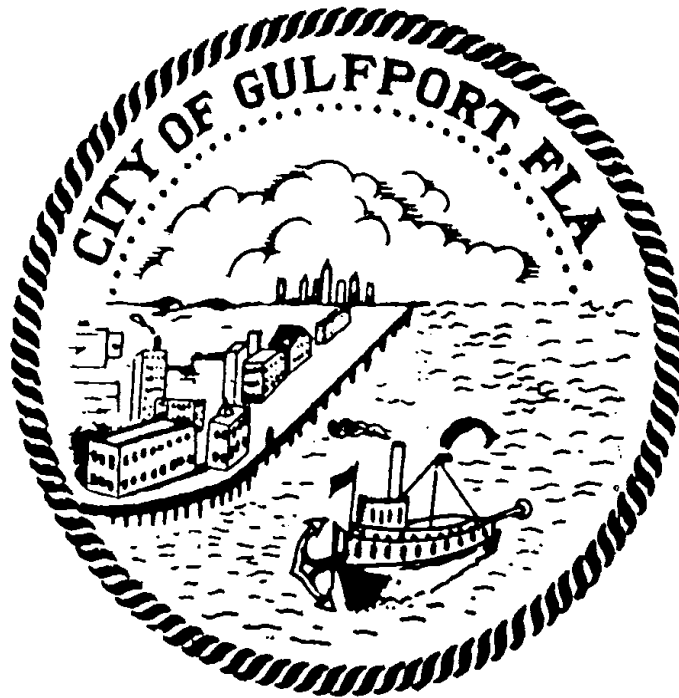


*City of Gulfport
Florida*



*2023
Annual Comprehensive
Financial Report*

Fiscal Year Ended September 30, 2023

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Annual Comprehensive Financial Report
of the
City of Gulfport, Florida
for the
Fiscal Year Ended September 30, 2023

Samuel Henderson, Mayor
Christine Brown, Council Member
April Thanos, Council Member
Paul Ray, Council Member
Ian O'Hara, Vice Mayor



City Manager
James E. O'Reilly

City Clerk
Theresa Carrico

Finance Director
Chris Caddell

Prepared by: City of Gulfport Finance Department

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CITY OF GULFPORT, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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Year Ended September 30, 2023

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Introductory Section

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CITY OF GULFPORT, FLORIDA

Gateway to the Gulf

SAMUEL HENDERSON, Mayor

APRIL THANOS, Councilmember, Ward 1
CHRISTINE BROWN, Councilmember, Ward 2

PAUL RAY, Councilmember, Ward 3
IAN O'HARA, Councilmember, Ward 4

May 31, 2024

Honorable Mayor, City Council Members and
Citizens of the City of Gulfport, Florida

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Gulfport, Florida (the "City") for the fiscal year ended September 30, 2023. In addition to meeting legal requirements of the City Charter, Florida Statutes and the Rules of the Auditor General of the State of Florida, the report continues to present the City's tradition of full financial disclosure. This report represents the City's financial position and operations to the citizens, City Council, management personnel of the City, rating agencies and other interested parties.

Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the City. All disclosures necessary to properly interpret the data presented, and to enable the reader to gain an understanding of the City's financial activities have been included.

To maintain a reasonable basis for making these representations, management maintains an internal control structure that provides reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's accounting policies. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires management's estimates and judgments. All internal control evaluations occur within this framework. The City's internal accounting controls are believed to adequately safeguard assets and provide reasonable assurance of properly recording financial transactions.

Pursuant to the City Charter, Florida Statutes, Chapters 11.45 and 218, and Chapter 10.550 of the Rules of the Auditor General of the State of Florida, an audit of the accounts and financial statements of the City of Gulfport have been completed by the City's independent certified public accountants, MSL CPAs & Advisors, whose opinion is included as the first component of the financial section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent audit concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2023 are fairly presented in conformity with accounting principles generally accepted in the United States.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Gulfport was incorporated in 1910. The name change to the City of Gulfport occurred in 1951 when the population of the Town exceeded 2,500. The City currently has a population of 12,006 and is approximately 2.8 square miles in area. The City is located in Pinellas County and is bordered on the north and east by the City of St. Petersburg. To the south is Boca Ciega Bay. The western side of the City is bordered by an area of unincorporated Pinellas County that is subsequently bordered by the City of South Pasadena.

The City is a full service city and provides traditional services, including police and fire protection as well as EMS; maintenance of parks, streets, and other infrastructure; water, sewer, stormwater, and sanitation services; a senior center as well as a recreation center; marina and cultural facility centers. The City also provides a transportation program for elderly and handicapped residents. The City purchases potable water from the City of St. Petersburg and contracts with them for wastewater treatment. Pinellas County provides solid waste disposal and the jail/court systems.

The annual budget serves as the foundation for the City's financial planning and control. Department directors are required to submit their budget requests to the City Manager, who then uses these requests as the starting point for developing the proposed annual budget. The City Manager is required by the City Charter to present the proposed budget to the City Council by July 15. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. The City Manager may transfer any unencumbered appropriation or portion thereof between classifications of expenditures within a department. The City Council may, by required legislation, make additional appropriations or transfer unencumbered appropriations from one department to another department or fund. Budget to actual comparisons are provided in the annual budget for each individual governmental and enterprise fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The primary challenges facing the city in this post pandemic period is the effect of inflation and a very tight job market for the on boarding of employees to continue to provide city services. The continued volatility of economic indicators creates an unpredictable horizon for the area’s economy. Gulfport, like many other local governments, primarily relies on property and a limited array of permitted other taxes (sales, gasoline, utilities services, etc.) and fees (franchise, occupational licenses, etc.) to fund governmental activities. Based on previous conservative revenue estimates applied in FY 2022, the city saw a strong increase in revenues derived from revenues specifically related to the Half Cent Sales Tax, State Revenue Sharing and other closely related revenues.

Values in taxable assessed real estate continued the increasing trend. The previous peak of the market was in FY 2008 followed by the downturn in FY 2009 and steady decline in subsequent years through FY 2013. The assessed value has risen to over 1.5 billion in FY 2023. Ad valorem collections mirrored taxable values. The following table illustrates the taxable real estate values and ad valorem property tax revenues over the past sixteen fiscal years.

Fiscal Year	Taxable Assessed Value	Millage Rate	Ad Valorem Revenues
2008	\$1,005,346,275	3.349	\$ 3,256,529
2009	\$ 890,284,920	3.474	\$ 3,009,208
2010	\$ 798,568,343	3.474	\$ 2,699,875
2011	\$ 718,451,015	3.474	\$ 2,425,538
2012	\$ 657,170,333	4.000	\$ 2,567,103
2013	\$ 655,254,633	4.039	\$ 2,533,016
2014	\$ 697,757,967	4.039	\$ 2,558,772
2015	\$ 747,993,645	4.039	\$ 2,736,118
2016	\$ 805,160,338	4.039	\$ 2,921,083
2017	\$ 866,601,094	4.039	\$ 3,169,050
2018	\$ 937,535,904	4.039	\$ 3,394,919
2019	\$1,022,089,529	4.039	\$ 3,658,974
2020	\$1,108,362,697	4.039	\$ 3,989,665
2021	\$1,192,693,980	4.039	\$ 4,325,128
2022	\$1,373,882,315	4.039	\$ 4,649,890
2023	\$1,569,711,858	4.026	\$ 5,365,722

The economic base of the City is primarily residential with limited commercial areas accounting for approximately 7.5% of the City’s assessed valuation. The City's housing stock is diverse with many older homes. Gulfport has limited potential for expansion, and redevelopment continues to be the most viable alternative for economic improvements.

