47 kV. The City purchases power from Florida Municipal Power Association (FMPA) through its all-requirements project (ARP).

- The Water Utility obtains its water supply from 4 wells that pump from the upper portion of the Floridian Aquifer. Three wells with depths of approximately 280 feet withdraw water from the Ocala limestone and discharge it into the City's distribution system. The quality of the City's water supply is such that chlorination is the only treatment the water requires prior to distribution. The system's wells range in age from 9 to 51 years old.

- Wastewater generated through the utility is collected through a gravity sewer system and pumped to the City's wastewater treatment plant. The collected wastewater is treated in an activated sludge treatment facility, which has a current capacity of 560,000 gallons per day. The effluent from the treatment facility is chlorinated and land applied as spray irrigation for hay crop production.



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's general fund, which is a major governmental fund, reported an ending fund balance of $4,262,790, an increase of $17,107. Of the ending fund balance, $171,998 are funds that have been allocated for use in the subsequent budget year, all of these funds are related to on-going projects or purchases not completed in fiscal year 2023. The restricted fund balance includes $578,817 for building department expenses which the City plans to expend enforcing the Florida Building Code per state statute 553.80, and $125,617 of restricted funds from unspent local option fuel taxes. The general fund also reported $240,856 in advances to other funds. This advance was made to the Wild Spaces Public Places (WSPP) Special Revenue fund as discussed below. The remaining balance includes $3,137,991 in unassigned fund balance, and $7,511 in prepaid items. The City has adopted a policy of retaining two months or 17% of operating expenses on hand as its emergency fund. For fiscal year 2023, $1,832,139 met that requirement; an additional $538,865 is set aside within the unassigned category as the City's Stabilization Fund to mitigate against unforeseen events and diminished revenues during economic downturns. The excess $766,987 was available for any other expenditure.

A special revenue fund is used to account for tracking the proceeds received from the *American Rescue Plan Act* (ARPA). These funds are recorded as unearned revenue until allowable expenditures are made. At the end of the current fiscal year, unearned revenues of $1,921,178 exist, which will be used to fund the gymnasium expansion at the Eastern Newberry Sports Complex and the new elevated water tower. Both projects are projected to be completed in fiscal year 2025.

A special revenue fund is used to account for tracking the proceeds received from the lease and other operations of Champions Park. These funds are held for future renewal and replacement of the park's assets. In fiscal year 2023, the City utilized these funds to repair artificial turf on all 16 fields at the park. At the end of the current fiscal year, the Champions Park special revenue fund reported a balance of $8,549. More information may be found on page 58.

A special revenue fund is used to account for tracking the proceeds received from the Wild Spaces Public Places (WSPP) half-cent sales surtax. As of the end of the current fiscal year, this fund reported a balance of $1,133,213. Fund balance increased due to the City accumulating funds for future projects. WSPP half-cent sales taxes increased by $28,664 or 5% from the prior year, while expenditures increased by $34,934 or 131% from the prior year. In the fiscal year 2024 adopted budget, these funds have been allocated towards construction of additional fields and installation of sports lighting at the Easton Newberry Sports Complex, improvements at Jimmy Durden Park, and construction of tennis and pickleball courts. More information on these funds can be found on page 59.

A special revenue fund is used to account for tracking the proceeds received from the Infrastructure half-cent sales surtax that was voter approved in November 2022 with tax distributions beginning in March 2023. As of end of the current fiscal year, this fund reported a balance of $409,033. In the fiscal year 2024 adopted budget, these funds have been allocated towards construction of a new city hall building and road reconstruction projects. More information on these funds can be found on page 62.

A special revenue fund is used to account for tracking the proceeds received from the Community Redevelopment Agency. In 2021, the City and the Alachua County Board of County Commissioners entered an interlocal agreement to establish a community redevelopment agency within the downtown area of the City. The first payments from the City and County were made in fiscal year 2023 totaling

$324,148. At the end of the current fiscal year, this fund reported a balance of $303,888. In the fiscal year 2024 adopted budget, these funds have been allocated in accordance with the community redevelopment agency plan. More information on these funds can be found on page 60.

Proprietary Funds—The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The electric, water and sewer funds are reported as major funds. Internal service funds are also presented which provide services to both the proprietary and governmental funds.

The various utility system funds are used to account for the operations of the City's electric, water, sewer, and mosquito control utilities. Internal Services Funds are used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its Customer Service and Utility Administration divisions, as well as its Vehicle & Equipment Replacement Fund (VERF). The Customer Service and Utility Administration Internal Service Fund services have been included within the government-wide financial statements as business-type activities. The Vehicle & Equipment Replacement Fund services have been included within the government-wide financial statements as governmental activities. Each utility operates like a business, where the rates established by the City generally generate sufficient funds to pay the costs of current operations and provide for long-term asset acquisitions.

Total assets and deferred outflows as of September 30, 2023, for enterprise funds were $37,310,544, total liabilities and deferred inflows were $7,334,592, and net position was $29,975,952 before an adjustment for consolidation of internal service fund activity of $(215,487). The statement of net position of the proprietary funds can be found on pages 24 and 25 of this report.

The unrestricted net position of the electric, water and sewer, and mosquito control funds at the end of the year were $3,564,331, $832,085, and $(12,036), respectively. The internal service funds reported an unrestricted net position of $(68,528). The internal service funds net position has been allocated among the various funds on the government-wide statements as business-type activities and governmental activities. The total change in net position for the electric, water and sewer, and mosquito control funds was $1,193,459, $2,351,274, and $(6,466), respectively. The internal service fund reported a total change of $(21,883) in net position.

The primary driver of the increase in net position for both electric and the water/sewer fund is capital contributions from developers and development charges. The combined charges for services for electric, water/sewer, and mosquito control funds increased by $62,811. In the electric fund, purchased power costs decreased in the current year which resulted in decreased charges to customers and a reduced power cost adjustment. Charges for services in the electric fund decreased by $(203,372). In the water/sewer fund, charges for services increased by $264,629 due to increased operating costs. Business-type expenses increased by $439,577 largely due to inflation and personnel expenses.

More information on the changes in net position of the proprietary funds can be found on page 26 of this report.

General Fund Budgetary Highlights

On September 30, 2023, the City's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue in the amount of $229,299. This variance was primarily driven by increased distribution of interlocal revenues and increased investment earnings, resulting from an increase in federal funds rate. Building permit activity also increased as the City continues to experience a high growth level.

The City's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of $679,304. As noted earlier at the end of the year a portion of these underutilized funds $(171,998) were carried forward into the next fiscal year for expenditure. The largest budget variance of $444,627 in transportation is mainly related to a road project that is underway but unable to be completed by fiscal year end and related to a dump truck order that has a long lead time for delivery. Dump truck was ordered in fiscal year 2022 and is expected to be delivered in fiscal year 2025.

The schedule of revenues, expenditures, and changes in fund balance budget and actual can be found on page 48 of this report.

Capital Asset and Debt Administration

Capital Assets—The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to $47,102,336 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and roads. The total increase in the City's investment in capital assets for the current fiscal year was 18.47%. During the year ended 2023, the City purchased a new quint fire engine to replace the previous quint which had met its end of life. The City also completed several utility system extensions and accepted several subdivision utility system. Additionally, the City continues to make significant investments in the design and future construction of the regional wastewater treatment plant.

Capital Assets

(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 1,592,938	$ 1,592,938	$ 1,625,781	$ 1,625,922	$ 3,218,719	$ 3,218,860
Construction in Process	629,339	1,122	1,588,187	1,972,511	2,217,526	1,973,633
Buildings and Improvements	8,079,146	8,179,049	-	-	8,079,146	8,179,049
Equipment, Utility Systems, and Improvements	1,640,286	810,917	23,666,022	18,233,108	25,306,308	19,044,025
Infrastructure	8,280,637	7,317,595	-	-	8,280,637	7,317,595
Lease Assets	-	18,846	-	6,970	-	25,816
Total	$ 20,222,346	$ 17,920,467	$ 26,879,990	$ 21,838,511	$ 47,102,336	$ 39,758,978

Additional information on the City's capital assets can be found on pages 35 and 36 of this report.

***Long-term debt*—**At the end of the current fiscal year, the City had total long-term debt outstanding of $4,777,360. The full amount represents notes payables in both the governmental and the business-type activities. In the governmental activities, the debt is related to a vehicle purchase loan agreement for purchase of the new quint fire engine. In the business-type activities, the debt is related to expansion of the water system and expansion of the wastewater treatment plant.

Outstanding Debt
Loans

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Loans	$ 882,000	$ -	$ 3,895,360	$ 2,293,073	$ 4,777,360	$ 2,293,073
Total	$ 882,000	$ -	$ 3,895,360	$ 2,293,073	$ 4,777,360	$ 2,293,073

The City's total debt increased by $2,484,287 (108.34%) during the current fiscal year. The increased debt is due to issuing a loan agreement used to finance the new quint fire engine, issuing a bond used to finance the extension of a watermain, and the City's State Revolving Fund Loans used to finance design costs of the regional wastewater treatment plant expansion and design costs of the new water tower.

Additional information on the City's long-term debt can be found on pages 37-39 of this report.

Economic Factors and Next Year's Budgets and Rates

Due to the impact of current economic trends on both governmental and business-type activities, all the initiatives listed below were considered in preparing the City's budget for the 2024 fiscal year:

- **Generally**
  The final certified citywide taxable value of property increased to $690 million, representing an increase of 15%.

  The population is estimated to be 8,503 on September 30, 2023, which is a 5% increase from the previous fiscal year.

  The unemployment rate for the Gainesville MSA at December 31, 2023, was 3.0%, which includes the City of Newberry. This is an increase from the previous fiscal year's rate of 2.4%.

  In the fiscal year 2023, the City Commission approved Ordinance 2023-14 adopting impact fees for transportation and general government buildings. By adopting impact fees, the City has a new dedicated funding source for expansion of existing infrastructure to accommodate new growth. The City began collecting impact fees in November 2023.

  In 2021, the City and the Alachua County Board of County Commissioners entered an interlocal agreement to establish a community redevelopment agency within the downtown area of the City. The first payments from the City and County were made in fiscal year 2023. The City will utilize these funds in accordance with the community redevelopment plan in effort to revitalize the downtown area.

- **Culture and Recreation**

  Wild Spaces & Public Places ½ cent sales surtax—In 2022 the voters of Alachua County passed an extension of the half-cent Wild Spaces & Public Places sales surtax for the funding of recreational and conservation programs. The sales tax will be levied for ten years through 2032. The City has adopted a long-term projects plan for the expenditure of these funds on a variety of recreation facilities including an expansion to the gymnasium and construction of additional fields at the Easten Newberry Sports Complex.

- **Infrastructure**

  Infrastructure ½ cent sales surtax—In 2022 the voters of Alachua County passed a half-cent Infrastructure sales surtax for the funding of roads, fire stations, public buildings and other infrastructure. The sales tax will be levied for ten years through 2032 with distributions beginning in March 2023. The City has adopted a long-term projects plan for the expenditure of these funds on a variety of infrastructure projects throughout the City including road reconstruction and funding towards a new city hall building.

- **Public Safety**

  The City has a negotiated contract with the Alachua County Sheriff's Office for law enforcement services. The level of service and cost of the contract does not significantly change during the fiscal year.

  The City in fiscal year 2023 purchased a new quint fire engine to replace the previous quint which had met its end of life. The City Commission increased the City's Fire Assessment rates to fund this replacement.

  In fiscal year 2023, the City entered into a new collective bargaining agreement which resulted in increased personnel costs in the fire department.

- **Electric Utility**

  The power cost adjustment (PCA) will continue to be evaluated monthly instead of quarterly to ensure that proper recovery of current costs is occurring. Over the last year, natural gas prices have leveled and dropped slightly reducing the cost of purchased power. The cost of the fuel is passed on to customers and included in the power cost adjustment (PCA) on their bill. Due to the decreased cost of purchased power, the City was able to decrease its PCA while still making efforts to restore the rate stabilization fund which is used to help offset price increases in the event of rising natural gas prices.

  The City's electric system requires several million dollars of upcoming capital improvements due to the Florida Department of Transportation's plan to reconstruct State Road 26. In preparation, the Commission increased rates in fiscal year 2023 to increase the electric fund's debt capacity.

  In fiscal year 2023, the City completed the process of implementing an Advanced Metering Infrastructure system that enables two-way communication between utilities and customers. This provides customers with the ability to see their usage in real-time and provides the City more accurate usage data.

- **Water and Sewer Utilities**

  Water and sewer rates are structured to encourage conservation of natural resources and to provide adequate revenues to offset operational expenditures. The City makes incremental adjustments to these rates every year in accordance with the Public Service Commission's Annual Water Price Index. The rates provide for adequate revenues and are reviewed annually in the budget process. The City Commission adopted increases in water and wastewater rates this year. These rate increases were driven by increase in permitting requirements by the State, related to the disposal of effluent from the utility systems, as well as increasing costs of running the utility.

  The City is currently ending the design phase and entering the bid phase of a wastewater treatment plant expansion to increase the City's total treatment capacity and to enhance the level of treatment. In January 2024, the City of Archer entered an interlocal agreement with the City for a regional wastewater treatment plant. The City of Archer will cost share in the construction of the plant and once it is operational, will become a wholesale customer. The City is actively seeking grant funding and legislative appropriations for this project and as of the time of this report has been awarded approximately $12 million in grant funding.

  The City is also working to construct a new elevated water storage tank along State Road 26 to enhance fire flow and allow for economic expansion along this key corridor. The City has received grant funding towards this project and is utilizing the SRF program to fund the project.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Finance Officer, City of Newberry, 25440 West Newberry Road, Newberry, Florida 32669.