Building permits are considered a leading economic indicator for the City. While permit activity has risen dramatically over the last few years the number of permits issued in 2023 decreased by 8% from permits issued in fiscal year 2022, however the value of permits issued was higher by 15% driven primarily by commercial activity.

Factors Affecting Financial Condition – *Continued*

The Gulfport Municipal Marina which is nestled in lower Pinellas County on Boca Ciega Bay Aquatic Preserve is an informative source for evaluating the economic condition. The Marina is located twenty (20) miles from Tampa International Airport and approximately ten (10) miles to St. Petersburg Clearwater International Airport. The Marina has become a major destination for cruisers passing through the West Coast of Florida. One of the reasons is that Pinellas County has thriving marine oriented businesses in which cruisers can stop for repairs or upgrade equipment before they leave the State or the Country. Pinellas marine businesses include factory mechanics, sail and rigging makers, haul out facilities, and nationally recognized marine retail stores. Transient slip rental revenue has increased from \$77,008 in FY22 to \$99,843 in FY23. Fuel and oil sales experience a decrease of 5% in comparison to FY22.

Tourism plays a crucial role in the financial condition of the City, particularly when discussing sales tax. The Penny for Pinellas tax is a one percent sales tax paid by everyone who spends money in Pinellas County. It was first approved by voters in 1989 and went into effect in February 1990. The tax supports capital improvement projects in critical areas for the City. Without this revenue source the City would need to rely more heavily on other funding sources such as property taxes to fund necessary projects. This year the Penny generated revenue of \$1,851,204 a 3.6% increase over the prior year. The Penny was renewed by voters on November 7, 2017. This ten-year renewal will run from 2020 – 2030.

The City continues to adapt to changing economic times in our community, state and nation. While the economic climate remains volatile, the expectations for the traditional level of service continues to rise. It is paramount that the City continually address the sustained financial impact of providing such a high level of services moving forward.

Relevant financial policies

By policy, the City must maintain a minimum fund balance in the General Fund in an amount equal to sixteen (16) percent of the City's General Fund original budgeted expenditures for the respective fiscal year. The City continues to exceed the minimum Fund Balance, ensuring financial stability and recognizing the potential for natural disasters with the City being located at the gateway to the Gulf of Mexico. For the FY 2023-year end, the fund balance was \$9,288,607 while unassigned fund balance was \$7,168,869. The available unassigned fund balance was sufficient to cover this minimum requirement for FY 2023.

The City's fund balance benefitted from receiving \$6,181,536 as part of the American Rescue Plan Act (ARPA) in FY 2022 which did not reoccur in FY 2023. The City took advantage of an option to make a one-time decision to elect a "Standard Allowance" in which the Treasury presumed that the entire award allocation, in revenue has been lost due to the public health emergency and was permitted to use to fund "government services." Therefore, this elected strategy relieved the restriction on these funds, and effectively combined the funding into the unassigned fund balance within the General Fund.

Relevant financial policies – Continued

As in years past, in order to maintain the City’s traditional high levels of service during the economic downturn, the usage of payment in lieu of taxes (PILOT) transfers from the City’s Enterprise Funds to the General Fund have been made to assist in mitigating revenue shortfalls. For FY 2023, a total of \$884,033 in PILOT transfers were approved in the budget and transferred from the Enterprise Funds. Due to the nature of operations the Sanitation Fund has disproportionately absorbed the higher fuel costs throughout the fiscal year. The cost of fuel and vehicle repairs in the Sanitation Fund remained high in FY 2023 following the significant increase of \$212,345 in FY 2022. As a result, Sanitation’s payment in lieu of taxes annually transferred to the General Fund was suspended, and therefore remained in the Sanitation fund offset the negative economic impacts.

The following chart illustrates the amount by fund of PILOT transfers to the General Fund over the past ten (10) fiscal years.

	<u>Sanitation</u>	<u>Water & Sewer</u>	<u>Marina</u>
FY13	350,000	546,715	375,000
FY14	467,000	325,000	300,000
FY15	304,353	349,711	471,770
FY16	219,719	60,000	98,170
FY17	-	60,000	275,000
FY18	-	-	300,000
FY19	108,000	-	494,000
FY20	121,888	378,856	99,976
FY21	244,342	433,705	535,037
FY22	-	459,611	241,312
FY23	-	455,351	428,682

Currently, some of the methods for accomplishing operating and capital improvement requirements are largely due to success in receiving intergovernmental grant funding. The City will continue to aggressively pursue available grant funding.

Long term financial planning efforts for the City will continue to involve discussion surrounding the City’s ability to generate sufficient revenue sources to meet projected needs. Both taxes & fees can be reviewed annually along with service delivery models to determine the best approach to meeting the service needs of residents.

The abatement of groundwater infiltration in sewer lines throughout the City is a high priority currently and going forward. Significant resources have been applied for repair and replacement of water and sewer lines throughout the City’s aging utility system. The City entered into an agreement with the Florida Department of Environmental Protection for a loan to fund planning and construction costs involved in major sewer system rehabilitation improvements. Further details involving the loan can be found within note 7 of the attached Annual Comprehensive Financial Report (ACFR).

The City participates in three single-employer defined benefit pension plans and accounts for net pension liability, deferred elements, and pension expense as required by Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Further details involving the City's defined benefit pension plans can be found within note 8 of the attached Annual Comprehensive Financial Report (ACFR).

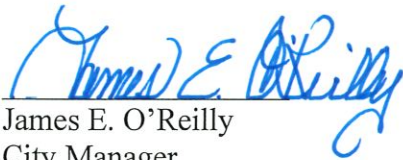
Awards and Acknowledgements

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 Gulfport, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the fortieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to conform to Certificate of Achievements Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Administrative Services Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Gulfport's finances.

Respectfully submitted,



James E. O'Reilly
City Manager



Chris Caddell
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Gulfport
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

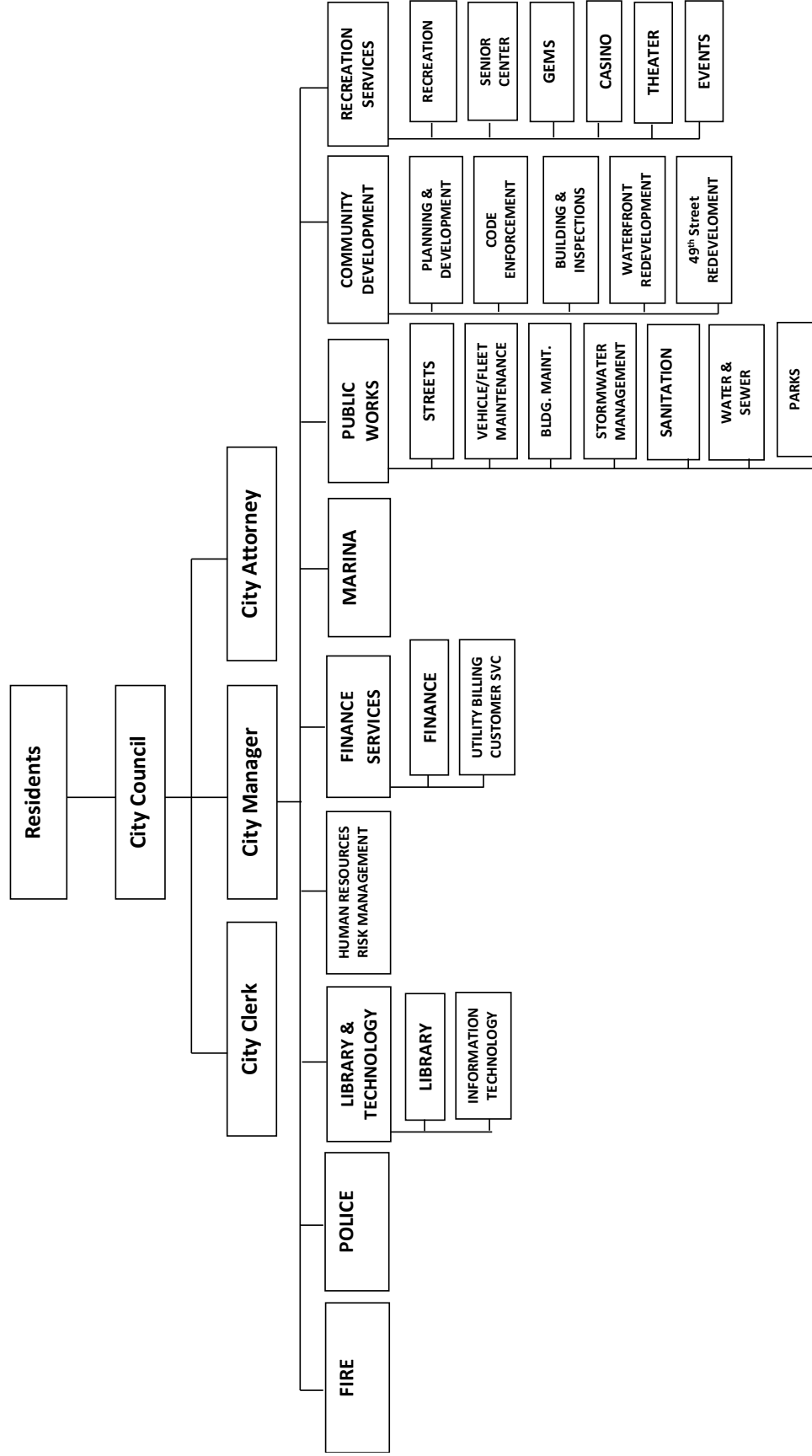
September 30, 2022

Christopher P. Morill

Executive Director/CEO

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Fiscal Year 2023 - City of Gulfport Organizational Chart



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Financial Section

This section contains the following subsections:

Report of Independent Certified Public Accountants

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Gulfport, 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 Gulfport, Florida (the City) as of and for the fiscal 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 fiscal year then ended in conformity 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

The Honorable Mayor and
Members of the City Council
City of Gulfport, Florida

INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibility 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.

The Honorable Mayor and
Members of the City Council
City of Gulfport, Florida

INDEPENDENT AUDITOR'S REPORT
(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 as a whole. The other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information is the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the 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.

The Honorable Mayor and
Members of the City Council
City of Gulfport, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 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 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 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.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
May 29, 2024

CITY OF GULFPORT, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Gulfport's (City) Annual Comprehensive Financial Report (ACFR) was prepared in accordance with generally accepted accounting principles (GAAP) applicable to government entities. This Management's Discussion and Analysis report (MD&A) is required supplementary information (RSI) in accordance with GAAP and presents an overview of financial information included in the ACFR. The City's discussion and analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the subsequent year challenges), (d) identify any material deviations from the financial plan (the adopted budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter and the City's financial statements listed in the table of contents.

Financial Condition Overview

The following key financial metrics indicate that the City remains in sound financial condition:

- *Operating results* reflect the degree to which budgets met expectations. Both actual revenues and actual expenditures were within reasonable proximity of budgeted amounts for the fiscal year.
- *Liquidity* reflects the City's ability to pay current liabilities with current assets. The City maintained sufficiently prudent liquidity levels throughout the fiscal year and at year end.
- *Fund balance* reflects the provision of financial resources for future needs and contingencies. The City's unassigned fund balances provided reasonable and sufficient working capital for operations and security for contingencies throughout the fiscal year and at year end.
- *Debt levels and debt payments* reflect the impacts of the City's borrowing decisions. Throughout the fiscal year, the City continued to borrow against the zero interest agreement for construction costs involved in the major repair and replacement of water and sanitary sewer lines throughout the City's aging utility system.

Normal Impacts

There are nine basic (normal) impacts on revenues and expenses outlined below.

Revenues

Economic Condition – Which can reflect a declining, stable, or growing economic environment and has a substantial impact on property, sales, gas, and other tax revenue as well as public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/Decrease in Council Approved Rates – While statutes set certain tax rates, the City Council has significant authority to impose and periodically increase/decrease rates (sanitation, recycling, water, wastewater, stormwater, permitting, recreation user fees, marina slip rental, and facility rental fees, etc.).

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – Certain recurring revenues (state revenue sharing, block grants, etc.) may experience significant changes periodically, while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Contribution from the Water and Sewer Fund – The City owns and operates the Water & Sewer utility system and provides administrative and support services for the utility. In return, the City receives payments from the utility. Therefore, the ongoing competitiveness and vitality of the utility is important to the City’s well-being.

Market Impacts on Investment Income – Due to varying maturities on the City’s investments and the varying nature of the market in general, City investment income may fluctuate from year to year.

Expenses

Introduction of New Programs – Within the functional expense categories (General Government, Public Safety, Public Works, Recreation, and Redevelopment, etc.), individual programs may be added or deleted to meet changing community needs.

Increase/Decrease in Authorized Personnel – Changes in service demand may cause the Council to increase/decrease authorized staffing. Historically, staffing costs (salary and related benefits) represent a significant portion of the City’s total expenses.

Salary Increases (cost of living, merit and market adjustment) – The ability to attract and retain qualified personnel requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – The City is a major consumer of certain commodities such as chemicals and supplies, fuel, and parts. Inflation is above average; therefore, some functions may experience unusual commodity-specific increases (for example, fuel prices).

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of fiscal year 2023 by \$34,750,744 (net position). Of this amount, \$6,372,446 (unrestricted net position) may be used to meet the government’s ongoing obligations to citizens and creditors.
- Fund balance of governmental funds increased by \$497,469 from the prior year.
- Net position of proprietary funds decreased by \$(544,945) from the prior year.
- Long-term liabilities increased by \$1,848,711 from the prior year (\$1,705,823 for governmental activities and \$142,888 for business-type). The majority of this increase was in the net pension liability.

The Financial Statements focus are on both the City as a whole (government-wide) and on the major individual and governmental funds as a whole. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the City’s accountability.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Government-wide Financial Statements

The Government-wide Financial Statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add up to a total for the Primary Government. The focus of the Statement of Net Position is designed to be similar to bottom-line results for the City and its governmental and business-type activities. This statement combines and consolidates the government funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental, component units, and business-type), which are supported by charges for services, operating and capital grants, and by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of and/or subsidy to various governmental services and business-type activities.

The governmental activities reflect the City's basic services including general government, police, fire, protective inspections, public services, library, and recreation. Property taxes, utility service taxes, gas taxes and sales taxes, along with the City's utilities contribution, finance the majority of these services. The business-type activities reflect private sector-type operations (sanitation, water, and wastewater, recycling, stormwater, and the marina), where the fees for service typically cover all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of government financial statements will find the fund financial statement presentations more familiar with the focus now on major funds of the City. The governmental funds statements are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses, and/or budgeting compliance associated therewith.

The fund financial statements also allow the government to address its fiduciary funds by type (pension trust funds). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

While the business-type activities - enterprise funds statements, are essentially the same as the business-type activities column on the government-wide financial statement, the governmental funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources reflects interfund transfers and other financial sources as well as capital and debt service expenditures. The reconciliations eliminate these transactions and incorporate the capital asset and long-term obligations into the governmental activities column in the government-wide financial statements.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. For the current year, the City's assets and deferred outflows exceed liabilities and deferred inflows by \$34,750,744 (net position).