BASIC FINANCIAL STATEMENTS

CITY OF NEWBERRY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 8,578,267	$ 4,827,944	$ 13,406,211
Accounts Receivable	67,657	1,532,317	1,599,974
Lease Receivable	157,805	-	157,805
Due from Other Governments	478,234	948,466	1,426,700
Due from Others	89,454	-	89,454
Prepaid Items	7,511	85	7,596
Internal Balances	1,874	(1,874)	-
Restricted Assets:			
Cash and Cash Equivalents	-	2,738,899	2,738,899
Capital Assets Not Being Depreciated	2,222,277	3,213,968	5,436,245
Capital Assets Being Depreciated, Net of Accumulated Depreciation	18,000,069	23,666,022	41,666,091
Total Assets	29,603,148	36,925,827	66,528,975
Deferred Outflows of Resources			
Pension Related	1,434,520	240,079	1,674,599
OPEB Related	107,697	41,422	149,119
Total Deferred Outflows of Resources	1,542,217	281,501	1,823,718
Liabilities			
Accounts Payable	516,280	1,660,763	2,177,043
Accrued Expenses	255,062	85,093	340,155
Accrued Interest Payable	-	4,756	4,756
Unearned Revenue	1,958,996		1,958,996
Customer Deposits	19,079	103,827	122,906
Power Costs Overrecovery	-	113,182	113,182
Non-Current Liabilities:			
Due Within One Year	435,830	361,149	796,979
Due in More than One Year	6,788,949	4,910,350	11,699,299
Total Liabilities	9,974,196	7,239,120	17,213,316
Deferred Inflows of Resources			
Leases	158,079	-	158,079
Pension Related	68,575	134,380	202,955
OPEB Related	190,745	73,363	264,108
Total Deferred Inflows of Resources	417,399	207,743	625,142
Net Position			
Net Investment in Capital Assets	19,340,346	22,984,630	42,324,976
Restricted for:			
Building Department	578,817	-	578,817
Transportation	125,617	-	125,617
Infrastructure	409,033	2,621,814	3,030,847
Culture and Recreation	1,141,762	-	1,141,762
Community Redevlopment	303,888	-	303,888
Public Safety	1,187	-	1,187
Unrestricted	(1,146,880)	4,154,021	3,007,141
Total Net Position	$ 20,753,770	$ 29,760,465	$ 50,514,235

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$ 2,983,857	$ 313,245	$ 30,941	$ -	$ (2,639,671)	$ -	$ (2,639,671)
Public Safety	3,721,718	1,749,648	1,050	4,800	(1,966,220)	-	(1,966,220)
Physical Environment	757,933	859,160	-	149,962	251,189	-	251,189
Transportation	1,359,315	36,066	242,628	1,512,563	431,942	-	431,942
Culture and Recreation	1,768,728	302,620	-	6,925	(1,459,183)	-	(1,459,183)
Economic Development	249,780	-	30,500	-	(219,280)	-	(219,280)
Total Governmental Activities	10,841,331	3,260,739	305,119	1,674,250	(5,601,223)	-	(5,601,223)
Business-Type Activities							
Electric	6,018,802	6,167,822	-	1,189,981	-	1,339,001	1,339,001
Water and Sewer	3,098,020	2,515,596	-	2,669,173	-	2,086,749	2,086,749
Mosquito Control	40,732	32,099	-	-	-	(8,633)	(8,633)
Total Business-Type Activities	9,157,554	8,715,517	-	3,859,154	-	3,417,117	3,417,117
Total Government	$ 19,998,885	$ 11,976,256	$ 305,119	$ 5,533,404	(5,601,223)	3,417,117	(2,184,106)
		General Revenues					
		Property Taxes			3,416,767	-	3,416,767
		Sales Taxes			1,779,940	-	1,779,940
		Utility Service Taxes			1,213,991	-	1,213,991
		Communication Services Taxes			235,232	-	235,232
		Business License Taxes			54,432	-	54,432
		Investment Earnings			343,631	301,038	644,669
		Other			371,303	13,697	385,000
		Transfers			325,000	(325,000)	-
		Total General Revenues			7,740,296	(10,265)	7,730,031
		Change in Net Position			2,139,073	3,406,852	5,545,925
		Net Position, Beginning of Year			18,614,697	26,353,613	44,968,310
		Net Position, End of Year			$ 20,753,770	$ 29,760,465	$ 50,514,235

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	American Rescue Plan	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 4,110,656	$ 2,065,516	$ 2,110,040	$ 8,286,212
Accounts Receivable	67,657	-	-	67,657
Lease Receivable	157,805	-	-	157,805
Due from Other Governments	265,569	-	212,665	478,234
Due from Others	89,454	-	-	89,454
Prepaid Items	7,511	-	-	7,511
Due from Other Funds	119,706	-	-	119,706
Advances to Other Funds	240,856	-	-	240,856
Total Assets	5,059,214	2,065,516	2,322,705	9,447,435
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	327,224	42,678	133,986	503,888
Accrued Expenditures	254,224	-	838	255,062
Unearned Revenue	37,818	1,921,178	-	1,958,996
Deposits	19,079	-	-	19,079
Advances from Other Funds	-	-	240,856	240,856
Total Liabilities	638,345	1,963,856	375,680	2,977,881
Deferred Inflows of Resources				
Lease Related	158,079	-	-	158,079
Total Deferred Inflows of Resources	158,079	-	-	158,079
Fund Balances				
Non-Spendable:				
Prepaids	7,511	-	-	7,511
Advances to Other Funds	240,856	-	-	240,856
Restricted for:				
Building Department	578,817	-	-	578,817
Transportation	125,617	-	-	125,617
Culture and Recreation	-	-	1,141,762	1,141,762
Infrastructure	-	-	409,033	409,033
Community Redevelopment	-	-	303,888	303,888
Public Safety	-	-	1,187	1,187
Assigned for:				
Subsequent Year Budget	171,998	-	-	171,998
Capital Projects	-	101,660	91,155	192,815
Unassigned	3,137,991	-	-	3,137,991
Total Fund Balances	4,262,790	101,660	1,947,025	6,311,475
Total Liabilities and Fund Balances	$ 5,059,214	$ 2,065,516	$ 2,322,705	$ 9,447,435

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Fund Balance - Total Governmental Funds		$ 6,311,475
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 governmental Funds:		
Cost of Assets, Excluding $1,571,691 of Capital Assets Reported in the Internal Service Fund	$ 32,374,334	
(Accumulated Depreciation, Excluding $371,326 of Accumulated Depreciation Reported in the Internal Service Fund)	(13,352,353)	19,021,981
Deferred outflows and inflows of resources in governmental activities are not current financial resources and, therefore, are not reported in governmental funds:		
Deferred Outflows on Pension Liability	1,434,520	
Deferred Outflows on OPEB Liability	107,697	
Deferred Inflows on Pension Liability	(68,575)	
Deferred Inflows on OPEB Liability	(190,745)	1,282,897
Long-term liabilities are not due and payable in the current period, and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:		
Compensated Absences	(321,398)	
Total Other Postemployment Benefits Liability	(230,942)	
Net Pension Liability	(5,790,439)	(6,342,779)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are reported with governmental activities.		480,196
Net Position of Governmental Activities		$ 20,753,770

See accompanying notes.

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

	General Fund	American Rescue Plan	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 5,221,810	$ -	$ 955,387	$ 6,177,197
Permits, Fees, and Special Assessments	1,845,890	-	-	1,845,890
Intergovernmental	961,874	221,934	168,999	1,352,807
Fines and Forfeitures	4,629	-	-	4,629
Charges for Services	1,391,580	-	31,160	1,422,740
Investment Earnings	206,618	87,227	49,786	343,631
Miscellaneous	158,149	-	11,625	169,774
Interfund Charges	152,062	-	-	152,062
Total Revenues	9,942,612	309,161	1,216,957	11,468,730
Expenditures				
Current:				
General Government	2,736,176	3,000	53,588	2,792,764
Public Safety	3,336,445	-	-	3,336,445
Physical Environment	747,293	-	-	747,293
Transportation	807,342	64,040	-	871,382
Culture and Recreation	1,239,157	-	-	1,239,157
Economic Development	211,621	-	11,976	223,597
Capital Outlay	359,890	154,762	622,185	1,136,837
(Total Expenditures)	(9,437,924)	(221,802)	(687,749)	(10,347,475)
Excess (Deficiency) of Revenues Over (Under) Expenditures	504,688	87,359	529,208	1,121,255
Other Financing Sources (Uses)				
Transfers In	325,000	-	812,581	1,137,581
Transfers (Out)	(812,581)	-	-	(812,581)
Total Other Financing Sources (Uses)	(487,581)	-	812,581	325,000
Net Change in Fund Balances	17,107	87,359	1,341,789	1,446,255
Fund Balances, Beginning of Year	4,245,683	14,301	605,236	4,865,220
Fund Balances, End of Year	$ 4,262,790	$ 101,660	$ 1,947,025	$ 6,311,475

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net Change in Fund Balance - Total Governmental Funds		$ 1,446,255
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense:		
Expenditures for Capital Assets	$ 1,136,837	
Net Book Value of Disposals	(18,846)	
Donated Assets	1,319,319	
(Less Current Year Depreciation, Excluding $86,330 of Depreciation Reported in the Internal Service Fund)	(983,433)	1,453,877
The net change in net pension liability and pension related deferred outflows and inflows of resources is reported in the statement of activities, but not in the governmental fund statements.		(855,650)
The net change in total other postemployment benefit obligation liability and related deferred outflows and inflows of resources is reported in the statement of activities, but not in the governmental fund statements.		(11,143)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Termination of Lease	19,384	
Change in Compensated Absences Liability	(23,217)	
Change in Accrued Interest	35	(3,798)
Internal service funds are used by management to charge the cost of certain activities, such as the costs of the central garage, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		109,532
Change in Net Position of Governmental Activities		$ 2,139,073

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total	
	Electric	Water and Sewer	Mosquito Control	Enterprise Funds	Internal Service Funds
Assets					
Current Assets:					
Cash and Cash Equivalents	$ 3,322,530	$ 1,505,414	$ -	$ 4,827,944	$ 292,055
Accounts Receivable	1,104,353	423,872	2,559	1,530,784	1,533
Due from Other Governments	-	948,466	-	948,466	-
Prepaids	-	-	-	-	85
Total Current Assets	4,426,883	2,877,752	2,559	7,307,194	293,673
Non-Current Assets:					
Restricted Cash and Cash Equivalents	83,812	2,655,087	-	2,738,899	-
Advances to Other Funds	117,832	-	-	117,832	-
Capital Assets:				-	
Land	66,263	1,559,518	-	1,625,781	-
Construction in Progress	130,808	1,457,379	-	1,588,187	-
Property, Plant and Equipment	8,834,346	30,531,328	37,183	39,402,857	1,605,372
(Accumulated Depreciation)	(3,827,371)	(11,910,414)	(13,922)	(15,751,707)	(390,135)
Capital Assets, Net	5,204,046	21,637,811	23,261	26,865,118	1,215,237
Total Non-Current Assets	5,405,690	24,292,898	23,261	29,721,849	1,215,237
Total Assets	9,832,573	27,170,650	25,820	37,029,043	1,508,910
Deferred Outflows of Resources					
Pension Related	105,549	132,576	1,954	240,079	-
OPEB Related	16,569	24,853	-	41,422	-
Total Deferred Outflows of Resources	122,118	157,429	1,954	281,501	-

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023
(Concluded)

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total	
	Electric	Water and Sewer	Mosquito Control	Enterprise Funds	Internal Service Funds
Liabilities					
Current Liabilities:					
Accounts Payable	$ 335,489	$ 1,316,284	$ 23	$ 1,651,796	$ 21,359
Accrued Expenses	1,537	69,106	199	70,842	14,251
Due to Other Funds	-	-	492	492	119,214
Compensated Absences	26,288	27,655	-	53,943	50,541
Power Costs Overrecovery	113,182	-	-	113,182	-
Accrued Interest Payable	-	4,756	-	4,756	-
Current Portion of Long-Term Debt	-	256,665	-	256,665	153,000
Total Current Liabilities	476,496	1,674,466	714	2,151,676	358,365
Non-Current Liabilities:					
Customer Deposits	83,812	20,015	-	103,827	-
Compensated Absences	6,166	2,405	-	8,571	39,004
Advances from Other Funds	-	-	-	-	117,832
Long-Term Debt	-	3,638,695	-	3,638,695	729,000
Total OPEB Liability	35,530	53,294	-	88,824	-
Net Pension Liability	486,434	634,418	14,404	1,135,256	-
Total Non-Current Liabilities	611,942	4,348,827	14,404	4,975,173	885,836
Total Liabilities	1,088,438	6,023,293	15,118	7,126,849	1,244,201
Deferred Inflows of Resources					
Pension Related	68,531	64,418	1,431	134,380	-
OPEB Related	29,345	44,018	-	73,363	-
Total Deferred Inflows of Resources	97,876	108,436	1,431	207,743	-
Net Position					
Net Investment in Capital Assets	5,204,046	17,742,451	23,261	22,969,758	333,237
Restricted for Infrastructure	-	2,621,814	-	2,621,814	-
Unrestricted	3,564,331	832,085	(12,036)	4,384,380	(68,528)
Total Net Position	$ 8,768,377	$ 21,196,350	$ 11,225	29,975,952	$ 264,709
Adjustment to Reflect the Consolidation of Internal Service Fund Activity				(215,487)	
Net Position of Business-Type Activities				$ 29,760,465	

See accompanying notes.

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

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund		
	Electric	Water and Sewer	Mosquito Control	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Charges for Services	$ 6,119,422	$ 2,509,025	$ 32,099	$ 8,660,546	$ -
Fees, Rentals, and Other	48,400	6,571	-	54,971	43,367
Interfund Charges	-	-	-	-	1,052,907
Total Operating Revenues	6,167,822	2,515,596	32,099	8,715,517	1,096,274
Operating Expenses					
Purchased Power	4,351,000	-	-	4,351,000	-
Personnel Services	558,658	709,545	16,186	1,284,389	878,813
Materials, Supplies, and Other	368,135	852,683	4,265	1,225,083	165,867
Billing and Administration	329,325	557,510	13,200	900,035	-
Depreciation	363,599	837,204	5,154	1,205,957	89,829
(Total Operating Expenses)	(5,970,717)	(2,956,942)	(38,805)	(8,966,464)	(1,134,509)
Operating Income	197,105	(441,346)	(6,706)	(250,947)	(38,235)
Non-Operating Revenues (Expenses)					
Gain (Loss) on Disposal of Capital Asset	(1,033)	14,730	-	13,697	22,160
Interest Income	132,406	168,392	240	301,038	9,096
Interest Expense	-	(59,675)	-	(59,675)	(14,904)
Total Non-Operating Revenues (Expenses)	131,373	123,447	240	255,060	16,352
Income Before Capital Contributions and Transfers	328,478	(317,899)	(6,466)	4,113	(21,883)
Capital Contributions and Grants					
Development Charges	-	1,107,813	-	1,107,813	-
Developer Contributions	1,189,981	1,138,329	-	2,328,310	-
Capital Grants	-	423,031	-	423,031	-
Total Capital Contributions and Grants	1,189,981	2,669,173	-	3,859,154	-
Transfers (Out)	(325,000)	-	-	(325,000)	-
Change in Net Position	1,193,459	2,351,274	(6,466)	3,538,267	(21,883)
Net Position, Beginning of Year	7,574,918	18,845,076	17,691	26,437,685	286,592
Net Position, End of Year	$ 8,768,377	$ 21,196,350	$ 11,225	$ 29,975,952	$ 264,709

Change in Net Position - Above	$ 3,538,267
Internal Service Fund Activities in the Enterprise Funds	(131,415)
Change in Net Position of Business-Type Activities	$ 3,406,852

See accompanying notes.

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

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund		
	Electric	Water and Sewer	Mosquito Control	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from Customers	$ 6,475,172	$ 2,475,933	$ 32,534	$ 8,983,639	$ -
Receipts from Interfund Services Provided	-	-	-	-	1,054,903
Cash Received from Other Sources	48,400	6,571	-	54,971	43,367
Cash Payments to Suppliers for Goods and Services	(4,870,368)	(890,684)	(4,260)	(5,765,312)	(164,327)
Cash Payments to Employees for Services	(465,155)	(543,185)	(14,347)	(1,022,687)	(864,996)
Cash Payments for Interfund Charges	(329,325)	(557,510)	(13,200)	(900,035)	-
Net Cash Provided by Operating Activities	858,724	491,125	727	1,350,576	68,947
Cash Flows from Non-Capital Financing Activities					
Loans/Advances (to) and Repayments from Other Funds	58,477	19,487	492	78,456	61,101
Transfer from (to) Other Funds	(325,000)	-	-	(325,000)	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	(266,523)	19,487	492	(246,544)	61,101
Cash Flows from Capital and Related Financing Activities					
Proceeds from New Debt	-	1,788,841	-	1,788,841	882,000
Principal Paid on Long-Term Debt	(1,062)	(186,554)	-	(187,616)	(2,921)
Interest Paid on Long-Term Debt	(2)	(59,681)	-	(59,683)	(14,909)
Acquisition and Construction of Capital Assets	(457,158)	(971,833)	(28,114)	(1,457,105)	(934,331)
Proceeds from Sale of Capital Assets	-	17,828	-	17,828	25,000
Net Cash Provided By (Used in) Capital and Related Financing Activities	(458,222)	588,601	(28,114)	102,265	(45,161)
Cash Flows from Investing Activities					
Interest Earned on Investments	132,406	168,392	240	301,038	9,096
Net Cash Provided by Investing Activities	132,406	168,392	240	301,038	9,096
Net Increase (Decrease) in Cash and Cash Equivalents	266,385	1,267,605	(26,655)	1,507,335	93,983
Cash and Cash Equivalents, Beginning of Year	3,139,957	2,892,896	26,655	6,059,508	198,072
Cash and Cash Equivalents, End of Year	$ 3,406,342	$ 4,160,501	$ -	$ 7,566,843	$ 292,055
Presented on the Statement of Net Position as					
Cash and Cash Equivalents	$ 3,322,530	$ 1,505,414	$ -	$ 4,827,944	$ 292,055
Restricted Cash and Cash Equivalents	83,812	2,655,087	-	2,738,899	-
Total Cash and Cash Equivalents	$ 3,406,342	$ 4,160,501	$ -	$ 7,566,843	$ 292,055

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(Concluded)

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund		
	Electric	Water and Sewer	Mosquito Control	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities					
Operating Income	$ 197,105	$ (441,346)	$ (6,706)	$ (250,947)	$ (38,235)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	363,599	837,204	5,154	1,205,957	89,829
(Increase) Decrease in:					
Accounts Receivable	331,645	(33,337)	435	298,743	1,996
Accrued Interest Receivable	21,129	-	-	21,129	-
Increase (Decrease) in:					
Accounts Payable	(289,808)	(38,001)	5	(327,804)	1,540
Power Cost Overrecovery	138,575	-	-	138,575	-
Compensated Absences	(15,967)	23,542	(250)	7,325	13,817
Customer Deposits	2,976	245	-	3,221	-
OPEB/Net Pension Liability and Related Deferred Inflows and Outflows	109,470	142,818	2,089	254,377	-
Total Adjustments	661,619	932,471	7,433	1,601,523	107,182
Net Cash Provided by Operating Activities	$ 858,724	$ 491,125	$ 727	$ 1,350,576	$ 68,947
Supplemental Disclosure of Non-Cash Activities					
Capital Contributions	$ 1,189,981	$ 2,669,173	$ -	$ 3,859,154	$ -

See accompanying notes.