A large portion of the City's net position (74.1%) reflects its investment in capital assets (e.g., land, land improvements, buildings, and equipment) net of any related debt. The City uses these capital assets to provide services to citizens and, consequently, these assets are not available for future spending.

A portion of the City's net position (7.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$6,372,446 may be used to meet the government's ongoing obligations to citizens and creditors.

Deferred outflows and inflows of resources represent amounts that will increase or decrease net position in future periods as they are amortized.

The following table reflects the condensed Statement of Net Position for the current year as compared to the previous year.

STATEMENT OF NET POSITION

As of September 30

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 13,200,600	\$ 12,827,722	\$ 6,267,029	\$ 5,869,757	\$ 19,467,629	\$ 18,697,479
Capital Assets (Net)	14,296,876	14,305,550	19,039,487	19,259,316	33,336,363	33,564,866
Total Assets	27,497,476	27,133,272	25,306,516	25,129,073	52,803,992	52,262,345
Deferred Outflows of Resources	3,821,101	5,844,308	749,697	1,192,283	4,570,798	7,036,591
Current and other liabilities	753,774	920,062	1,416,735	1,262,567	2,170,509	2,182,629
Long-term Liabilities	10,791,391	9,085,568	8,894,037	8,751,149	19,685,428	17,836,717
Total Liabilities	11,545,165	10,005,630	10,310,772	10,013,716	21,855,937	20,019,346
Deferred Inflows of Resources	708,020	881,682	60,089	77,343	768,109	959,025
Net Position:						
Net Investment in Capital Assets	14,284,866	14,132,507	11,476,340	11,348,400	25,761,206	25,480,907
Restricted	2,393,459	1,488,490	223,633	222,061	2,617,092	1,710,551
Unrestricted	2,387,067	6,469,271	3,985,379	4,659,836	6,372,446	11,129,107
Total Net Position	\$ 19,065,392	\$ 22,090,268	\$ 15,685,352	\$ 16,230,297	\$ 34,750,744	\$ 38,320,565

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Total long-term liabilities increased by \$1,848,711. Governmental activities reported a net increase of \$1,705,823 while business-type activities reported a net increase of \$142,888. The most notable differences are a net increase of \$1,555,298 in the net pension liability within governmental activities due to differences between actual and expected experience, as well as changes in actuarial assumptions. The most notable component of the increase in the business-type activities, other than the net pension liability, is a result of continuing the construction phase of major sewer system rehabilitation improvements funded through the Florida Department of Environmental Protection State Revolving Loan discussed in further detail in the long-term debt discussion.

As of September 30, 2023, the City is able to report positive balances in total net position for the City as a whole. The same situation held true for the previous fiscal year.

The City's overall financial position has decreased from the prior year by \$(3,569,821) in net position compared to the previous year. Of this, a decrease of \$(544,945) relates to the business-type activities and a decrease of \$(3,024,876) relates to the governmental activities. Additional details of these variances can be found in the *Current Year Impacts* and *Financial Analysis of the City's Funds*.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Changes in Net Position

The following schedule reflects the changes in net position for Governmental and Business-Type activities:

**STATEMENT OF ACTIVITIES
For the Year Ended September 30**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 5,467,367	\$ 5,054,713	\$ 14,371,681	\$ 13,954,948	\$ 19,839,048	\$ 19,009,661
Operating Grants and Contributions	456,126	6,585,711	173,509	8,916	629,635	6,594,627
Capital Grants and Contributions	14,843	89,241	7,920	17,201	22,763	106,442
General Revenues:						
Property Taxes	5,653,308	4,909,537	-	-	5,653,308	4,909,537
Utility Taxes and Franchise	3,014,236	2,817,982	-	-	3,014,236	2,817,982
Sales, Use, and Other Taxes	3,620,061	3,593,116	-	-	3,620,061	3,593,116
Investment Income	333,635	36,189	82,053	7,751	415,688	43,940
Other	157,670	93,078	-	-	157,670	93,078
Total Revenues	18,717,246	23,179,567	14,635,163	13,988,816	33,352,409	37,168,383
EXPENSES						
General Government	2,509,465	2,354,505	-	-	2,509,465	2,354,505
Public Safety	9,199,358	7,863,445	-	-	9,199,358	7,863,445
Recreation	5,525,270	4,488,672	-	-	5,525,270	4,488,672
Community Development / Redevelopment	1,751,384	1,552,429	-	-	1,751,384	1,552,429
Public Works	3,195,316	2,805,655	-	-	3,195,316	2,805,655
Interest on Long Term Debt	1,239	2,875	-	-	1,239	2,875
Sanitation	-	-	3,390,788	2,952,942	3,390,788	2,952,942
Water and Sewer	-	-	8,228,582	7,556,584	8,228,582	7,556,584
Marina	-	-	3,120,828	3,045,645	3,120,828	3,045,645
Total Expenses	22,182,032	19,067,581	14,740,198	13,555,171	36,922,230	32,622,752
Excess (Deficiency) Before Transfers and Special Item	(3,464,786)	4,111,986	(105,035)	433,645	(3,569,821)	4,545,631
Transfers	439,910	(570,250)	(439,910)	570,250	-	-
Change in Net Position	(3,024,876)	3,541,736	(544,945)	1,003,895	(3,569,821)	4,545,631
Net Position - Beginning	22,090,268	18,548,532	16,230,297	15,226,402	38,320,565	33,774,934
Net Position - Ending	\$ 19,065,392	\$ 22,090,268	\$ 15,685,352	\$ 16,230,297	\$ 34,750,744	\$ 38,320,565

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Current Year Impacts

Governmental activities program revenues decreased by \$(5,791,329) and general revenues increased by \$1,329,008 for a total decrease of \$(4,462,321) from the prior year.

The largest contributing factor of the overall decrease is governmental activities operating grants and contributions of \$(6,129,585). The most substantial element is revenue received from the City's portion of the Coronavirus Local Fiscal Recovery Funds in the prior year that were not repeated or replaced in the current year. The most significant components of the increase in general revenues are related to additional ad valorem proceeds based on an increase to the taxable value of real and personal property as well as increases in and infrastructure tax. Additional details can be found later in the discussion of the financial analysis of the individual governmental funds.

Business-type activities overall net position decreased by \$(544,945). Revenues generated from charges for services were higher by \$416,733 than the previous fiscal year and expenses increased by \$1,185,027. Further details can be found later in the discussion of the financial analysis of the individual enterprise funds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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, unreserved 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 September 30, 2023, the governmental funds reported a combined fund balance of \$12.0 million, an increase of \$497,469 when compared to the previous year combined fund balance of \$11.5 million.

The General Fund is the chief operating fund of the City and had a total fund balance of \$9,288,604 at year end 2023. In accordance with GAAP, the City's fund balances are allocated as follows: non-spendable for prepaid items and inventories of \$353,013, restricted for various purposes \$18,446, assigned for various purposes \$1,748,276, and unassigned, available for unforeseen emergencies and is considered necessary for the City of \$7,168,869.

The General Fund unassigned fund balance increased by \$818,477 from \$6,350,392 to \$7,168,869. The variance is due to the City's effective budgeting strategies for providing governmental services to its citizens. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 42.1% of the total general fund expenditures, while total fund balance represents 54.5% of that same amount. The City's minimum fund balance policy is to maintain an unassigned General Fund balance equal to 16% of the City's General Fund original budgeted expenditures for the respective fiscal year.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The most notable increases to revenue in the General Fund include:

- An increase in ad valorem proceeds from the prior year of \$743,771 based on an increase to the taxable value of real and personal property.
- Investment income increased by \$318,348 from the prior year due to improved market conditions for the City's investments.