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Newberry, Florida (the City) was established in 1895 under the laws of the State of Florida, Florida Statutes, Section 165.031(4). The City operates under a Manager-Council form of government and provides the following services as authorized by its charter: public safety, transportation, sanitation, parks and recreation, public improvements, public utilities, and general administrative services.

The Newberry Community Redevelopment Agency (the CRA) was established in 2021 to provide a method of eliminating blighted areas designated by Resolution 2021-13, and promote the economic health, safety, and welfare of the citizens of the City. The City Commission serves as the governing board of the CRA. In addition, the City has operational responsibility for the CRA. Therefore, it was determined that the CRA should be treated as a blended component unit and included as part of the primary government for financial reporting purposes.

B. Government-Wide and Fund Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers 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, postemployment benefits, and claims and judgments are recorded only when payment is due.

Taxes, special assessments, intergovernmental revenues, licenses and permits, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *American Rescue Plan fund* is a special revenue fund. It accounts for restricted federal stimulus revenues to facilitate the ongoing recovery from the COVID-19 pandemic.

The City reports the following major proprietary funds:

- The *electric fund* accounts for the activities of the City's electric distribution operations.
- The *water and sewer fund* accounts for the activities of the City's water distribution operations and sewer collection operations.

In addition, the City reports the following fund type:

- The internal service funds account for utility billing and administration services provided to the electric, water and sewer, mosquito control, and sanitation departments, as well as vehicle and equipment replacement services provided to other departments of the City.

Proprietary funds distinguish *operating revenues and expenses* from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Florida Statutes authorize the City to invest in local government surplus trust funds, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories, and direct obligations of the U.S. Treasury.

Receivables and Payables

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

Receivables are recorded at their net realizable value. Accounts considered to be uncollectible are charged directly to expense. The result of the direct write-off method is not materially different from the reserve method.

Inventories and Prepaid Items

Inventories of governmental and proprietary funds are recorded as expenditures when purchased rather than when consumed. The result of the purchase method is not materially different from the consumption method.

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

Restricted Assets

Certain resources are set aside for debt repayment, customer deposits, and other purposes. These resources are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, ordinances, or regulations.

Capital Assets

Capital assets, which include property, plant, 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. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20-50
Public Domain Infrastructure	30-50
System Infrastructure	30-50
Vehicles	5
Office Equipment	10
Computer Equipment	3-5

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred with the exception of bond insurance, which is amortized over the term of the related debt.

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

Fund Balance

Fund balance classifications comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components as follows:

- *Non-Spendable*—amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- *Restricted*—amounts constrained to specific purposes either: (a) externally by third parties (creditors, grantors, contributors, or law or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.

- *Committed*—amounts constrained to specific purposes by the City's governing authority, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint. The City Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance.

- *Assigned*—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Commission or by an official or body to which the City Commission delegates the authority. The City Commission has not delegated this authority. Assigned fund balance is established by the City Commission through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes). In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.

- *Unassigned*—amounts within the general fund that are not restricted, committed, or assigned, or deficit unrestricted fund balances in any governmental fund.

When both restricted and unrestricted resources are available for use, the City will use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources are available for use, committed resources are used first, then assigned, and then unassigned.

Deferred Inflows and Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred outflows have a positive effect on net position, similar to assets, while deferred inflows have a negative effect on net position, similar to liabilities. The City reports deferred outflows of resources and inflows of resources related to leases, pensions and other postemployment benefits (OPEB).

Pension and OPEB Related—the differences between expected and actual earnings on plan investments and expected and actual experience with regard to economic or demographic factors in the measurement of total pension and OPEB liability are reported as deferred inflows or outflows of resources, to be recognized in expense as disclosed in Notes 7 and 8. Employer contributions made between the net pension and OPEB liability measurement date and the employer's fiscal year-end are recognized as deferred outflows of resources, to be recognized as a reduction of the net pension liability in the subsequent fiscal year.

Leases—the City is a lessor for a lease and, therefore, has recorded a receivable and deferred inflow of resources in the government-wide and fund financial statements. The deferred inflow is initially measured as the initial amount of the lease receivable, adjusted for lease payments 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.

E. Property Tax Calendar

The assessment of all properties and the collection of all property taxes are made through the Property Appraiser and Tax Collector of Alachua County, Florida (the County). General property taxes are recorded as received, in cash, which approximates taxes levied less discounts for the current fiscal year.

Property values are assessed on January 1 of each year and the assessment roll is validated July 1. The City's property tax becomes a lien on October 1, and the tax is levied by the County each November 1. Property taxes are due before April 1 of the subsequent year, with discounts available for early payment.

If payment remains delinquent, a tax certificate for the full amount of any unpaid taxes is sold no later than June 1.

F. Change in Accounting Principle

Governmental Accounting Standards Board (GASB) Statement No. 96
The GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements* (SBITAs), in June of 2020. This statement is effective for the current fiscal year ended September 30, 2023. The City reviewed the provisions of GASB 96 and compiled an inventory of agreements that would potentially be impacted by the implementation of this statement. An evaluation of each agreement was made, based on materiality to the City's financial statements. Based on this evaluation, the impact of the provisions of GASB 96 to the City was deemed not significant for SBITAs to which the City is a party and acts as an end user. All agreements were evaluated as of the implementation date of October 1, 2022. As such, no restatement of prior period balances related to affected agreements was required and no current year financial impact occurred.

Note 2 - <u>Deposits and Investments</u>

At year-end, the entire bank balance was covered by the Federal Depository Insurance Corporation (FDIC) or by collateral held by the City's custodial bank, which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the *Florida Security for Public Deposits Act*, Chapter 280, Florida Statutes.

The *Florida Security for Public Deposits Act* (the Act) establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 25% of the average monthly balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral up to a maximum of 125% may be required if deemed necessary under conditions set forth in the Act.

The City's investment practices are governed by Section 218.415, Florida Statutes. Authorized investments include the Local Government Surplus Funds Trust Fund (the State Pool) or similar intergovernmental investment pools, money market funds registered with the Securities and Exchange Commission, interest-bearing time deposits or savings accounts in qualified public depositories as described in Section 280.02, Florida Statutes, direct obligations of the United States Treasury, federal agencies and instrumentalities, securities of, or interests in, any open-end or closed-end management-type investment company or investment trust, or other investments authorized by law or ordinance of the City.

Interest Rate Risk
The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Note 3 - Capital Assets

Capital Asset Activity for the Year Ended September 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 1,592,938	$ -	$ -	$ 1,592,938
Construction in Progress	1,122	628,217	-	629,339
Total Capital Assets, Not Being Depreciated	1,594,060	628,217	-	2,222,277
Capital Assets, Being Depreciated:				
Buildings and Improvements	11,753,809	208,986	-	11,962,795
Equipment, Furniture, Fixtures, and Vehicles	3,196,867	1,061,218	(91,554)	4,166,531
Infrastructure	14,102,355	1,492,068	-	15,594,423
Lease Assets	19,384	-	(19,384)	-
Total Capital Assets, Being Depreciated	29,072,415	2,762,272	(110,938)	31,723,749
Less Accumulated Depreciation:				
Buildings and Improvements	(3,574,760)	(308,889)	-	(3,883,649)
Equipment, Furniture, Fixtures, and Vehicles	(2,385,950)	(231,849)	91,554	(2,526,245)
Infrastructure	(6,784,760)	(529,026)	-	(7,313,786)
Lease Assets	(538)	-	538	-
Total Accumulated Depreciation	(12,746,008)	(1,069,764)	92,092	(13,723,680)
Total Capital Assets Being Depreciated, Net	16,326,407	1,692,508	(18,846)	18,000,069
Governmental Activities Capital Assets, Net	$ 17,920,467	$ 2,320,725	$ (18,846)	$ 20,222,346
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 1,625,922	$ -	$ (141)	$ 1,625,781
Construction in Progress	1,972,511	2,217,239	(2,601,563)	1,588,187
Total Capital Assets, Not Being Depreciated	3,598,433	2,217,239	(2,601,704)	3,213,968
Capital Assets, Being Depreciated:				
Electric Distribution System	6,037,690	1,467,108	-	7,504,798
Water and Sewer Distribution System	24,959,051	4,551,331	-	29,510,382
Vehicles and Equipment	1,797,425	623,931	-	2,421,356
Lease Assets	7,169	-	(7,169)	-
Total Capital Assets, Being Depreciated	32,801,335	6,642,370	(7,169)	39,436,536
Less Accumulated Depreciation:				
Electric Distribution System	(2,880,796)	(237,758)	-	(3,118,554)
Water and Sewer Distribution System	(10,841,667)	(756,203)	-	(11,597,870)
Vehicles and Equipment	(838,595)	(215,495)	-	(1,054,090)
Lease Assets	(199)	-	199	-
Total Accumulated Depreciation	(14,561,257)	(1,209,456)	199	(15,770,514)
Total Capital Assets Being Depreciated, Net	18,240,078	5,432,914	(6,970)	23,666,022
Business-Type Activities Capital Assets, Net	$ 21,838,511	$ 7,650,153	$ (2,608,674)	$ 26,879,990

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General Government	$ 66,816
Public Safety	159,887
Physical Environment	2,904
Transportation	460,063
Culture and Recreation	380,094
Total	$ 1,069,764

Business-Type Activities	
Electric	$ 363,599
Water and Sewer	837,204
Mosquito Control	5,154
Internal Service Funds	3,499
Total	$ 1,209,456

Note 4 - Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables at September 30, 2023:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	$ 240,856
General Fund	Internal Service Funds	119,214
General Fund	Non-Major Enterprise Fund	492
Electric Fund	Internal Service Funds	117,832
Total		$ 478,394

The outstanding balance between the general fund and the non-major governmental funds is mainly with the Wild Spaces Public Places fund that resulted from a loan to aid in funds provided to the County to assist with the purchase and development of land located within the City to create the Canterbury Equestrian Center. The loan is not expected to be repaid within one year from the Wild Spaces Public Places fund and is reported as a long-term advance in the general fund.

The outstanding balance between the general fund and the internal service funds resulted from a short-term advance to cover a deficit cash balance in the internal service funds. The balance is expected to be repaid within one year.

The outstanding balance between the general fund and the non-major enterprise fund resulted from a short-term advance to cover a deficit cash balance in the non-major enterprise fund. The balance is expected to be repaid within one year.

The outstanding balance between the electric and the internal service funds resulted from a loan to the internal service funds to purchase a new fire truck. The loan is not expected to be repaid within one year and is reported as a long-term advance.

Interfund Transfers

The City makes transfers among its funds in the course of the fiscal year. A summary of interfund transfers follows:

	Transfers In	
Transfers (Out)	General Fund	Non-Major Funds
General Fund	$ -	$ 812,581
Electric Fund	325,000	-
Total	$ 325,000	$ 812,581

Transfers are normally recurring and are approved by the City Commission during the budget process. Transfers from the electric fund to the general fund are to recover costs provided by the general fund and to support general fund operations. Transfers from the general fund to the capital project fund were for capital-related projects.

Note 5 - Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities					
Fire Truck Purchase, Series 2023	$ -	$ 882,000	$ -	$ 882,000	$ 153,000
Compensated Absences	298,181	51,513	(28,296)	321,398	282,830
Total OPEB Liability	211,943	18,999	-	230,942	-
Net Pension Liability	4,974,073	816,366	-	5,790,439	-
Lease Liability	19,384	-	(19,384)	-	-
Governmental Activity Long-Term Liabilities	$ 5,503,581	$ 1,768,878	$ (47,680)	$ 7,224,779	$ 435,830
Business-Type Activities					
State Revolving Fund Loans	$ 2,293,073	$ 873,841	$ (128,554)	$ 3,038,360	$ 176,665
Water/Sewer Rev. Bond, Series 2022	-	915,000	(58,000)	857,000	80,000
Compensated Absences	130,917	37,109	(15,967)	152,059	104,484
Total OPEB Liability	75,694	13,130	-	88,824	-
Net Pension Liability	903,252	232,004	-	1,135,256	-
Lease Liability	7,169	-	(7,169)	-	-
Business-Type Activity Long-Term Liabilities	$ 3,410,105	$ 2,071,084	$ (209,690)	$ 5,271,499	$ 361,149

Compensated absences, net pension, and total OPEB liabilities reported in governmental activities are liquidated primarily by the general fund.

The City's loans payable are comprised of the following:

Governmental Activities

- **Fire Truck Purchase, Series 2023**
  In August 2023, the City entered into a loan agreement with Flagstar Public Funding Corporation to finance the acquisition of vehicles and equipment for the City's Fire Department for the amount of $882,000. Interest accrues at an annual rate of 4.873%. Principal and interest are paid annually, commencing August 1, 2024.

Business-Type Activities

- **Clean Water State Revolving Fund Loan, Direct Borrowing**
  In September 2006, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of improvements to the wastewater treatment plant for a total amended amount of $2,539,208. Interest accrues at annual rates ranging from 1.83% to 2.33%. Principal and interest are due semiannually on August 15 and February 15 of each year until maturity on August 15, 2034.

- **Clean Water State Revolving Fund Planning Loan, Direct Borrowing**
  In June 2019, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of planning and administrative work necessary for the City to qualify for Clean Water State Revolving Fund financing for construction of wastewater transmission, collection, reuse, and treatment facilities for a total amended amount of $3,879,600. The loan is structured so that 50% of the loan is eligible for principal forgiveness in the form of a capital grant and the remaining 50% is debt of the City. Interest accrues at annual rates ranging from 0.14% to 2.12%. Principal and interest payments in the amount of $56,718 are due semiannually on August 15 and February 15 of each year until all amounts due under the agreement have been fully paid, beginning August 15, 2024. The total amount drawn down as of September 30, 2023, is $1,861,758 of which $1,367,783 is recorded as a loan payable.

- **Drinking Water State Revolving Fund Planning Loan, Direct Borrowing**
  In October 2022, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of planning or administrative work necessary to qualify for Drinking Water State Revolving Fund financing for construction of drinking water facilities for a total amended amount of $176,500. Interest accrues at an annual rate of 2.00%. Principal and interest payments in the amount of $10,154 are due semiannually on August 15 and February 15 each year until all amounts due under the agreement have been fully paid, beginning August 15, 2025.

- **Water and Sewer Revenue Bond, Series 2022**
  In November 2022, the City issued a bond to Truist Bank to finance the acquisition, construction and equipping of additions and extensions to existing water and sewer system for a total of $915,000. Interest is payable semiannually on each September 1 and March 1, commencing March 1, 2023, at an annual rate equal to 4.23%. Principal payments, paid annually, commence September 1, 2023, for $58,000 increasing each year until final payment on principal is made in 2032 for $112,000. The bond is callable at anytime at 100%.

Annual Debt Service

Annual debt service requirements to maturity for the City's outstanding loans are as follows:

Year Ending	Governmental Activities		Business-Type Activities	
September 30,	Principal	Interest	Principal	Interest
2024	$ 153,000	$ 40,592	$ 256,665	$ 75,397
2025	170,000	35,524	354,338	76,615
2026	178,000	27,240	408,434	65,563
2027	186,000	18,566	376,696	56,644
2028	195,000	9,502	340,607	48,749
2029-2033	-	-	1,705,395	123,681
2034-2037	-	-	453,225	7,484
Total	$ 882,000	$ 131,424	$ 3,895,360	$ 454,133

Debt Covenants

The City has covenanted to establish, maintain, and collect fees from users of the water and sewer system, which, after payment of the costs of operation and maintenance, result in net revenues equal to or exceeding 115% of the bond service requirements of the State Revolving Fund Loans. As of September 30, 2023, the City has met its debt covenants.

Default Provisions

- **State Revolving Fund Loans**
  The outstanding loans contain a provision that in the event of default, the Florida Department of Environmental Protection may enforce its rights by accelerating the repayment schedule, increasing the interest rate on the unpaid principal of the loans to as much as 1.667 times the loan interest rate, or by other methods brought by action or suit.

- **Water and Sewer Revenue Bond, Series 2022**
  Any holder of the bond may either at law or in equity, by action or suit, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in the related Resolution, and may enforce and compel the performance of all duties required by the Resolution.

- **Fire Truck Purchase, Series 2023**
  In the event of default, the lender may demand and sue for compensatory damages, including the accelerated payment of amounts due, require the City voluntarily return the equipment, and/or exercise any legal right or remedy through court action.

Interest Expense

The total interest cost incurred by the City during the current fiscal year was $74,578.

Note 6 - Pledged Revenues

The City has pledged certain revenues to repay loans outstanding as of September 30, 2023. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in the 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 loans at September 30, 2023:

Pledged Revenue	Description of Debt	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Net Water and Sewer System Revenues	Drinking Water SRF Loan, Clean Water SRF Loan, Revenue Bond	$ 564,250	$ 246,235	43.75%	$ 4,349,493	2037

Note 7 - Retirement Plans

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability, or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (**www.dms.myflorida.com**).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings.

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Senate Bill 7024 increased the level of monthly benefits from $5.00 times years of service to $7.50, with an increased minimum of $45 and maximum of $225. This change applies to all years of service for both members currently in pay and members not yet in pay.

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2023, were as follows:

	FRS	HIS
Regular Class	11.57%	2.00%
Special Risk Class	30.67%	2.00%
Senior Management Service Class	32.52%	2.00%
Elected Officials	56.68%	2.00%
DROP from FRS	19.13%	2.00%

The City's contributions for the year ended September 30, 2023, were $655,822 to the FRS Pension Plan and $82,810 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2023, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2023. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS	Investment Plan
Net Pension Liability	$ 5,121,564	$ 1,804,131	N/A
Proportion at:			
Current Measurement Date	0.0128531262%	0.0113600723%	N/A
Prior Measurement Date	0.0127558412%	0.0106794752%	N/A
Pension Expense	$ 1,113,271	$ 724,178	$ 219,675

Deferred Outflows/Inflows of Resources Related to Pensions

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

	FRS		HIS	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions After Measurement Date	$ 194,222	$ -	$ 26,553	$ -
Difference Between Expected and Actual Experience	480,871	-	26,411	4,235
Change of Assumptions	333,866	-	47,430	156,333
Changes of Proportion and Difference Between City Contributions and Proportionate Share of Contributions	165,630	38,896	184,794	3,491
Net Difference Between Projected and Actual Earnings on Pension Investments	213,890	-	932	-
Total	$ 1,388,479	$ 38,896	$ 286,120	$ 164,059

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending	FRS Amount	HIS Amount
2024	$ 170,858	$ 28,923
2025	(28,507)	31,156
2026	883,824	23,316
2027	104,747	5,151
2028	24,439	4,509
Thereafter	-	2,453
Total	$ 1,155,361	$ 95,508

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2023. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2023. The total pension liability for the HIS Program was determined by an actuarial valuation dated July 1, 2022.

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary Increases including inflation	3.25%	3.25%
Long-Term Expected Rate of Return	6.70%	N/A
Discount Rate	6.70%	3.65%

Mortality assumptions for FRS Pension Plan and HIS Plan were based on the PUB-2010 base table varying by member category and sex, projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Assumed Inflation – Mean			2.4%	1.4%

Note: (1) As Outlined in the Plan's Investment Policy.

Discount Rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. The 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 discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability for the HIS Pension Plan was 3.65%. 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.

The following changes in actuarial assumption occurred in 2023:

- HIS—The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.54% to 3.65%.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

FRS	**1% Decrease (5.70%)**	**Current Discount Rate (6.70%)**	**1% Increase (7.70%)**
City's Proportionate Share of the Net Pension Liability	$ 8,748,674	$ 5,121,564	$ 2,087,052

HIS	**1% Decrease (2.65%)**	**Current Discount Rate (3.65%)**	**1% Increase (4.65%)**
City's Proportionate Share of the Net Pension Liability	$ 2,058,232	$ 1,804,131	$ 1,593,498

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

FRS - Defined Contribution Pension Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2023, totaled $219,675.

Note 8 - Other Postemployment Benefits

Plan Description

The City's Retiree Health Care Plan (the Plan) is a single employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue health insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Plan does not meet the requirements for an OPEB plan administered through a trust.

Benefits Provided

A retired employee and his or her spouse and eligible dependents are eligible to continue health insurance identical to active employees if they meet the eligibility for retirement under the applicable retirement plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents. Medicare is assumed to become primary upon attainment of age 65. This conforms to the minimum required of Florida governmental employers per Chapter 112.0801, Florida Statutes. The OPEB Plan does not issue a stand-alone report.

At October 1, 2021, the date of the latest actuarial valuation, plan participation consisted of:

Active Employees	57
Retirees and Beneficiaries Receiving Benefits	-
	57

Funding Policy

For the OPEB Plan, contribution requirements of the City are established and may be amended through action from the City Commission. To-date, the City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit cost and expenses. There is no separate Trust fund or equivalent into which the City would make contributions to advance-fund the obligation. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the City, which are invested in very short-term fixed income instruments according to its current investment policy. The discount rate is based on the S&P Municipal 20 Year High Grade Rate Index. The discount rate is 4.87% as of the September 30, 2023, value of the index.

Total OPEB Liability

The City's total OPEB liability of $319,766 was measured as of September 30, 2023. The actuarial valuation date was October 1, 2021.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	$ 287,637
Service Cost	22,244
Interest on Total OPEB Liability	14,739
Change of Assumptions	(3,068)
Benefit Payments	(1,786)
Net Change in Total OPEB Liability	32,129
Total OPEB Liability, End of Year	$ 319,766

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

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 discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 3.87%	Current Discount Rate 4.87%	1% Increase 5.87%
Total OPEB Liability	$ 351,462	$ 319,766	$ 290,371

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 healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 271,894	$ 319,766	$ 376,781

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

For the fiscal year ended September 30, 2023, the City recognized OPEB expense of $27,234. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions and Other Inputs	$ 39,128	$ 80,828
Difference Between Expected and Actual Experience	109,991	183,280
Total	$ 149,119	$ 264,108

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

Fiscal Year Ending September 30,	Amount
2024	$ (11,449)
2025	(11,449)
2026	(11,449)
2027	(11,146)
2028	(41,541)
Thereafter	(27,955)
Total	$ (114,989)

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2021
Measurement Date:	September 30, 2023
Reporting Date:	September 30, 2023
Actuarial Cost Method:	Entry Age Normal Cost
Discount Rate:	4.87%
Projected Salary Increases:	2.00%
Retirement Age:	General Employees are assumed to retire at age 62 and Special Risk employees at age 55
Mortality:	Mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. Rates are based on those outlined in Milliman's July 1, 2021 FRS Valuation
Healthcare Cost Trend Rate:	Initial Trend Rate 7.50%
	Ultimate Trend Rate 4.00%
Expenses:	Included in the premiums used

Changes of Assumptions reflect a change in the discount rate from 4.77% for the reporting period ended September 30, 2022, to 4.87% for the reporting period ended September 30, 2023.

Note 9 - Leases

Lessor
The City is a lessor for a facility rental and a land lease. The key terms are noted below.

The facility rental is a 60-month lease beginning August 12, 2023. An initial lease receivable was recorded in the amount of $160,305. As of September 30, 2023, the value of the lease receivable is $157,805. The lessee is required to make monthly fixed payments of $2,500 through August 15, 2025, and $2,550 thereafter. The lease has an interest rate of 4.45%. The value of the deferred inflow as of September 30, 2023, was $158,079 and the City recognized lease revenue of $2,226 during the fiscal year.

Note 10 - Commitments and Contingencies

A. Commitments

Interlocal Agreement
During 2011, the City signed an interlocal agreement with the County, in which the County agreed to provide to the City tourist development tax revenues in exchange for the City securing financing and arranging for the construction of a 16-field youth baseball park (the Park). Additionally, the City covenanted to own, maintain, and operate the Park in a manner that will attract tourists to attend multiday baseball and fast-pitch softball tournaments conducted at least 12 weeks each year. If the City fails to meet the requirements in the agreement, the County may request that the Park, together with all improvements, be transferred to the County, at which time the City will have the option of transferring the property or paying to the County the fair market value at the time of request.

Construction Commitments
As of September 30, 2023, the City had various construction projects in progress that were not completed with remaining balances that totaled approximately $3,168,634.

B. Contingent Liabilities
Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects amounts, if any, to be immaterial.

The City is a defendant in lawsuits which arise in the ordinary course of the City's business. These cases are either in the early stages of litigation or are not expected to have a material effect on the financial position or results of operation of the City.

Note 11 - Stewardship, Compliance and Accountability

Deficit Fund Balances or Net Positions
At September 30, 2023, the following funds had deficit fund balances or net positions:

Fund	Type	Deficit
Customer Service	Internal Service	(59,066)
Utility Administration	Internal Service	(156,421)

Note 12 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters; for which the City carries commercial insurance. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The City's coverage for workers' compensation is under a retrospectively rated policy.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWBERRY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 5,191,500	$ 5,221,500	$ 5,221,810	$ 310
Permits, Fees, and Special Assessments	1,495,980	1,825,980	1,845,890	19,910
Intergovernmental	808,550	888,550	961,874	73,324
Fines and Forfeitures	5,000	4,500	4,629	129
Charges for Services	1,396,730	1,396,730	1,391,580	(5,150)
Investment Earnings and Other	80,500	227,000	364,767	137,767
Interfund Charges	149,098	149,098	152,062	2,964
Total Revenues	9,127,358	9,713,358	9,942,612	229,254
Expenditures				
General Government:				
Legislative	130,750	163,600	147,306	16,294
Executive	616,850	610,663	602,753	7,910
Finance and Administrative	775,750	844,999	835,234	9,765
Legal Counsel	109,200	124,832	119,635	5,197
Comprehensive Planning	422,100	466,004	436,290	29,714
Other General Government Services	806,395	808,943	763,118	45,825
Public Safety:				
Fire Control	1,881,305	1,932,329	1,919,569	12,760
Law Enforcement	936,530	936,530	934,032	2,498
Building and Zoning	390,222	441,702	422,815	18,887
Code Enforcement	116,560	123,560	121,000	2,560
Transportation	1,071,215	1,282,744	838,117	444,627
Culture and Recreation	1,297,088	1,362,008	1,339,141	22,867
Economic Environment	204,831	267,964	211,621	56,343
Physical Environment	738,150	751,350	747,293	4,057
(Total Expenditures)	(9,496,946)	(10,117,228)	(9,437,924)	679,304
Excess (Deficiency) of Revenues Over (Under) Expenditures	(369,588)	(403,870)	504,688	908,558
Other Financing Sources (Uses)				
Transfers In	325,000	325,000	325,000	-
Transfers (Out)	(749,300)	(811,800)	(812,581)	(781)
Total Other Financing Sources (Uses)	(424,300)	(486,800)	(487,581)	(781)
Net Change in Fund Balance	(793,888)	(890,670)	17,107	907,777
Fund Balances, Beginning of Year	3,145,166	3,145,166	4,245,683	1,100,517
Fund Balances, End of Year	$ 2,351,278	$ 2,254,496	$ 4,262,790	$ 2,008,294

CITY OF NEWBERRY, FLORIDA
AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ -	$ -	$ 221,934	$ 221,934
Investment Earnings	1,500	81,500	87,227	5,727
Total Revenues	1,500	81,500	309,161	227,661
Expenditures				
General Government	-	-	3,000	(3,000)
Public Safety	70,000	10,000	4,800	5,200
Physical Environment	1,194,000	364,000	149,962	214,038
Transportation	-	130,000	64,040	65,960
(Total Expenditures)	(1,264,000)	(504,000)	(221,802)	282,198
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,262,500)	(422,500)	87,359	509,859
Net Change in Fund Balance	(1,262,500)	(422,500)	87,359	509,859
Fund Balances, Beginning of Year	-	-	14,301	14,301
Fund Balances, End of Year	$ (1,262,500)	$ (422,500)	$ 101,660	$ 524,160

CITY OF NEWBERRY, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

Note 1 - Stewardship, Compliance, and Accountability

Budgetary Information
Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. No budget was adopted for the Community Development Grant or Opioid Settlement Proceeds funds. All annual appropriations lapse at fiscal year-end.

The City of Newberry, Florida (the City) follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted in August and September to obtain taxpayer comments.

3. Prior to November 1, the budget is legally enacted through passage of an ordinance.

4. The legal level of budgetary control is at the fund level. The City Manager, or designee, is authorized to make budget adjustments within a fund that do not change the total budget of a fund.

5. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America for governmental fund types.

CITY OF NEWBERRY, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2023

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2023	2022	2021	2020
City of Newberry's Proportion of the FRS Net Pension Liability	0.012853126%	0.012755841%	0.011969186%	0.012017108%
City of Newberry's Proportionate Share of the FRS Net Pension Liability	$ 5,121,564	$ 4,746,198	$ 904,136	$ 5,208,392
City of Newberry's Covered Payroll (for the Year Ended June 30)	4,282,464	3,892,771	3,384,396	3,176,145
City of Newberry's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	119.59%	121.92%	26.71%	163.98%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.38%	82.89%	96.40%	78.85%

Note: The amounts shown above, as reported on the date indicated, have a measurement date three months prior.
* Additional years will be added to this schedule annually until 10 years of data are presented.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	2023	2022	2021	2020
City of Newberry's Proportion of the HIS Net Pension Liability	0.011360072%	0.010679475%	0.009558714%	0.009149382%
City of Newberry's Proportionate Share of the HIS Net Pension Liability	$ 1,804,131	$ 1,131,127	$ 1,172,520	$ 1,117,125
City of Newberry's Covered Payroll (for the Year Ended June 30)	4,282,464	3,892,771	3,384,396	3,176,145
City of Newberry's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	42.13%	29.06%	34.64%	35.17%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.12%	4.81%	3.56%	3.00%

Note: The amounts shown above, as reported on the date indicated, have a measurement date three months prior.
* Additional years will be added to this schedule annually until 10 years of data are presented.