General Fund expenditures before transfers increased by \$1,512,612 over the prior fiscal year. Of this increase \$655,168 was related to recreation projects.

The Capital Projects Fund is used to account for the proceeds and use of the local government infrastructure sales surtax of 1% or Penny for Pinellas for capital projects within the County. As a result of increased taxable sales as the economy continues to recover from the COVID-19 pandemic, revenue from Penny for Pinellas increased by \$65,187 from \$1,786,017 in FY22 to \$1,851,204 in FY23. The Capital Projects Fund finished the fiscal year with a net increase to fund balance of \$375,873 as budgeted project costs were in line with anticipated tax proceeds.

Enterprise Funds

The City's enterprise funds include the City's Sanitation Fund, Water and Sewer Fund, and Marina Fund. Total net position for the enterprise funds decreased by \$(544,945) from the prior year. Each of the Enterprise Funds are considered major funds and, therefore, are to be reviewed and analyzed as a separate and distinct business. Thus, the following commentary focuses on each fund.

The Sanitation Fund is used to account for the operations of the City's solid waste utility. The Sanitation Fund had a decrease in net position of \$(240,220) that was in line with the decrease of \$(198,881) in FY22. Operating revenues were in line with the prior year. Operating expenses of the Sanitation Fund were \$441,812 greater than the prior year primarily due to increases in personnel costs. Personnel costs increased by \$264,142 from costs of employee benefits and salary increases.

The Marina Fund is used to account for the operations of the City's municipal marina. The Marina Fund had a decrease in net position of \$(328,514) compared to the decrease of \$(51,777) in the prior year. Operating revenues were in line with the prior year. Operating expenses increased by \$75,183 due to increased personnel costs and increased materials and supplies. Benefit costs increased for insurance and retirement and inflation affected several operating supplies. Transfers to the General Fund for payments in lieu of taxes and overhead were slightly higher in FY23 by \$187,370.

The Water and Sewer Fund is used to account for the operations of the City's water, sewer and stormwater utility. The Water and Sewer Fund had an increase in net position of \$23,789 for the year. Operating revenues and expenses were consistent with the prior year. Based on the results of current year operations, it appears the City's Water and Sewer rates were adequate to cover the operational costs of the utility.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

BUDGETARY HIGHLIGHTS – GENERAL FUND

Expenditures	<u>Original Budget</u>	<u>Final Budget</u>	<u>Difference</u>
General Government	\$ 2,120,909	\$ 2,249,680	\$ 128,771
Public Safety	6,923,832	7,221,061	297,229
Recreation	4,111,209	4,401,111	289,902
Community Development /			
Redevelopment	1,265,204	1,207,148	(58,056)
Public Works	2,117,982	2,365,678	247,696
Transfers Out	-	296,000	296,000
	<u>\$ 16,539,136</u>	<u>\$ 17,740,678</u>	<u>\$ 1,201,542</u>

The General Fund final budget in total increased by \$1,201,542 from the original budget. An additional \$296,000 of transfers were authorized to support the Senior Center Capital Campaign project. Some additional budgeted funds were for grant projects awarded during the fiscal year.

Expenditures	<u>Actual</u>	<u>Final Budget</u>	<u>Difference</u>
General Government	\$ 2,183,407	\$ 2,249,680	\$ (66,273)
Public Safety	6,862,787	7,221,061	(358,274)
Recreation	4,534,112	4,401,111	133,001
Community Development /			
Redevelopment	1,094,453	1,207,148	(112,695)
Public Works	2,351,588	2,365,678	(14,090)
Debt Service	4,412	-	4,412
Transfers Out	296,000	296,000	-
	<u>\$ 17,326,759</u>	<u>\$ 17,740,678</u>	<u>\$ (413,919)</u>

Actual fiscal year 2023 expenditures, including transfers out, for the General Fund were less than the final budgeted expenditures and transfers out by \$(413,919). A significant component of the unspent budget dollars is associated with encumbrances that are included in the final budget but not yet spent.

CAPITAL ASSETS

As of September 30, 2023, the City had \$33,336,363 invested in a variety of capital assets as compared to \$33,564,866 as of September 30, 2022. This represents a net decrease of \$(228,503) from the prior year. Governmental activities had increases in equipment and infrastructure and some notable projects included the following:

- Improvements at our parks including Tomlinson Park Shade Sails and the Beach Playground Project, the Tennis Pickleball Project and renovations at Scout Hall

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The business-type activities reported a transfer of \$5.2 million in completed infrastructure projects from construction in progress. Some of the significant projects that comprise this balance include:

- Sanitary Sewer Major Rehabilitation Project for the City's wastewater utilities system.
- Lift Station #2 Force Main Extension and Pumping Improvements (i.e. Bypass Project) construction.
- Upgrades at the Marina including the Dry Boat Storage Renovation project.

Depreciation slightly increased by \$328,748 from the prior year due to projects that were components of Construction in Progress reaching completion and are now being depreciated.

As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 592,072	\$ 592,072	\$ 20,000	\$ 20,000	\$ 612,072	\$ 612,072
Construction in Progress	189,999	347,355	4,368,672	9,222,488	4,558,671	9,569,843
Buildings	10,823,626	10,828,026	1,556,390	1,556,390	12,380,016	12,384,416
Infrastructure and Improvements	23,611,693	22,399,044	31,629,482	25,652,061	55,241,175	48,051,105
Right to Use Leases	18,091	18,091	-	-	18,091	18,091
Equipment	7,111,859	6,516,213	4,656,586	4,527,724	11,768,445	11,043,937
Software	453,197	462,344	69,953	69,953	523,150	532,297
	42,800,537	41,163,145	42,301,083	41,048,616	85,101,620	82,211,761
Less: Accumulated Depreciation	(28,503,661)	(26,857,595)	(23,261,596)	(21,789,300)	(51,765,257)	(48,646,895)
Capital Assets, net	\$ 14,296,876	\$ 14,305,550	\$ 19,039,487	\$ 19,259,316	\$ 33,336,363	\$ 33,564,866

Additional detailed information on the City's capital assets may be found in the notes to the financial statements, Note 5.

LONG TERM DEBT

The City entered into agreements with the Florida Department of Environmental Protection for loans for planning and construction costs involved in major sewer system rehabilitation improvements. Additional funds were drawn down in FY23 of \$265,966. Additionally, the City has leases for some equipment and a financed purchase that has one remaining year of repayment.

As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Financed Purchases	\$ -	\$ -	\$ 78,813	\$ 233,419	\$ 78,813	\$ 233,419
Leases Payable	12,010	15,183	-	-	12,010	15,183
Notes from Direct Borrowing	-	-	7,484,334	7,550,930	7,484,334	7,550,930
	\$ 12,010	\$ 15,183	\$ 7,563,147	\$ 7,784,349	\$ 7,575,157	\$ 7,799,532

Business-type activities had \$7,563,147 in outstanding long-term debt. The FDEP loan is responsible for \$7,484,334. The remaining \$78,813 relates to a Master Equipment Purchase Agreement for equipment related to the solid waste utility operation for the purchase of three new heavy equipment vehicles, including an automated side loading truck, split body recycling truck, and a rear loader truck.

Additional detailed information on the City's long-term debt and other long-term liabilities may be found in Note 7 of the financial statements.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

ECONOMIC FACTORS AND YEAR 2024 BUDGETS AND RATES

The City continued to experience positive growth in property values. As such, much of the budget development process is focused on beginning to address the continued ability of the City Council and staff to maintain the traditional high levels of personal services provided the residents of the City of Gulfport. It is paramount the City must continually address the sustained financial impact of providing such a high level of services as the City moves forward. Gulfport, like many other local governments, primarily relies on property taxes and a limited array of permitted other taxes (sales, gasoline, utilities services, etc.) and fees to fund governmental activities. The budget development process for FY 2024 was focused on the City's ability to fund present and future levels of General Fund operations and services.