FLORIDA RETIREMENT SYSTEM PENSION PLAN

2019	2018	2017	2016	2015
0.012387818%	0.012419319%	0.011896231%	0.010542663%	0.009341129%
$ 4,266,192	$ 3,740,763	$ 3,518,825	$ 2,662,031	$ 1,206,552
3,120,843	2,986,205	2,816,687	2,408,663	2,471,327
136.70%	125.27%	124.93%	110.52%	48.82%
82.61%	84.26%	83.89%	84.88%	92.00%

HEALTH INSURANCE SUBSIDY PENSION PLAN

2019	2018	2017	2016	2015
0.009222925%	0.009140888%	0.008834977%	0.008752638%	0.007939591%
$ 1,031,953	$ 967,482	$ 944,676	$ 1,020,084	$ 809,713
3,120,843	2,986,205	2,816,687	2,408,663	2,471,327
33.07%	32.40%	33.54%	42.35%	32.76%
2.63%	2.15%	1.64%	0.97%	0.50%

CITY OF NEWBERRY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2023

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2023	2022	2021	2020
Contractually Required Contribution	$ 655,822	$ 564,167	$ 490,926	$ 411,646
FRS Contribution in Relation to the Contractually Required Contribution	(655,822)	(564,167)	(490,926)	(411,646)
FRS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll (for the Year Ended September 30)	$ 4,745,559	$ 4,054,398	$ 3,562,892	$ 3,241,145
FRS Contributions as a Percentage of Covered Payroll	13.82%	13.91%	13.78%	12.70%

HEALTH INSURANCE SUBSIDY PENSION PLAN

	2023	2022	2021	2020
Contractually Required Contribution	$ 82,810	$ 67,303	$ 59,144	$ 53,803
HIS Contribution in Relation to the Contractually Required Contribution	(82,810)	(67,303)	(59,144)	(53,803)
HIS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll (for the Year Ended September 30)	$ 4,745,559	$ 4,054,398	$ 3,562,892	$ 3,241,145
HIS Contributions as a Percentage of Covered Payroll	1.74%	1.66%	1.66%	1.66%

FLORIDA RETIREMENT SYSTEM PENSION PLAN

2019	2018	2017	2016	2015
$ 388,567	$ 359,768	$ 312,743	$ 256,615	$ 228,396
(388,567)	(359,768)	(312,743)	(256,615)	(228,396)
$ -	$ -	$ -	$ -	$ -
$ 3,130,392	$ 2,975,542	$ 2,874,096	$ 2,647,212	$ 2,471,327
12.41%	12.09%	10.88%	9.69%	9.24%

HEALTH INSURANCE SUBSIDY PENSION PLAN

2019	2018	2017	2016	2015
$ 51,806	$ 49,394	$ 47,710	$ 43,895	$ 33,584
(51,806)	(49,394)	(47,710)	(43,895)	(33,584)
$ -	$ -	$ -	$ -	$ -
$ 3,130,392	$ 2,975,542	$ 2,874,096	$ 2,647,212	$ 2,471,327
1.65%	1.66%	1.66%	1.66%	1.36%

CITY OF NEWBERRY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	$ 22,244	$ 33,363	$ 40,104	$ 31,649	$ 13,163	$ 12,905
Interest on the Total OPEB Liability	14,739	9,038	9,779	12,940	16,549	14,955
Changes of Assumptions	(3,068)	(92,446)	(13,214)	51,192	-	-
Difference Between Expected and Actual Experience	-	(113,315)	-	(176,929)	18,943	16,977
Benefit Payments	(1,786)	(1,735)	(1,652)	(3,803)	(1,273)	(797)
Net Change in Total OPEB Liability	32,129	(165,095)	35,017	(84,951)	47,382	44,040
Total OPEB Liability - Beginning	287,637	452,732	417,715	502,666	455,284	411,244
Total OPEB Liability - Ending	$ 319,766	$ 287,637	$ 452,732	$ 417,715	$ 502,666	$ 455,284
Covered-Employee Payroll	$ 3,525,571	$ 3,456,442	$ 2,689,420	$ 2,636,687	$ 2,338,750	$ 2,292,892
Total OPEB Liability as a Percentage of Covered-Employee Payroll	9.07%	8.32%	16.83%	15.84%	21.49%	19.86%

Notes to the Schedule:
10 years of data will be presented as available.

Covered Employee Payroll was projected two years forward from the valuation date of the reporting period ending September 30, 2023.

Difference Between Expected and Actual Experience - reflects the impact of changes to the census data from the prior valuation to the current valuation, as applicable.

Changes of Assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate period.

The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2023	4.87%
Fiscal Year Ending September 30, 2022	4.77%
Fiscal Year Ending September 30, 2021	2.43%
Fiscal Year Ending September 30, 2020	2.14%
Fiscal Year Ending September 30, 2019	3.64%
Fiscal Year Ending September 30, 2018	3.64%

SUPPLEMENTARY INFORMATION

CITY OF NEWBERRY, FLORIDA
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue Funds							Total
	Champions Park Special Revenue Fund	Wild Spaces Public Places	Infrastructure Sales Surtax	Community Development Block Grant	Opioid Settlement Proceeds	Community Redevelopment Agency	Capital Improvement Fund	Non-Major Governmental Funds
Assets								
Cash and Cash Equivalents	$ 8,549	$ 1,300,778	$ 306,163	$ -	$ 1,187	$ 303,888	$ 189,475	$ 2,110,040
Due from Other Governments	-	109,795	102,870	-	-	-	-	212,665
Total Assets	8,549	1,410,573	409,033	-	1,187	303,888	189,475	2,322,705
Liabilities and Fund Balance								
Liabilities:								
Accounts Payable	-	36,504	-	-	-	-	97,482	133,986
Accrued Expenses	-	-	-	-	-	-	838	838
Advances from Other Funds	-	240,856	-	-	-	-	-	240,856
Total Liabilities	-	277,360	-	-	-	-	98,320	375,680
Fund Balance:								
Restricted for:								
Culture and Recreation	8,549	1,133,213	-	-	-	-	-	1,141,762
Infrastructure	-	-	409,033	-	-	-	-	409,033
Community Redevelopment	-	-	-	-	-	303,888	-	303,888
Public Safety	-	-	-	-	1,187	-	-	1,187
Assigned for:								
Capital Projects	-	-	-	-	-	-	91,155	91,155
Total Fund Balance	8,549	1,133,213	409,033	-	1,187	303,888	91,155	1,947,025
Total Liabilities and Fund Balance	$ 8,549	$ 1,410,573	$ 409,033	$ -	$ 1,187	$ 303,888	$ 189,475	$ 2,322,705

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds							Total
	Champions Park Special Revenue Fund	Wild Spaces Public Places	Infrastructure Sales Surtax	Community Development Block Grant	Opioid Settlement Proceeds	Community Redevelopment Agency	Capital Improvement Fund	Non-Major Governmental Funds
Revenues								
Taxes	$ -	$ 549,676	$ 405,711	$ -	$ -	$ -	$ -	$ 955,387
Intergovernmental	-	6,925	-	-	-	162,074	-	168,999
Charges for Services	31,160	-	-	-	-	-	-	31,160
Investment Earnings	1,561	44,611	3,322	-	50	242	-	49,786
Miscellaneous	-	-	-	6,499	5,126	-	-	11,625
Total Revenues	32,721	601,212	409,033	6,499	5,176	162,316	-	1,216,957
Expenditures								
Current:								
General Government	-	-	-	-	4,278	-	49,310	53,588
Economic Development	-	-	-	-	-	11,976	-	11,976
Capital Outlay	92,368	61,666	-	-	-	5,848	462,303	622,185
(Total Expenditures)	(92,368)	(61,666)	-	-	(4,278)	(17,824)	(511,613)	(687,749)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59,647)	539,546	409,033	6,499	898	144,492	(511,613)	529,208
Other Financing Sources								
Transfers from Other Funds	-	-	-	7,000	289	162,074	643,218	812,581
Net Change in Fund Balances	(59,647)	539,546	409,033	13,499	1,187	306,566	131,605	1,341,789
Fund Balance, Beginning of Year	68,196	593,667	-	(13,499)	-	(2,678)	(40,450)	605,236
Fund Balance, End of Year	$ 8,549	$ 1,133,213	$ 409,033	$ -	$ 1,187	$ 303,888	$ 91,155	$ 1,947,025

CITY OF NEWBERRY, FLORIDA
CHAMPIONS PARK SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	$ 25,000	$ 31,160	$ 6,160
Investment Earnings	-	1,561	1,561
Total Revenues	25,000	32,721	7,721
Expenditures			
Culture and Recreation	78,000	92,368	(14,368)
(Total Expenditures)	(78,000)	(92,368)	(14,368)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,000)	(59,647)	(6,647)
Net Change in Fund Balance	(53,000)	(59,647)	(6,647)
Fund Balance, Beginning of Year	69,781	68,196	(1,585)
Fund Balance, End of Year	$ 16,781	$ 8,549	$ (8,232)

CITY OF NEWBERRY, FLORIDA
WILD SPACES PUBLIC PLACES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ 535,000	$ 549,676	$ 14,676
Intergovernmental	-	6,925	6,925
Investment Earnings	40,000	44,611	4,611
Total Revenues	575,000	601,212	26,212
Expenditures			
Culture and Recreation	181,864	61,666	120,198
(Total Expenditures)	(181,864)	(61,666)	120,198
Excess (Deficiency) of Revenues Over (Under) Expenditures	393,136	539,546	146,410
Net Change in Fund Balance	393,136	539,546	146,410
Fund Balances, Beginning of Year	593,666	593,667	1
Fund Balances, End of Year	$ 986,802	$ 1,133,213	$ 146,411

CITY OF NEWBERRY, FLORIDA
INFRASTRUCTURE SALES SURTAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ 300,000	$ 405,711	$ 105,711
Investment Earnings	-	3,322	3,322
Total Revenues	300,000	409,033	109,033
(Total Expenditures)	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	300,000	409,033	109,033
Net Change in Fund Balance	300,000	409,033	109,033
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	$ 300,000	$ 409,033	$ 109,033

CITY OF NEWBERRY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 162,074	$ 162,074	$ -
Investment Earnings	-	242	242
Total Revenues	162,074	162,316	242
Expenditures			
Economic Environment	100,200	17,824	82,376
(Total Expenditures)	(100,200)	(17,824)	82,376
Excess (Deficiency) of Revenues Over (Under) Expenditures	61,874	144,492	82,618
Other Financing Sources			
Transfers In	162,074	162,074	-
Total Other Financing Sources	162,074	162,074	-
Net Change in Fund Balance	223,948	306,566	82,618
Fund Balance, Beginning of Year	(2,678)	(2,678)	-
Fund Balance, End of Year	$ 221,270	$ 303,888	$ 82,618

CITY OF NEWBERRY, FLORIDA
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues	$ -	$ -	$ -
Expenditures			
General Government	508,800	417,447	91,353
Transportation	168,750	94,166	74,584
(Total Expenditures)	(677,550)	(511,613)	165,937
Excess (Deficiency) of Revenues Over (Under) Expenditures	(677,550)	(511,613)	165,937
Other Financing Sources			
Transfer In	634,800	643,218	8,418
Total Other Financing Sources	634,800	643,218	8,418
Net Change in Fund Balance	(42,750)	131,605	174,355
Fund Balance, Beginning of Year	(40,450)	(40,450)	-
Fund Balance, End of Year	$ (83,200)	$ 91,155	$ 174,355

CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
WATER AND SEWER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
Operating Revenues		
Charges for Services	$ 2,509,025	$ 2,250,061
Fees, Rentals, and Other	6,571	906
Total Operating Revenues	2,515,596	2,250,967
Operating Expenses		
Personnel Services	709,545	471,345
Materials, Supplies, and Other	852,683	578,463
Billing and Administration	557,510	485,180
Depreciation	837,204	757,581
(Total Operating Expenses)	(2,956,942)	(2,292,569)
Operating Income	(441,346)	(41,602)
Non-Operating Revenues (Expenses)		
Interest Income	168,392	31,404
Interest Expense	(59,675)	(32,955)
Loss on Disposal of Capital Assets	14,730	(88,033)
Total Non-Operating Revenues (Expenses)	123,447	(89,584)
Income Before Contributions and Transfers	(317,899)	(131,186)
Capital Contributions and Grants		
Development Charges	1,107,813	684,598
Developer Contributions	1,138,329	1,183,218
Capital Grants	423,031	374,367
Total Capital Contributions and Grants	2,669,173	2,242,183
Transfers in	-	944,687
Change in Net Position	2,351,274	3,055,684
Net Position, Beginning of Year	18,845,076	15,789,392
Total Net Position, End of Year	$ 21,196,350	$ 18,845,076

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Assets				
Current Assets:				
Cash and Cash Equivalents	$ -	$ 292,055	$ -	$ 292,055
Accounts Receivable	1,533	-	-	1,533
Prepaids	85	-	-	85
Total Current Assets	1,618	292,055	-	293,673
Non-Current Assets:				
Property, Plant and Equipment	17,897	1,571,691	15,784	1,605,372
(Accumulated Depreciation)	(11,443)	(371,326)	(7,366)	(390,135)
Capital Assets, Net	6,454	1,200,365	8,418	1,215,237
Total Non-Current Assets	6,454	1,200,365	8,418	1,215,237
Total Assets	8,072	1,492,420	8,418	1,508,910
Liabilities				
Current Liabilities:				
Accounts Payable	6,750	12,392	2,217	21,359
Accrued Expenses	4,658	-	9,593	14,251
Due to Other Funds	28,395	-	90,819	119,214
Compensated Absences	16,948	-	33,593	50,541
Current Portion of Long-Term Debt	-	153,000	-	153,000
Total Current Liabilities	56,751	165,392	136,222	358,365
Non-Current Liabilities:				
Compensated Absences	10,387	-	28,617	39,004
Advances from Other Funds	-	117,832	-	117,832
Long-Term Debt	-	729,000	-	729,000
Total Non-Current Liabilities	10,387	846,832	28,617	885,836
Total Liabilities	67,138	1,012,224	164,839	1,244,201
Net Position				
Net Investment in Capital Assets	6,454	318,365	8,418	333,237
Unrestricted	(65,520)	161,831	(164,839)	(68,528)
Total Net Position	$ (59,066)	$ 480,196	$ (156,421)	$ 264,709

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Operating Revenues				
Fees, Rentals, and Other	$ 25,951	$ -	$ 17,416	$ 43,367
Interfund Charges	363,000	176,670	513,237	1,052,907
Total Operating Revenues	388,951	176,670	530,653	1,096,274
Operating Expenses				
Personnel Services	278,997	-	599,816	878,813
Materials, Supplies, and Other	134,295	-	31,572	165,867
Depreciation	1,921	86,330	1,578	89,829
(Total Operating Expenses)	(415,213)	(86,330)	(632,966)	(1,134,509)
Operating Income (Loss)	(26,262)	90,340	(102,313)	(38,235)
Non-Operating Revenues (Expenses)				
Gain (Loss) on Disposal of Capital Asset	-	25,000	(2,840)	22,160
Interest Income	-	9,096	-	9,096
Interest Expense	-	(14,904)	-	(14,904)
Total Non-Operating Revenues (Expenses)	-	19,192	(2,840)	16,352
Change in Net Position	(26,262)	109,532	(105,153)	(21,883)
Net Position, Beginning of Year	(32,804)	370,664	(51,268)	286,592
Total Net Position, End of Year	$ (59,066)	$ 480,196	$ (156,421)	$ 264,709

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Cash Flows from Operating Activities				
Receipts from Interfund Services Provided	$ 364,996	$ 176,670	$ 513,237	$ 1,054,903
Cash Received from Other Sources	25,951	-	17,416	43,367
Cash Payments to Suppliers for Goods and Services	(142,981)	12,392	(33,738)	(164,327)
Cash Payments to Employees for Services	(275,162)	-	(589,834)	(864,996)
Net Cash Provided by (Used in) Operating Activities	(27,196)	189,062	(92,919)	68,947
Cash Flows from Non-Capital Financing Activities				
Loans/Advances (to) and Repayments from Other Funds	27,196	(56,914)	90,819	61,101
Net Cash Provided by (Used in) Non-Capital Financing Activities	27,196	(56,914)	90,819	61,101
Cash Flows from Capital and Related Financing Activities				
Principal Paid on Long-Term Debt	-	-	(2,921)	(2,921)
Proceeds from New Debt	-	882,000	-	882,000
Interest Expense	-	(14,904)	(5)	(14,909)
Acquisition and Construction of Capital Assets	-	(934,332)	1	(934,331)
Proceeds from Sale of Capital Assets	-	25,000	-	25,000
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	(42,236)	(2,925)	(45,161)
Cash Flows from Investing Activities				
Interest on Investments	-	9,096	-	9,096
Net Cash Provided by (Used in) Investing Activities	-	9,096	-	9,096
Net Increase (Decrease) in Cash and Cash Equivalents	-	99,008	(5,025)	93,983
Cash and Cash Equivalents, Beginning of Year	-	193,047	5,025	198,072
Cash and Cash Equivalents, End of Year	$ -	$ 292,055	$ -	$ 292,055
Presented on the Statement of Net Position as				
Cash and Cash Equivalents	$ -	$ 292,055	$ -	$ 292,055

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(Concluded)

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating Income	$ (26,262)	$ 90,340	$ (102,313)	$ (38,235)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,921	86,330	1,578	89,829
(Increase) Decrease in:				
Accounts Receivable	1,996	-	-	1,996
Increase (Decrease) in:				
Accounts Payable	(8,686)	12,392	(2,166)	1,540
Compensated Absences	3,835	-	9,982	13,817
Total Adjustments	(934)	98,722	9,394	107,182
Net Cash Provided by (Used in) Operating Activities	$ (27,196)	$ 189,062	$ (92,919)	$ 68,947

STATISTICAL SECTION

STATISTICAL SECTION
(Unaudited)

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

Contents	Page
Financial Trends Information	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	68
Revenue Capacity Information	
These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, which is property taxes.	73
Debt Capacity Information	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. The City has no legal debt margin, thus it is not reported in these schedules.	79
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	83
Operating Information	
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	85

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

FINANCIAL TRENDS INFORMATION

Schedule 1
CITY OF NEWBERRY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual based accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	$ 10,484,429	$ 10,288,387	$ 12,169,576	$ 17,069,358	$ 17,603,706	$ 18,443,352	$ 17,985,746	$ 17,582,337	$ 17,901,083	$ 19,340,346
Restricted	143,438	359,734	360,014	361,699	789,730	104,928	158,284	254,770	968,479	2,560,304
Unrestricted	70,143	(1,377,088)	(1,310,479)	(1,016,322)	(1,125,151)	(1,965,452)	(1,760,727)	(609,192)	(254,865)	(1,146,880)
Total governmental activities net position	10,698,010	9,271,033	11,219,111	16,414,735	17,268,285	16,582,828	16,383,303	17,227,915	18,614,697	20,753,770
Business-Type Activities										
Net investment in capital assets	8,056,468	8,340,063	9,303,739	9,929,798	11,913,865	12,501,327	12,882,572	15,252,961	19,538,269	22,984,630
Restricted	9,514	9,340	9,518	9,700	9,885	10,169	11,762	1,377,103	1,619,946	2,621,814
Unrestricted	7,321,146	7,256,727	7,682,231	7,708,661	6,912,238	7,267,982	8,302,467	5,947,922	5,195,398	4,154,021
Total business-type net position	15,387,128	15,606,130	16,995,488	17,648,159	18,835,988	19,779,478	21,196,801	22,577,986	26,353,613	29,760,465
Total Government										
Net investment in capital assets	18,540,897	18,628,450	21,473,315	26,999,156	29,517,571	30,944,679	30,868,318	32,835,298	37,439,352	42,324,976
Restricted	152,952	369,074	369,532	371,399	799,615	115,097	170,046	1,631,873	2,588,425	5,182,118
Unrestricted	7,391,289	5,879,639	6,371,752	6,692,339	5,787,087	5,302,530	6,541,740	5,338,730	4,940,533	3,007,141
Total government net position	$ 26,085,138	$ 24,877,163	$ 28,214,599	$ 34,062,894	$ 36,104,273	$ 36,362,306	$ 37,580,104	$ 39,805,901	$ 44,968,310	$ 50,514,235

Source: City of Newberry Financial Reports

Schedule 2
CITY OF NEWBERRY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual based accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	$ 953,180	$ 993,353	$ 1,200,185	$ 1,355,008	$ 1,336,282	$ 1,673,641	$ 1,837,268	$ 1,719,382	$ 2,351,649	$ 2,983,857
Public safety	1,106,462	1,136,809	1,431,214	2,345,314	2,389,694	2,755,444	2,964,167	2,671,992	3,149,445	3,721,718
Physical Environment	-	406,715	524,304	559,465	540,304	541,135	585,667	629,904	722,422	757,933
Transportation	735,308	675,343	730,779	826,538	889,778	948,642	1,007,222	1,021,898	1,197,045	1,359,315
Culture and Recreation	1,304,502	1,301,168	1,239,440	1,281,447	1,248,616	2,305,954	1,263,738	1,284,123	1,431,049	1,768,728
Health and Welfare	41,864	17,975	15,469	35,713	35,474	28,995	-	-	15,000	-
Economic Development	-	-	85,871	87,214	130,980	162,606	781,281	249,142	210,260	249,780
Interest on long-term debt	1,538	7,097	6,248	5,656	14,262	3,637	2,744	-	35	-
Total governmental activities expenses	4,142,854	4,538,460	5,233,510	6,496,355	6,585,390	8,420,054	8,442,087	7,576,441	9,076,905	10,841,331
Business-Type Activities										
Electric	3,887,834	3,916,988	3,854,346	3,933,270	3,887,764	4,340,112	4,176,763	4,325,963	6,253,048	6,018,802
Water and sewer	1,476,559	1,449,549	1,527,571	1,644,813	1,717,709	1,938,281	2,059,466	2,056,316	2,435,546	3,098,020
Mosquito control	-	-	21,153	14,607	18,531	27,591	34,790	21,754	29,383	40,732
Total business-type activities	5,364,393	5,366,537	5,403,070	5,592,690	5,624,004	6,305,984	6,271,019	6,404,033	8,717,977	9,157,554
Program Revenues										
Governmental activities:										
Charges for services:										
General government	83,107	24,057	27,998	281,634	320,875	301,078	315,002	366,616	381,965	313,245
Public safety	540,334	617,936	736,760	838,564	982,526	980,542	1,082,788	1,044,370	1,381,715	1,749,648
Physical Environment		476,581	561,460	545,933	538,545	596,764	636,315	710,301	824,803	859,160
Health and Welfare	18,848	12,235	11,326	17,152	15,496	15,808	-	-	-	-
Transportation	22,447	24,341	26,501	27,294	27,354	29,613	30,473	31,356	33,663	36,066
Culture and recreation	330,225	366,112	336,189	393,786	403,278	239,224	222,512	279,693	283,187	302,620
Operating grants and contributions	803,432	1,014,090	1,691,777	4,590,683	199,598	270,774	742,437	282,733	296,125	305,119
Capital grants and contributions	147,828	91,945	975,527	881,013	639,061	569,648	296,316	327,208	1,997,083	1,674,250
Total governmental activities program revenues	1,946,221	2,627,297	4,367,538	7,576,059	3,126,733	3,003,451	3,325,843	3,042,277	5,198,541	5,240,108
Business-type activities:										
Charges for services:										
Electric	3,976,064	4,040,798	4,084,388	4,008,652	4,099,826	4,559,920	4,443,894	4,687,948	6,371,194	6,167,822
Water and sewer	1,413,314	1,588,494	1,900,800	1,931,674	2,101,204	2,257,349	2,692,876	2,016,666	2,250,967	2,515,596
Mosquito control	-	-	22,917	23,689	24,856	26,085	27,259	28,831	30,545	32,099
Operating grants and contributions	14,117	11,302	1,080	14,348	99,261	57,460	88,434	-	-	-
Capital grants and contributions		91,943	1,025,779	437,750	654,990	428,545	594,023	1,243,904	3,085,221	3,859,154
Total business-type activities program revenues	5,403,495	5,732,537	7,034,964	6,416,113	6,980,137	7,329,359	7,846,486	7,977,349	11,737,927	12,574,671
Total Revenues	7,349,716	8,359,834	11,402,502	13,992,172	10,106,870	10,332,810	11,172,329	11,019,626	16,936,468	17,814,779
Net (Expense) Revenue										
Governmental activities	(2,196,633)	(1,911,163)	(865,972)	1,079,704	(3,458,657)	(5,416,603)	(5,116,244)	(4,534,164)	(3,878,364)	(5,601,223)
Business-type activities	39,102	366,000	1,631,894	823,423	1,356,133	1,023,375	1,575,467	1,573,316	3,019,950	3,417,117
Total government net expense	$ (2,157,531)	$ (1,545,163)	$ 765,922	$ 1,903,127	$ (2,102,524)	$ (4,393,228)	$ (3,540,777)	$ (2,960,848)	$ (858,414)	$ (2,184,106)

Source: City of Newberry Financial Reports

Schedule 2 *(Concluded)*
CITY OF NEWBERRY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual based accounting)

General Revenues and Other Changes in Net Position

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Taxes:										
Property taxes	$ 1,237,900	$ 1,278,988	$ 1,276,772	$ 2,156,399	$ 2,324,614	$ 2,445,196	$ 2,691,642	$ 2,857,603	$ 3,168,059	$ 3,416,767
Sales Tax	357,075	394,874	420,010	693,818	842,390	912,419	860,645	1,045,354	1,269,460	1,779,940
Utility taxes	895,089	733,357	816,835	814,060	761,772	797,823	819,318	976,302	1,075,783	1,213,991
Communications services taxes	151,579	148,453	147,131	153,247	167,616	176,431	182,305	178,484	208,651	235,232
Business license tax	34,172	35,170	32,530	38,117	41,995	31,092	28,937	43,976	23,131	54,432
Unrestricted investment earnings	15	51	4,045	12,084	40,172	83,014	27,087	14,336	75,931	343,631
Other	27,558	31,350	39,478	33,725	61,277	64,691	84,425	42,869	133,203	371,303
Transfers		(195,000)	205,163	214,470	217,080	220,480	222,360	219,852	(689,072)	325,000
Total governmental activities	2,703,388	2,427,243	2,941,964	4,115,920	4,456,916	4,731,146	4,916,719	5,378,776	5,265,146	7,740,296
Business-Type Activities										
Unrestricted investment earnings	3,829	8,367	35,371	43,718	83,313	140,595	64,216	27,721	66,605	301,038
Other	-	-	-	-	-	-	-	-	-	13,697
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	195,000	(205,163)	(214,470)	(217,080)	(220,480)	(222,360)	(219,852)	689,072	(325,000)
Total business-type activities	3,829	203,367	(169,792)	(170,752)	(133,767)	(79,885)	(158,144)	(192,131)	755,677	(10,265)
Total primary government	2,707,217	2,630,610	2,772,172	3,945,168	4,323,149	4,651,261	4,758,575	5,186,645	6,020,823	7,730,031
Change in Net Position										
Governmental activities	506,755	516,080	2,075,992	5,195,624	998,259	(685,457)	(199,525)	844,612	1,386,782	2,139,073
Business-type activities	42,931	569,367	1,462,102	652,671	1,222,366	943,490	1,417,323	1,381,185	3,775,627	3,406,852
Total government	$ 549,686	$ 1,085,447	$ 3,538,094	$ 5,848,295	$ 2,220,625	$ 258,033	$ 1,217,798	$ 2,225,797	$ 5,162,409	$ 5,545,925

Source: City of Newberry Financial Reports

Schedule 3
CITY OF NEWBERRY, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual based accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Non-spendable	$ -	$ 1,957	$ -	$ 15,436	$ 21,781	$ 602,695	$ 520,159	$ 404,639	$ 328,653	$ 248,367
Restricted	105,617	141,268	229,484	128,835	194,480	72,763	122,357	112,832	292,315	704,434
Assigned	50,385	173,106	185,484	42,072	45,531	241,444	242,510	408,892	762,888	171,998
Unassigned		428,585	657,935	1,429,098	1,584,781	1,463,052	2,122,515	2,635,145	2,861,827	3,137,991
Total general fund	156,002	744,916	1,072,903	1,615,441	1,846,573	2,379,954	3,007,541	3,561,508	4,245,683	4,262,790
All Other Government Funds										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	37,821	218,466	130,530	232,864	595,250	32,165	35,927	141,938	676,164	1,855,870
Assigned	250,126	245,071	264,552	142,336	50,305	2,950	2,950	3,273	-	192,815
Unassigned	-	-	-	-	-	(494,658)	(251,202)	(13,499)	(56,627)	-
Total all other governmental funds	$ 287,947	$ 463,537	$ 395,082	$ 375,200	$ 645,555	$ (459,543)	$ (212,325)	$ 131,712	$ 619,537	$ 2,048,685

Source: City of Newberry Financial Reports

Schedule 4
CITY OF NEWBERRY, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual based accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	$ 2,261,009	$ 2,552,982	$ 2,439,243	$ 3,568,507	$ 3,798,474	$ 4,013,059	$ 4,254,379	$ 4,712,526	$ 5,258,009	$ 6,177,197
Permits, fees, and special assessments	383,527	460,828	574,407	877,346	1,101,492	1,112,294	1,199,226	1,247,573	1,543,516	1,845,890
Intergovernmental revenues	1,255,788	1,454,239	2,465,871	5,151,998	864,666	913,475	1,149,602	1,011,453	1,878,690	1,352,807
Charges for services	438,567	885,268	943,522	1,013,101	966,372	828,987	1,081,510	946,473	1,365,432	1,422,740
Fines and forfeitures	5,420	5,865	10,804	11,622	17,856	8,854	8,926	4,751	6,658	4,629
Investment earnings	15	51	4,045	12,084	40,172	83,014	27,087	14,336	75,931	343,631
Other	87,140	89,492	131,826	33,408	52,036	57,366	77,786	33,536	115,424	169,774
Interfund charges	221,506	269,974	95,091	98,622	102,785	105,152	124,451	113,807	141,820	152,062
Total revenues	4,652,972	5,718,699	6,664,809	10,766,688	6,943,853	7,122,201	7,922,967	8,084,455	10,385,480	11,468,730
Expenditures										
General government	1,113,295	1,239,691	1,186,876	1,291,469	1,350,516	1,503,230	1,639,851	1,811,314	2,353,693	2,792,764
Public safety	1,072,336	1,152,480	1,295,294	2,160,332	2,292,888	2,454,617	2,570,642	2,730,983	3,056,688	3,336,445
Physical environment	-	410,032	520,209	550,183	537,445	528,235	578,879	634,038	713,528	747,293
Transportation	425,622	389,589	413,268	447,706	515,524	546,487	561,294	604,128	765,423	871,382
Health and welfare	41,864	17,975	15,469	35,713	35,474	28,995	-	-	15,000	-
Economic environment	-	-	83,395	82,151	123,546	147,360	714,307	257,003	206,572	223,597
Culture and recreation	750,863	775,092	802,517	831,385	896,476	1,866,555	845,900	934,474	1,034,459	1,239,157
Debt service:										
Principal	1,015,372	538,333	1,416,000	4,359,000	395,000	-	-	-	-	-
Bond issuance costs	-	46,796	-	-	-	-	-	-	-	-
Interest on long-term debt	239,972	220,859	84,178	82,954	14,262	3,637	2,744	-	-	-
Capital Outlay	190,840	356,681	793,234	1,012,609	453,315	835,282	356,905	434,363	398,429	1,136,837
Total expenditures	4,850,164	5,147,528	6,610,440	10,853,502	6,614,446	7,914,398	7,270,522	7,406,303	8,543,792	10,347,475
Excess (deficiency) of revenues over (under) expenditures	(197,192)	571,171	54,369	(86,814)	329,407	(792,197)	652,445	678,152	1,841,688	1,121,255
Other Financing Sources (Uses)										
Leases	-	-	-	-	-	-	-	-	19,384	-
Proceeds from sale of general fixed assets	-	-	-	-	-	-	-	-	-	-
Proceeds of debt issuance	-	5,775,000	-	395,000	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	(5,386,667)	-	-	-	-	-	-	-	-
Transfers in	862,571	6,138,762	1,734,093	4,668,768	762,612	220,480	222,360	219,852	295,123	1,137,581
Transfers out	(862,571)	(6,333,762)	(1,528,930)	(4,454,298)	(590,532)	-	-	-	(984,195)	(812,581)
Total other financing sources (uses)	-	193,333	205,163	609,470	172,080	220,480	222,360	219,852	(669,688)	325,000
Net change in fund balances	$ (197,192)	$ 764,504	$ 259,532	$ 522,656	$ 501,487	$ (571,717)	$ 874,805	$ 898,004	$ 1,172,000	$ 1,446,255
Debt service as a percentage of non-capital expenditures	39.1%	22.2%	42.6%	101.3%	7.7%	0.1%	0.0%	0.0%	0.00%	0.00%