Key Factors considered in preparing the City of Gulfport's budget for fiscal year 2024 included:

- The Ad Valorem millage (property tax) has been budgeted to decrease to 4.0258 mils as a result of estimated increased property tax revenues as property values continue to increase.
- An increase of 19.26% in applicable costs for renewal of the City's property, workers' compensation, general liability, automotive liability, and public official liability insurance policies.
- Employee health insurance costs increased 2.75% across all funds.

Moreover, the balanced budget continues to provide the residents of the City of Gulfport the level of day to day services they have become accustomed to, both culturally and institutionally. The Fiscal Year 2024 budget attempts to continue to support traditional frontline services as they exist today.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have any questions about the report or need additional financial information, contact the City's Finance Director at City of Gulfport, 2401 53rd Street South, Gulfport, Florida 33707, by phone at (727) 893-1014 or www.mygulfport.us.

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Basic Financial Statements

The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The government-wide financial statements present financial information about the reporting government, as a whole, except for its fiduciary activities. The fund financial statements present financial information about major funds individually and nonmajor funds in the aggregate. They also include financial information about the fiduciary funds. The notes to the financial statements present information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements.

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CITY OF GULFPORT, FLORIDA
STATEMENT OF NET POSITION
September 30, 2023

	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 9,168,855	\$ 3,919,699	\$ 13,088,554
Restricted Cash and Investments	2,393,459	767,559	3,161,018
Receivables (Net)	822,316	1,385,511	2,207,827
Due from Other Governments	18,543	105,807	124,350
Inventories	319,502	79,859	399,361
Prepaid Items	33,511	8,594	42,105
Leases Receivable	444,414	-	444,414
Capital Assets:			
Capital Assets Not Being Depreciated	782,071	4,388,672	5,170,743
Capital Assets Being Depreciated and Amortized (Net)	13,514,805	14,650,815	28,165,620
Total Capital Assets	14,296,876	19,039,487	33,336,363
Total Assets	27,497,476	25,306,516	52,803,992
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows for OPEB	170,278	36,791	207,069
Deferred Outflows for Pensions	3,650,823	712,906	4,363,729
Total Deferred Outflows of Resources	3,821,101	749,697	4,570,798
LIABILITIES			
Accounts Payable	562,262	651,697	1,213,959
Liabilities Payable from Restricted Assets	-	543,926	543,926
Accrued Liabilities	146,471	39,465	185,936
Due to Other Governments	6,912	181,647	188,559
Deposits	38,129	-	38,129
Long-term Liabilities:			
Due within One Year	387,663	494,399	882,062
Due in More Than One Year	10,403,728	8,399,638	18,803,366
Total Liabilities	11,545,165	10,310,772	21,855,937
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows for Leases	444,414	-	444,414
Deferred Inflows for OPEB	135,861	29,882	165,743
Deferred Inflows for Pensions	127,745	30,207	157,952
Total Deferred Inflows of Resources	708,020	60,089	768,109
NET POSITION			
Net Investment in Capital Assets	14,284,866	11,476,340	25,761,206
Restricted			
Capital Projects	2,325,579	-	2,325,579
Debt Service	-	223,633	223,633
Library Projects	47,434	-	47,434
Public Safety	2,000	-	2,000
Other Special Projects	18,446	-	18,446
Unrestricted	2,387,067	3,985,379	6,372,446
Total Net Position	\$ 19,065,392	\$ 15,685,352	\$ 34,750,744

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General Government	\$ 2,509,465	\$ 2,276,945	\$ 501	\$ -
Public Safety	9,199,358	1,905,956	124,499	-
Recreation	5,525,270	862,776	331,126	10,384
Community Development/Redevelopment	1,751,384	-	-	-
Public Works	3,195,316	421,690	-	4,459
Interest on Long-Term Debt	1,239	-	-	-
Total Governmental Activities	<u>22,182,032</u>	<u>5,467,367</u>	<u>456,126</u>	<u>14,843</u>
Business-type Activities:				
Sanitation	3,390,788	2,977,479	172,574	-
Water and Sewer	8,228,582	8,200,322	935	7,920
Marina	3,120,828	3,193,880	-	-
Total Business-type Activities	<u>14,740,198</u>	<u>14,371,681</u>	<u>173,509</u>	<u>7,920</u>
Total	<u>\$ 36,922,230</u>	<u>\$ 19,839,048</u>	<u>\$ 629,635</u>	<u>\$ 22,763</u>

General Revenues:

Property Tax
Sales Tax
Infrastructure Surtax
Public Service Tax
Gas Tax
State Revenue Sharing
Other Taxes
Franchise Fees
Investment Income
Miscellaneous
Gain on Sale of Assets
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position - Beginning
Net Position - Ending

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (232,019)	\$ -	\$ (232,019)
(7,168,903)	-	(7,168,903)
(4,320,984)	-	(4,320,984)
(1,751,384)	-	(1,751,384)
(2,769,167)	-	(2,769,167)
(1,239)	-	(1,239)
(16,243,696)	-	(16,243,696)
-	(240,735)	(240,735)
-	(19,405)	(19,405)
-	73,052	73,052
-	(187,088)	(187,088)
(16,243,696)	(187,088)	(16,430,784)
5,653,308	-	5,653,308
993,430	-	993,430
1,851,204	-	1,851,204
2,112,355	-	2,112,355
164,220	-	164,220
545,859	-	545,859
65,348	-	65,348
901,881	-	901,881
333,635	82,053	415,688
125,411	-	125,411
32,259	-	32,259
439,910	(439,910)	-
13,218,820	(357,857)	12,860,963
(3,024,876)	(544,945)	(3,569,821)
22,090,268	16,230,297	38,320,565
\$ 19,065,392	\$ 15,685,352	\$ 34,750,744

CITY OF GULFPORT, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 9,023,582	\$ 1,450,774	\$ 1,087,958	\$ 11,562,314
Accounts Receivable (Net)	534,730	-	287,586	822,316
Due from Other Governments	18,543	-	-	18,543
Prepaid Items	33,511	-	-	33,511
Inventories	319,502	-	-	319,502
Leases Receivable	444,414	-	-	444,414
Total Assets	<u>\$ 10,374,282</u>	<u>\$ 1,450,774</u>	<u>\$ 1,375,544</u>	<u>\$ 13,200,600</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 448,276	\$ 22,992	\$ 90,994	\$ 562,262
Accrued Liabilities	146,345	-	126	146,471
Due to Other Governments	6,912	-	-	6,912
Deposits Payable	38,129	-	-	38,129
Total Liabilities	<u>639,662</u>	<u>22,992</u>	<u>91,120</u>	<u>753,774</u>
Deferred Inflows of Resources:				
Deferred Inflows - Unavailable Revenues	1,602	-	-	1,602
Deferred Inflows - Leases	444,414	-	-	444,414
Total Deferred Inflows of Resources	<u>446,016</u>	<u>-</u>	<u>-</u>	<u>446,016</u>
Fund Balances:				
Nonspendable Inventories and Prepays	353,013	-	-	353,013
Restricted for Law Enforcement	-	-	2,000	2,000
Restricted for Capital Purchases	-	1,427,782	-	1,427,782
Restricted for Waterfront Redevelopment	-	-	486,059	486,059
Restricted for Donor Provisions	18,446	-	411,738	430,184
Restricted for Library	-	-	45,832	45,832
Assigned for Capital Purchases	325,317	-	-	325,317
Assigned for Subsequent Year's Budget	184,000	-	-	184,000
Assigned for ALS Fire Truck	835,160	-	-	835,160
Assigned for 49th Street Redevelopment	-	-	11,963	11,963
Assigned for Beach Renourishment	-	-	120,000	120,000
Assigned for Other Public Works Improvements	403,799	-	-	403,799
Assigned for Other Waterfront Redevelopment	-	-	206,832	206,832
Unassigned	7,168,869	-	-	7,168,869
Total Fund Balances	<u>9,288,604</u>	<u>1,427,782</u>	<u>1,284,424</u>	<u>12,000,810</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 10,374,282</u>	<u>\$ 1,450,774</u>	<u>\$ 1,375,544</u>	<u>\$ 13,200,600</u>

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

CITY OF GULFPORT, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
as of September 30, 2023

Total fund balances of governmental funds		\$ 12,000,810												
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>														
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$42,800,537, and the accumulated depreciation and amortization is \$28,503,661.</p>		14,296,876												
<p>Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities.</p> <p>Long-term liabilities at year-end consist of:</p> <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 60%;">Leases Payable</td> <td style="width: 20%; text-align: right;">(12,010)</td> <td style="width: 20%;"></td> </tr> <tr> <td>Total OPEB Liability</td> <td style="text-align: right;">(772,555)</td> <td></td> </tr> <tr> <td>Net pension liability</td> <td style="text-align: right;">(8,845,257)</td> <td></td> </tr> <tr> <td>Compensated absences</td> <td style="text-align: right;"><u>(1,161,569)</u></td> <td></td> </tr> </table>	Leases Payable	(12,010)		Total OPEB Liability	(772,555)		Net pension liability	(8,845,257)		Compensated absences	<u>(1,161,569)</u>			(10,791,391)
Leases Payable	(12,010)													
Total OPEB Liability	(772,555)													
Net pension liability	(8,845,257)													
Compensated absences	<u>(1,161,569)</u>													
<p>Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in governmental funds.</p> <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 60%;">Deferred outflows of resources for OPEB</td> <td style="width: 20%; text-align: right;">170,278</td> <td style="width: 20%;"></td> </tr> <tr> <td>Deferred outflows of resources for pensions</td> <td style="text-align: right;">3,650,823</td> <td></td> </tr> <tr> <td>Deferred inflows of resources for OPEB</td> <td style="text-align: right;">(135,861)</td> <td></td> </tr> <tr> <td>Deferred inflows of resources for pensions</td> <td style="text-align: right;"><u>(127,745)</u></td> <td></td> </tr> </table>	Deferred outflows of resources for OPEB	170,278		Deferred outflows of resources for pensions	3,650,823		Deferred inflows of resources for OPEB	(135,861)		Deferred inflows of resources for pensions	<u>(127,745)</u>			3,557,495
Deferred outflows of resources for OPEB	170,278													
Deferred outflows of resources for pensions	3,650,823													
Deferred inflows of resources for OPEB	(135,861)													
Deferred inflows of resources for pensions	<u>(127,745)</u>													
<p>Deferred inflows from federal and state grants recognized as revenue of the current period</p>		1,602												
Total net position of governmental activities		\$ 19,065,392												

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 8,345,433	\$ 1,851,204	\$ 527,777	\$ 10,724,414
Permits and Fees	792,442	4,459	-	796,901
Intergovernmental Revenues	2,970,723	-	-	2,970,723
Charges for Services	3,347,458	-	-	3,347,458
Fines and Forfeitures	86,909	-	-	86,909
Investment Income	344,086	-	-	344,086
Miscellaneous Revenues	442,892	-	17,851	460,743
Total Revenues	<u>16,329,943</u>	<u>1,855,663</u>	<u>545,628</u>	<u>18,731,234</u>
EXPENDITURES				
Current:				
General Government	2,183,407	-	-	2,183,407
Public Safety	6,862,787	-	-	6,862,787
Recreation	4,534,112	-	300,370	4,834,482
Community Development/ Redevelopment	1,094,453	-	306,879	1,401,332
Public Works	2,351,588	-	-	2,351,588
Capital Outlay	-	1,035,667	-	1,035,667
Debt Service:				
Principal	3,173	-	-	3,173
Interest	1,239	-	-	1,239
Total Expenditures	<u>17,030,759</u>	<u>1,035,667</u>	<u>607,249</u>	<u>18,673,675</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(700,816)</u>	<u>819,996</u>	<u>(61,621)</u>	<u>57,559</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers In	884,033	-	596,000	1,480,033
Transfers (Out)	(296,000)	(444,123)	(300,000)	(1,040,123)
Total Other Financing Sources and (Uses)	<u>588,033</u>	<u>(444,123)</u>	<u>296,000</u>	<u>439,910</u>
Net Change in Fund Balances	(112,783)	375,873	234,379	497,469
Fund Balances - Beginning	<u>9,401,387</u>	<u>1,051,909</u>	<u>1,050,045</u>	<u>11,503,341</u>
Fund Balances - Ending	<u>\$ 9,288,604</u>	<u>\$ 1,427,782</u>	<u>\$ 1,284,424</u>	<u>\$ 12,000,810</u>

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

CITY OF GULFPORT, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	497,469
<p>Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated and amortized over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which the cost of depreciation and amortization (\$1,962,456) exceeds capital purchases (\$1,953,782).</p>		
		(8,674)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>		
<p>Principal repayments:</p>		
Leases payable	\$	3,173
		3,173
<p>Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows:</p>		
Compensated absences		(112,233)
<p>Under the modified accrual basis of accounting, some revenues are recognized when both the measureable and available criteria have been met. Some revenues earned in the current year were not recognized since availability criteria was not met. Under full accrual accounting, all revenues would be recognized.</p>		
		(3,537)
<p>Revenues in the statements of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(10,451)
<p>Governmental funds report City pension contributions and OPEB benefit payments as expenditures. In the statement of activities, the cost of pension and OPEB benefits earned net of contributions and OPEB benefit payments is reported as expense.</p>		
Difference between OPEB benefit payments and net OPEB expense		(41,362)
Difference between pension contributions and net pension expense		(3,349,261)
		<u>(3,349,261)</u>
Change in net position of governmental activities	\$	<u>(3,024,876)</u>

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2023

	Business-type Activities - Enterprise Funds			
	Sanitation	Water and Sewer	Marina	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 414,080	\$ 2,649,262	\$ 856,357	\$ 3,919,699
Restricted Assets:				
Cash Held for Customer Deposits	-	444,899	99,027	543,926
Cash Held for Debt Service	-	223,633	-	223,633
Accounts Receivable (Net)	342,113	1,018,260	25,138	1,385,511
Due from Other Governments	6,017	99,790	-	105,807
Inventories	-	44,396	35,463	79,859
Prepaid Items	-	7,594	1,000	8,594
Total Current Assets	762,210	4,487,834	1,016,985	6,267,029
Noncurrent Assets:				
Capital Assets:				
Land	-	-	20,000	20,000
Buildings	230,746	411,965	913,679	1,556,390
Infrastructure and Improvements	297,195	26,054,982	5,277,305	31,629,482
Equipment and Machinery	2,758,102	1,211,610	686,874	4,656,586
Software	17,104	36,274	16,575	69,953
Construction in Progress	-	4,119,543	249,129	4,368,672
Less: Accumulated Depreciation and Amortization	(2,833,568)	(15,154,553)	(5,273,475)	(23,261,596)
Total Capital Assets (Net)	469,579	16,679,821	1,890,087	19,039,487
Total Noncurrent Assets	469,579	16,679,821	1,890,087	19,039,487
Total Assets	1,231,789	21,167,655	2,907,072	25,306,516
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows for OPEB	16,958	15,274	4,559	36,791
Deferred Outflows for Pensions	341,841	280,038	91,027	712,906
Total Deferred Outflows of Resources	358,799	295,312	95,586	749,697