Source: City of Newberry Financial Reports

REVENUE CAPACITY INFORMATION

Schedule 5
CITY OF NEWBERRY, FLORIDA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Centrally Assessed Property for Operating Purposes	Gross Taxable Value	New Construction Taxable Value	Adjusted Taxable Value	Final Taxable Value	Millage Rate
2014	$ 184,014,110	$ 164,068,361	$ 851,514	$ 348,933,985	$ (7,302,362)	$ 341,631,623	$ 349,764,767	3.8084
2015	187,723,126	147,383,150	929,178	336,035,454	(6,551,530)	329,483,924	337,176,963	3.9113
2016	196,220,126	136,956,523	941,359	334,118,008	(4,688,980)	329,429,028	334,295,760	3.9500
2017	205,113,150	163,218,847	2,102,281	370,434,278	(13,534,578)	356,899,700	373,402,916	5.9089
2018	225,503,073	140,506,668	2,098,176	368,107,917	(11,594,270)	356,513,647	422,385,827	5.9999
2019	257,417,663	170,781,145	2,253,187	430,451,995	(17,087,647)	413,364,348	430,451,995	5.9999
2020	286,754,126	153,517,653	2,032,911	442,304,690	(20,091,017)	422,213,673	464,618,207	5.9999
2021	320,126,713	171,865,376	2,106,375	494,098,464	(21,052,088)	473,046,376	492,929,695	5.9999
2022	363,228,468	183,991,003	2,619,984	549,839,455	(21,189,291)	528,650,164	546,998,439	5.9999
2023	441,972,379	171,660,932	3,022,546	616,655,857	(34,808,437)	581,847,420	601,477,427	5.9244

Source: Alachua County Property Appraiser (forms DR-420 and DR-422)

Notes: Property in the City is reassessed each year. Property is assessed at actual value; therefore, assessed values are equal to actual value and a separate table to assessed and actual data is not presented. Tax rates are per $1,000 of assessed value.

Schedule 6
CITY OF NEWBERRY, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per $1,000 of assessed value)

	Direct			Overlapping							
Fiscal Year Ended Sept. 30,	Basic Rate	General Obligation Debt Service	Total City	Alachua BOCC	Alachua BOCC GO Debt	Children's Trust of Alachua County	Alachua County Library District	Library Capital Outlay	Library Debt Service	School Board	Suwannee River Water Management District
2014	3.8084	0.0000	3.8084	8.7990	0.2500	0.0000	1.3638	0.0000	0.0950	8.4020	0.4143
2015	3.9113	0.0000	3.9113	8.7990	0.2500	0.0000	1.3638	0.0000	0.0950	8.4100	0.4141
2016	3.9500	0.0000	3.9500	8.7950	0.1595	0.0000	1.3638	0.0000	0.0900	8.3420	0.4104
2017	5.9089	0.0000	5.9089	8.9290	0.0000	0.0000	1.3371	0.0000	0.0750	7.9360	0.4093
2018	5.9999	0.0000	5.9999	8.4648	0.0000	0.0000	1.2655	0.0000	0.0000	7.6250	0.4027
2019	5.9999	0.0000	5.9999	8.2829	0.0000	0.0000	1.2303	0.0000	0.0000	7.2640	0.3948
2020	5.9999	0.0000	5.9999	8.2729	0.0000	0.0000	1.2303	0.0000	0.0000	7.1440	0.3840
2021	5.9999	0.0000	5.9999	7.8935	0.0000	0.5000	1.1289	0.0000	0.0000	6.9150	0.3696
2022	5.9999	0.0000	5.9999	7.8662	0.0000	0.5000	1.0856	0.0000	0.0000	6.8430	0.3615
2023	5.9244	0.0000	5.9244	7.7662	0.0000	0.4612	1.0565	0.0000	0.0000	6.4980	0.3368

Source: Alachua County Property Appraiser

Schedule 7
CITY OF NEWBERRY, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO

	Fiscal Year 2023			Fiscal Year 2014			
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxpayer**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Argos USA	$ 138,880,297	1	23.09%	Florida Rock Industries Inc	$ 139,683,130	1	39.94%
Sabal Trail Transmission LLC	12,316,483	2	2.05%	Florida Rock Properties	5,095,400	2	1.46%
Watson Construction Co LLC	6,562,169	3	1.09%	Hitchcock Enterprises Inc	2,596,700	3	0.74%
Florida Rock Properties Inc	3,372,925	4	0.56%	Davis Heritage Ltd	2,016,800	4	0.58%
Norfleet-Green Development II LLC	3,272,391	5	0.54%	Watson Equipment LLC	1,802,170	5	0.52%
Community Properties USA Inc	3,203,400	6	0.53%	Bellsouth Telecommunications	1,702,650	6	0.49%
Davis Heritage LTD	2,829,617	7	0.47%	Brant Properties	1,563,400	7	0.45%
Bella-Rue LLC	2,368,100	8	0.39%	Watson Landholdings LLC	1,367,600	8	0.39%
Norfleet Construction Group LLC	2,308,827	9	0.38%	Watson Construction Co LLC	1,296,960	9	0.37%
PetCo Animal Supplies Inc	2,188,115	10	0.36%	Newberry LTD	1,246,300	10	0.36%
	$ 177,302,324		29.46%		$ 158,371,110		45.30%

Source: Alachua County Property Appraiser

Schedule 8
CITY OF NEWBERRY, FLORIDA
PRINCIPAL ELECTRIC CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
Electric Customer	**Kilowatt Hours**	**Rank**	**Kilowatt Hours**	**Rank**	**Kilowatt Hours**	**Rank**	**Kilowatt Hours**	**Rank**	**Kilowatt Hours**	**Rank**	**Kilowatt Hours**	**Rank**	**Kilowatt Hours**	**Rank**	**Kilowatt Hours**	**Rank**	**Kilowatt Hours**	**Rank**	**Kilowatt Hours**	**Rank**
Alachua County School Board	3,402,466	1	3,728,160	1	3,719,752	1	3,672,076	1	4,091,790	1	4,494,990	1	4,096,163	1	4,967,337	1	4,544,042	1	4,496,085	1
City of Newberry	1,214,522	3	1,186,502	3	1,204,130	3	1,103,578	3	1,153,850	3	1,670,222	3	1,631,798	3	1,649,407	3	1,631,263	3	1,763,807	2
Hitchcocks	1,931,002	2	1,931,437	2	1,984,870	2	1,982,031	2	1,979,229	2	1,933,200	2	1,834,000	2	1,852,400	2	1,642,600	2	1,622,800	3
Southern Fuelwood	598,520	4	877,240	4	808,980	4	940,320	4	934,220	4	1,025,258	4	1,331,390	4	1,193,686	4	1,284,819	4	1,261,777	4
Inspired Energy	369,237	7	397,804	9	425,394	8	478,763	7	630,643	5	713,880	5	712,280	6	756,480	6	758,480	5	752,240	5
Circle K Stores, Inc	445,800	5	537,220	6	531,400	5	566,780	6	564,760	6	645,339	6	548,120	7	512,260	7	493,560	7	512,760	6
Hudson Food Stores	338,216	8	450,262	7	456,507	7	449,689	8	432,669	8	418,560	8	430,080	8	452,200	8	443,480	8	426,680	7
Hardees Phase 3 Star	421,100	6	412,500	8	418,001	9	425,302	9	410,000	9	411,500	9	375,700	9	340,400	9	308,400	9	287,700	8
Bellsouth	201,360	10	211,200	10	237,920	10	242,560	10	238,160	10	246,560	10	266,080	10			273,840	10	261,040	9
Pat Post Properties																			238,574	10
The Gourmet Rodent	285,496	9	585,615	5	519,098	6	616,886	5	505,565	7	554,260	7	931,600	5	890,573	5	647,368	6		
Watson Asphalt															325,472	10				

Source: City Utility Records

Schedule 9
CITY OF NEWBERRY, FLORIDA
PRINCIPAL WATER CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
Water Customer	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank
Alachua County School Board	11,237	1	8,737	1	6,339	3	7,547	2	9,452	2	11,688	2	10,265	2	8,836	3	8,499	3	13,805	1
Smyrna Ready Mix Concrete					11,955	1	12,047	1	11,425	1	14,420	1	16,479	1	15,451	1	8,873	1	9,816	2
City of Newberry	4,338	2	8,269	2	9,850	2	7,163	3	3,196	3	3,772	3	7,584	3	10,696	2	8,525	2	4,643	3
Scott's Laundry			948	3	1,028	5	616	7	1,088	4	1,242	4	1,016	6	1,070	6	1,291	5	1,490	4
Newberry Car Wash													1,915	4	1,488	4	1,605	4	1,231	5
Argos Ready Mix LLC							509	9	708	7	1,017	7	1,482	5	1,259	5	1,097	7	1,037	6
Newtown Park																	1,068	8	685	7
Norfleet Construction																			546	8
RADDSports																			522	9
Hitchcocks	658	6	445	7					467	9	419	9	964	7					473	10
Gourmet Rodent					1,111	4	539	8	608	8	510	8					1,213	6		
Kevin Coleman																	704	9		
DR Hortorn																	687	10		
McCall Pest Service															860	7				
Raymond King															538	8				
Woodyard Grill													484	10	507	9				
GPS Newberry West															464	10				
Booker T Hunt Funeral	538	8	339	9	575	7	810	5					523	9						
Maronda Homes	684	5											667	8						
Watson Construction			758	4	362	11														
Hardees Phase 3 Star	972	6	415	8	546	8	443	10	969	5	1,078	5								
Inspired Energy									826	6	1,070	6								
Mac Johnson Roofing							616	7	384	10	384	10								
J2 Engineering	325	10																		
Newberry's Backyard BBQ	588	7	686	5	610	6	1,083	4												
B&K Carwash			335	10																
Villagio's Pizzaria							636	6												
Red Wok Buffet	434	9	568	6	450	9														
Mary Ellen	853	4																		

Source: City Utility Records

Schedule 10
CITY OF NEWBERRY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	$ 1,281,311	$ 1,238,473	96.7%	$ 882	$ 1,238,786	96.7%
2015	1,317,312	1,272,857	96.6%	788	1,273,096	96.7%
2016	1,321,096	1,275,872	96.6%	1,111	1,276,070	96.6%
2017	2,229,962	2,150,778	96.4%	5,306	2,151,592	96.5%
2018	2,369,571	2,321,570	98.0%	2,771	2,324,341	98.0%
2019	2,648,528	2,445,196	94.7%	3,888	2,445,196	94.7%
2020	2,792,045	2,684,664	96.2%	13,287	2,697,951	96.6%
2021	2,957,529	2,844,220	96.2%	3,145	2,847,365	96.3%
2022	3,281,936	3,162,721	96.4%	8,775	3,171,496	96.6%
2023	3,563,393	3,406,516	95.6%	10,251	3,416,767	95.9%

Source: Alachua County Tax Collector

DEBT CAPACITY INFORMATION

Schedule 11
CITY OF NEWBERRY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities		Business-Type Activities				
Fiscal Year	General Government Bonds	Financing Loans/Leases	Utility Revenue Bonds	Loans/Leases	Total Government	Percent of Personal Income	Debt Per Capita
2014	$ 5,925,000	$ -	$ -	$ 3,219,265	$ 9,144,265	1.5%	1,678
2015	5,775,000	-	-	3,078,330	8,853,330	1.4%	1,580
2016	4,359,000	-	1,345,562	-	5,704,562	0.0%	1,262
2017	-	395,000	-	2,787,745	3,182,745	1.1%	536
2018	-	-	-	2,637,973	2,637,973	1.0%	422
2019	-	-	-	2,485,133	2,485,133	0.8%	378
2020	-	-	-	2,329,157	2,329,157	0.7%	339
2021	-	-	-	1,802,850	1,802,850	0.5%	235
2022	-	19,384	-	2,300,242	2,319,626	0.6%	288
2023	-	882,000	857,000	3,038,360	4,777,360	1.1%	562

Sources: City of Newberry Financial System Data
Department of Revenue
Alachua County Property Appraiser
Alachua County Tax Collector

Notes: There are no legal debt limits for Florida Municipalities.
Details regarding the City's per capita personal income can be found on Schedule 15.
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Personal Income not available for 2022 at the time of issuance.

Schedule 12
CITY OF NEWBERRY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Fire Truck Purchase, Series 2023	$ 882,000	100%	$ 882,000
Total Direct Debt Outstanding	882,000		882,000
Overlapping:			
Alachua County Board of County Commissioners			
Public Improvement Revenue Note, 2014	2,147,000	3.19%	68,489
Capital Improvement Revenue Note, 2015A	1,230,000	3.19%	39,237
Public Improvement Revenue Refunding Note, 2015B	5,807,000	3.19%	185,243
Public Improvement Revenue Refunding Note, 2016	5,510,000	3.19%	175,769
Public Improvement Revenue Note, 2017	846,000	3.19%	26,987
Local Option Gas Tax Revenue Note, 2018	6,985,000	3.19%	222,822
2020A Capital Improvement Revenue Note	2,695,000	3.19%	85,971
2020B Capital Improvement Revenue Note	3,470,000	3.19%	110,693
2020C Capital Improvement Revenue Bond	9,860,000	3.19%	314,534
Tourist Development Tax Revenue Note, 2021AB	29,770,000	3.19%	949,663
Capital Improvement Revenue Note, 2022	33,310,000	3.19%	1,062,589
Capital Improvement Revenue Note, 2023	8,000,000	3.19%	255,200
School Board of Alachua County			
Bus Purchase 2020	2,749,497	3.19%	87,709
Certificates of Participation, Series 2013 and 2020	85,145,000	3.19%	2,716,126
Qualified School Construction Bonds, Series 2010A	11,211,997	3.19%	357,663
Build America Bonds, Series 2010B	2,486,625	3.19%	79,323
Total Overlapping Debt	211,223,119		6,738,018
Total Government Activities Debt	$ 212,105,119		$ 7,620,018

Sources: Alachua County Clerk of the Court
Alachua County School Board

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Newberry. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and, therefore, responsible for repaying the debt of each overlapping government.

Ratio of assessed valuation of taxable property in overlapping unit to that within the City of Newberry.

Schedule 13
CITY OF NEWBERRY, FLORIDA
PLEDGED-REVENUE COVERAGE
GENERAL GOVERNMENT DEBT
LAST TEN FISCAL YEARS

Series 2008 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2014	$ 92,504	$ 78,036	$ 14,467	1.00
2015	92,504	80,736	11,767	1.00
2016	92,504	83,530	8,974	1.00
2017	92,504	86,420	6,084	1.00
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-

Nations Park Series 2010 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2014	$ 612,571	$ 385,000	$ 227,571	1.00
2015	612,970	400,000	212,970	1.00
2016	5,965,425	5,925,000	40,425	1.00
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-

Series 2015 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2014	$ -	$ -	$ -	$ -
2015	-	-	-	-
2016	1,493,930	1,416,000	77,930	1.00
2017	4,436,298	4,359,000	77,298	1.00
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-

Source: City of Newberry Financial Reports

Schedule 14
CITY OF NEWBERRY, FLORIDA
PLEDGED-REVENUE COVERAGE
UTILITY BONDS
LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenue (1)	Direct Operating Expenses (2)	Net Available for Debt Service (3)	Debt Service		Coverage
				Principal	Interest	
2014	$ 1,372,295	$ 898,759	$ 473,536	$ 718,333	$ 45,770	0.62
2015	1,521,106	797,352	723,754	140,935	64,581	3.52
2016	1,855,182	884,658	970,524	143,820	61,696	4.72
2017	1,862,949	1,046,593	816,356	146,765	58,752	3.97
2018	2,182,661	1,099,122	1,083,539	149,772	55,745	5.27
2019	2,309,052	1,250,893	1,058,159	152,841	52,675	5.15
2020	2,725,329	1,341,269	1,384,060	155,976	49,541	6.73
2021	2,894,862	1,327,159	1,567,703	566,867	42,015	2.57
2022	3,341,336	1,534,988	1,806,348	126,144	32,949	11.35
2023	4,208,261	2,119,738	2,088,523	186,554	59,681	8.48

Sources: City of Newberry Financial Statements (Statements of Revenues, Expenses, and Changes in Fund Net Position)

Notes: (1) Operating Revenue includes investment earnings and other miscellaneous income (excludes capital contributions and grants)
(2) Direct Operating Expenses exclude depreciation and amortization.
(3) A large portion of Water and Wastewater Development Fees may be used to pay debt service and are included in the Net Available for Debt Service Figure.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 15
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	City Population	Gainesville MSA Population	Per Capita Personal Income	Total Personal Income	Unemployment Rate
2013	5,309	268,232	38,225	$ 202,936,525	4.9%
2014	5,450	270,382	38,903	212,021,350	4.6%
2015	5,604	273,377	40,199	225,275,196	4.5%
2016	5,778	277,163	41,008	236,944,224	4.4%
2017	5,942	280,708	41,718	247,888,356	3.1%
2018	6,249	280,715	44,390	277,393,110	2.7%
2019	6,573	285,072	44,880	294,996,240	2.8%
2020	6,873	289,857	45,666	313,862,418	4.3%
2021	7,684	328,517	47,302	363,468,568	3.0%
2022	8,066	351,001	50,623	408,325,118	2.4%
2023	8,503	357,446	50,892	432,734,676	3.0%

Notes: Per Capita Personal Income figures are based on amounts obtained from Bureau of Economic Analysis (BEA).
Unemployment rate figures obtained from Bureau of Labor Statistics.
Population estimates obtained from Bureau of Economic and Business Research, University of Florida.
Per Capital Personal Income and Total Personal Income were not available at the time of this report.

Schedule 16
CITY OF NEWBERRY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

	2023	
Employer	**Number of Employees**	**Rank**
School Board of Alachua County	258	1
Argos	123	2
Inspired Energy	98	3
City of Newberry	87	4
Bounds Heating and Air	70	5
Hitchcocks	61	6
Southern Fuelwood	30	7
Stone House Neighborhood Grill	43	8
Greenfield Preschools	41	9
Tropic Traditions	31	10

	2014	
Employer	**Number of Employees**	**Rank**
School Board of Alachua County	241	1
Bounds Heating and Air	72	2
City of Newberry	61	3
Southern Fuelwood	49	4
Watson Construction	21	5

Unable to obtain additional historical data

Sources: Individual Employers, Council for Economic Opportunity, City of Newberry Planning Department

OPERATING INFORMATION

Schedule 17
CITY OF NEWBERRY, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Administration										
City Manager	5.5	2.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Clerk	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0
Finance	-	2.6	2.6	2.7	2.7	3.0	3.0	4.0	4.0	4.8
Human Resources	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning	2.4	3.0	1.6	1.7	1.7	2.2	2.5	2.5	2.5	2.7
Facilities	1.4	2.2	2.7	2.9	2.2	3.0	3.0	3.0	4.5	4.5
Economic Development	-	-	1.0	1.0	1.0	0.5	0.5	0.5	0.5	1.0
Capital Improvement	-	-	-	-	-	-	-	-	0.5	0.5
Public Safety										
Fire	13.0	13.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0	14.0
Building	2.5	2.9	2.2	2.9	3.2	3.2	3.0	3.0	3.5	3.4
Code Enforcement	-	-	1.1	1.0	0.5	0.5	0.5	1.0	1.0	1.0
Physical Environment										
Electric	6.1	5.9	4.7	4.9	4.9	4.9	5.0	5.0	5.0	4.1
Water	3.8	3.6	2.8	2.4	3.0	3.0	3.0	3.0	3.0	3.0
Wastewater	3.7	3.0	2.8	2.4	2.9	3.0	3.0	3.0	3.0	3.0
Utility Administration	-	-	-	3.0	3.0	4.0	4.0	4.0	5.5	6.0
Customer Service	-	-	-	3.5	3.5	3.5	3.5	3.5	4.0	4.0
Public Works										
Cemetery	0.8	0.3	0.3	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Streets & Roads	4.8	4.7	4.4	3.1	2.8	2.8	3.0	3.0	3.0	3.7
Solid Waste	-	-	0.2	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Mosquito Control	-	-	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Culture and Recreation										
Parks & Recreation	9.0	8.4	9.4	9.5	7.2	6.7	6.7	7.5	6.5	7.7
Diamond Sports Park	2.9	2.6	2.5	2.3	1.4	-	-	-	-	-
MLK Community Center	-	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1
Parks Maintenance	-	-	-	-	2.2	2.0	2.0	2.0	3.0	3.4
Total	56.9	57.3	57.0	62.9	61.8	61.9	62.3	65.6	70.1	74.0

Source: City of Newberry Annual Budget
*Departments added as needed to accommodate City growth.

Note: Firefighters shown as 1 FTE even though they work in excess of 2,080 hours per year.

Schedule 18
CITY OF NEWBERRY, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Planning and Development:										
Local business tax receipts issued	509	360	485	421	279	278	238	260	286	315
Building permits issued	254	280	323	396	474	573	541	733	633	738
Fire:										
Number of Calls	840	853	937	933	918	1,028	1,035	1,088	1,160	1,204
ISO Rating	3	3	3	3/3x	3/3x	3/3x	3/3x	3/3x	3/3x	3/3x
Culture and Recreation:										
Recreation sports programs	9	10	10	10	10	10	10	14	11	11
Recreation sports programs participants	630	693	655	654	666	859	794	1,003	1,474	1,529
Summer program participants	109	135	106	101	96	-	-	-	175	141
Electric Utility:										
Number of residential customers	1,384	1,409	1,469	1,512	1,587	1,665	1,785	1,913	2,058	2,272
Kilowatts per hour sold-residential	17,134,966	18,187,100	18,706,281	18,473,149	19,770,623	20,734,891	22,034,436	23,816,283	25,135,854	26,188,140
Number of non-residential customers	317	310	311	319	319	303	318	325	338	349
Kilowatts per hour sold- non-residential	14,957,584	15,641,552	15,703,703	15,576,182	16,327,580	16,814,325	16,268,108	17,684,088	17,047,983	16,641,059
Water Utility:										
Number of residential customers	1,528	1,567	1,666	1,729	1,846	1,955	2,072	2,224	2,357	2,546
Gallons sold	118,770,000	119,520,000	123,301,000	125,702,000	125,931,000	134,039,000	153,780,000	151,769,000	161,887,000	170,281,000
Number of non-residential customers	190	190	194	197	198	194	198	205	249	218
Gallons sold	24,639,000	22,387,000	33,511,000	35,226,000	35,718,000	40,289,000	42,619,000	39,264,000	33,679,000	37,976,000
Wastewater Utility:										
Number of residential customers	1,399	1,452	1,539	1,601	1,702	1,815	1,929	2,055	2,607	2,359
Gallons of wastewater billed to customers	109,059,000	110,486,000	112,209,000	113,187,000	113,855,000	121,785,000	139,519,000	140,730,000	148,931,000	156,291,000
Number of non-residential customers	151	155	158	160	162	161	162	168	201	170
Gallons of wastewater billed to customers	19,279,000	17,242,000	17,216,000	17,659,000	19,893,000	20,657,000	18,858,000	18,412,000	18,496,000	20,219,000
Irrigation:										
Number of residential customers	12	11	11	12	13	14	14	15	17	18
Gallons sold to residential customers	1,606,000	1,421,000	1,452,000	1,073,000	1,142,000	1,933,000	1,726,000	1,964,000	1,982,000	1,355,000
Number of non-residential customers	38	44	43	39	38	36	35	36	41	39
Gallons sold to non-residential customers	13,041,000	17,589,000	12,066,000	8,869,000	4,148,000	5,099,000	11,224,000	11,264,000	9,859,000	8,001,000
Solid Waste:										
Number of residential customers	1,501	1,551	1,632	1,696	1,798	1,918	2,033	2,168	2,308	2,488
Number of non-residential customers	0	71	107	109	114	115	122	125	126	138

Source: Various City Departments

*Zeros in solid waste indicate time prior to commercial service.

Schedule 19
CITY OF NEWBERRY, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety:										
Fire Station	1	1	1	1	1	1	1	1	1	1
Fire Apparatus	5	5	5	5	5	5	5	5	5	5
Public Services:										
Streets (miles)	38	38	38	38	40	42	42	50	62	64
Culture and Recreation:										
Parks	7	7	7	7	7	7	7	7	7	7
Baseball Fields	33	33	33	33	33	25	23	23	23	23
Community Centers	1	1	1	1	1	1	1	1	1	1
Water Utility:										
Wells	4	4	4	4	4	4	4	4	4	4
Elevated Tanks	2	2	2	2	2	2	2	2	2	2
Wastewater Utility:										
Treatment capacity (millions of gallons per day)	0.499	0.499	0.499	0.499	0.499	0.499	0.499	0.560	0.560	0.560
Lift Stations	25	25	26	26	26	26	26	26	28	28

Source: Various City Departments

Notes:
*Increase in street miles from 2022 to 2020 is mainly due to correction of errors identified in paved and unpaved street mileage reported to the State of Florida.

OTHER INDEPENDENT AUDITOR'S REPORTS AND SCHEDULES

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

To the Mayor and City Commissioners
City of Newberry, 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 Newberry, Florida (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 2, 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.

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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Mayor and City Commissioners
City of Newberry, 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*

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*.

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

April 2, 2024
Gainesville, Florida

PURVIS GRAY

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

To the Mayor and City Commissioners
City of Newberry, Florida

We have examined the City of Newberry, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2023. City management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the 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 for the year ended September 30, 2023.

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

Purvis Gray

April 2, 2024
Gainesville, Florida

CITY OF NEWBERRY, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

State Grantor/Program Title	State CSFA Number	Contract/Grant No.	Expenditures
Florida Department of Environmental Protection			
Florida Recreation Development Assistance Program	37.017	A23084	$ 13,537
Statewide Water Quality Restoration Projects - Newberry Regional Advanced Wastewater Treatment Facility	37.039	WG087	95,028
Drinking Water Facility Construction	37.076	DW010810	163,820
Wastewater Treatment Facility Construction	37.077	WW010800	1,069,088
Total Florida Department of Environmental Protection			1,341,473
Department of State and Secretary of State			
Historic Preservation Grants - City of Newberry Historic Resources Survey Update	37.077	23.h.sm.200.143	30,940
Total Department of State and Secretary of State			30,940
Total Expenditures of State Financial Assistance			$ 1,372,413

CITY OF NEWBERRY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of the City of Newberry, Florida (the City) and is presented in accordance with the requirements of the *Florida Single Audit Act.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The schedule is prepared using the modified accrual basis of accounting.

Note 2 - Indirect Costs

The City has not elected to use the 10% de minimis cost rate as covered in the 200.414 indirect (F&A) costs.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

To the Mayor and City Commissioners
City of Newberry, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project
We have audited City of Newberry Florida's (the City) compliance with the types of compliance requirements described in the Department of Financial Services' State Projects *Compliance Supplement* that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2023. The City's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Project
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards and Chapter 10.550, *Rules of the Auditor General*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

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 the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, *Rules of the Auditor General,* will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than 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 the City's compliance with the requirements of each major state projects as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material 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 the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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 state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

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 Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Purvis Gray

April 2, 2024
Gainesville, Florida

CITY OF NEWBERRY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Part I - Summary of Auditor's Results

1) The auditor's report on the basic financial statements contained unmodified opinions.

2) The audit disclosed no material weaknesses or significant deficiencies in internal control over financial reporting.

3) No instances of non-compliance considered material to the financial statements were disclosed by the audit.

4) The audit did not report significant deficiencies or disclose material weaknesses in internal control over the state projects.

5) The auditor's report on compliance for the major state projects was unmodified.

6) The audit did not disclose findings relative to the major state projects.

7) The City's major project was:

State Projects	CSFA No.
Wastewater Treatment Facility Construction	37.077

8) A threshold of $411,724 was used to distinguish between Type A and Type B projects for state projects.

Part II - Financial Statement Findings

None reported.

Part III - Findings and Questioned Costs - State Projects

None reported.

PURVIS GRAY

MANAGEMENT LETTER

To the Mayor and City Commissioners
City of Newberry, Florida

Report on the Financial Statements
We have audited the financial statements of the City of Newberry, Florida (the City) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 2, 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; 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 State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 2, 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 in the preceding financial audit report.

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 included in Note 1 to the financial statements.

To the Mayor and City Commissioners
City of Newberry, Florida

MANAGEMENT LETTER

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. In connection with our audit, we recommend:

- **23-01 – Building Permits Process**
  During our testing of building permits we identified 2 of 26 instances where the incorrect rate type was used and 1 of 7 instances where the valuation was significantly understated. We also noted various minor exceptions due to inconsistent rounding of valuation amounts. None of the exceptions identified had a material impact on the City's revenues, but as building permits continue to increase and become a more significant revenue stream for the City, we noted opportunities for improvement to ensure the revenues are accurate and complete. We recommend management establish written policies or standard operating procedures to include verification of square footage or valuations provided by applicant, clear support for calculations of valuations and building permit fees charged, and secondary review of the same.

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
Specific information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General* are reported in the separate financial statements of the City of Newberry Community Redevelopment Agency.

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.

To the Mayor and City Commissioners
City of Newberry, Florida

MANAGEMENT LETTER

Purpose of this Letter

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



April 2, 2024
Gainesville, Florida

Newberry
FLORIDA
ESTABLISHED 1895

25440 W Newberry Road
Newberry FL 32669
Tel: 352-472-2161
www.NewberryFL.gov

April 2, 2024

Auditor General's Office
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 32399-1450

Re: City of Newberry FY22-23 10.550 Report

Dear Sir or Madam,

Pursuant to Auditor General Rule 10.558(1), please find a written statement of explanation and corrective actions related to disclosures noted in internal control over financial reporting and the management letter required by Chapter 10.550.

Recommendations to improve the local governmental entity's financial management accounting procedures and internal controls:

Response:
Staff agrees with the auditor's findings and has taken or will take the following corrective actions:

Incorrect rate applied to permit applications. In the 2023 fiscal year, building permit processing was a manual process, requiring several calculations, which provided an opportunity for error. At the beginning of the 2024 fiscal year, a new permitting software system was launched, which automated much of the process, including checklists to ensure each step of the process is followed correctly, especially confirmation of the building type and square footage on which the valuations are based. Two staff members are now reviewing applications for accuracy. Additional written policies, in the form of standard operating procedures, are being updated to further document processes to ensure staff always has written guidance available.

Valuation is significantly understated. As stated above, the method of calculating permit valuations has been automated to the greatest extent possible to eliminate errors that could result in erroneous valuations. Key to ensuring proper valuation is the correct entry of building type and square footage, which will be initially validated by the Permit Technician and then secondarily reviewed by the Building Official and/or second Permit Technician.

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Inconsistent rounding of valuation amounts. Automating the calculation process within the permitting software system should eliminate inconsistencies as the system follows the standard convention for rounding.

Management will continue to monitor and strive to improve this area, fully appreciating its importance in detecting possible errors or irregularities.

Please do not hesitate to contact me with any questions or need any additional information.

Sincerely,



Mike New, PE
City Manager