Continued

CITY OF GULFPORT, FLORIDA
STATEMENT OF NET POSITION - Continued
PROPRIETARY FUNDS
September 30, 2023

	Business-type Activities - Enterprise Funds			
	Sanitation	Water and Sewer	Marina	Total
LIABILITIES				
Current Liabilities:				
Accounts Payable	65,071	\$ 543,203	\$ 43,423	\$ 651,697
Accrued Liabilities	29,007	3,418	7,040	39,465
Due to Other Governments	-	171,425	10,222	181,647
Liabilities Payable from Restricted Assets - Deposits	-	444,899	99,027	543,926
Financed Purchases	78,813	-	-	78,813
Revolving Loan Payable	-	351,191	-	351,191
Compensated Absences Payable	23,877	26,665	13,853	64,395
Total Current Liabilities	196,768	1,540,801	173,565	1,911,134
Noncurrent Liabilities:				
Net Pension Liability	374,477	445,121	170,755	990,353
Other Postemployment Benefits	80,967	57,776	22,368	161,111
Revolving Loan Payable	-	7,133,143	-	7,133,143
Compensated Absences Payable	21,680	65,030	28,321	115,031
Total Noncurrent Liabilities	477,124	7,701,070	221,444	8,399,638
Total Liabilities	673,892	9,241,871	395,009	10,310,772
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows for OPEB	13,140	12,103	4,639	29,882
Deferred Inflows for Pensions	30,207	-	-	30,207
Total Deferred Inflows of Resources	43,347	12,103	4,639	60,089
NET POSITION				
Net Investment in Capital Assets	390,766	9,195,487	1,890,087	11,476,340
Restricted for Debt Service	-	223,633	-	223,633
Unrestricted	482,583	2,789,873	712,923	3,985,379
Total Net Position	\$ 873,349	\$ 12,208,993	\$ 2,603,010	\$ 15,685,352

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

CITY OF GULFPORT, 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			
	Sanitation	Water and Sewer	Marina	Total
OPERATING REVENUES:				
Charges for Services	\$ 2,971,465	\$ 8,199,346	\$ 3,193,880	\$ 14,364,691
Miscellaneous Revenues	6,014	976	-	6,990
Total Operating Revenues	<u>2,977,479</u>	<u>8,200,322</u>	<u>3,193,880</u>	<u>14,371,681</u>
OPERATING EXPENSES:				
Personal Services	1,331,998	1,219,582	585,194	3,136,774
Contracted Services	624,773	4,475,002	37,590	5,137,365
Supplies and Materials	256,112	147,492	1,439,793	1,843,397
Repairs and Maintenance	405,232	61,330	83,690	550,252
Administrative Overhead	429,549	1,221,486	428,682	2,079,717
Other Services and Charges	54,817	118,082	242,045	414,944
Depreciation and Amortization	284,244	948,469	303,834	1,536,547
Total Operating Expenses	<u>3,386,725</u>	<u>8,191,443</u>	<u>3,120,828</u>	<u>14,698,996</u>
Operating Income (Loss)	<u>(409,246)</u>	<u>8,879</u>	<u>73,052</u>	<u>(327,315)</u>
NONOPERATING REVENUES (EXPENSES):				
Operating Grants	172,574	935	-	173,509
Investment Income	515	54,422	27,116	82,053
Interest Expense	(4,063)	(37,139)	-	(41,202)
Total Nonoperating Revenues (Expenses)	<u>169,026</u>	<u>18,218</u>	<u>27,116</u>	<u>214,360</u>
Income (Loss) Before Contributions and Transfers	<u>(240,220)</u>	<u>27,097</u>	<u>100,168</u>	<u>(112,955)</u>
Capital Contributions	-	7,920	-	7,920
Transfers In	-	444,123	-	444,123
Transfers (Out)	-	(455,351)	(428,682)	(884,033)
Change in Net Position	<u>(240,220)</u>	<u>23,789</u>	<u>(328,514)</u>	<u>(544,945)</u>
Total Net Position - Beginning	<u>1,113,569</u>	<u>12,185,204</u>	<u>2,931,524</u>	<u>16,230,297</u>
Total Net Position - Ending	<u>\$ 873,349</u>	<u>\$ 12,208,993</u>	<u>\$ 2,603,010</u>	<u>\$ 15,685,352</u>

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds			
	Sanitation	Water and Sewer	Marina	Total
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,941,581	\$ 8,116,943	\$ 3,194,639	\$ 14,253,163
Payments to Suppliers	(1,785,762)	(5,942,671)	(2,211,395)	(9,939,828)
Payments to Employees	(1,003,897)	(880,587)	(457,481)	(2,341,965)
Net Cash and Cash Equivalent Provided (Used) by Operating Activities	151,922	1,293,685	525,763	1,971,370
Cash Flows from Noncapital Financing Activities				
Transfers (to) Other Funds	-	(455,351)	(428,682)	(884,033)
Transfers from Other Funds	-	444,123	-	444,123
Net Cash and Cash Equivalent Provided (Used) in Noncapital Financing Activities	175,473	(10,293)	(428,682)	(263,502)
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	1	(987,550)	(329,169)	(1,316,718)
Impact Fees Received	-	7,920	-	7,920
Proceeds from Revolving Loan	-	265,966	-	265,966
Principal Payments	(154,606)	(332,562)	-	(487,168)
Interest Payments	(4,063)	(37,139)	-	(41,202)
Net Cash and Cash Equivalent Provided (Used) in Capital and Related Financing Activities	(158,668)	(1,083,365)	(329,169)	(1,571,202)
Cash Flows from Investing Activities				
Income Received from Investments	515	54,422	27,116	82,053
Net Cash and Cash Equivalent Provided in Investing Activities	515	54,422	27,116	82,053
Net Increase (Decrease) in Cash and Cash Equivalents	169,242	254,449	(204,972)	218,719
Cash and Cash Equivalents at Beginning of Year	244,838	3,063,345	1,160,356	4,468,539
Cash and Cash Equivalents at End of Year	\$ 414,080	\$ 3,317,794	\$ 955,384	\$ 4,687,258

Continued

CITY OF GULFPORT, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds			
	Sanitation	Water and Sewer	Marina	Total
Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (409,246)	\$ 8,879	\$ 73,052	\$ (327,315)
Depreciation and Amortization	284,244	948,469	303,834	1,536,547
Change in Assets, Deferred Outflows, Liabilities and Deferred Inflows:				
Deferred Outflows for OPEB	1,605	1,479	562	3,646
Deferred Outflows for Pensions	183,059	186,413	69,468	438,940
Deferred Inflows for Pensions	(8,646)	(4,939)	-	(13,585)
Deferred Inflows for OPEB	(1,615)	(1,488)	(566)	(3,669)
Total OPEB Liability	4,088	3,766	1,432	9,286
Net Pension Asset/Liability	146,013	148,689	55,410	350,112
(Increase) Decrease in Accounts Receivable	(35,898)	(137,712)	(2,641)	(176,251)
(Increase) Decrease in Due from Other Governments	-	(9,910)	-	(9,910)
(Increase) Decrease in Inventories	-	3,404	8,899	12,303
Increase (Decrease) in Accounts Payable	(15,279)	63,360	11,803	59,884
Increase (Decrease) in Due to Other Governments	-	21,551	(297)	21,254
Increase (Decrease) in Accrued Liabilities	890	3,418	1,079	5,387
Increase (Decrease) in Compensated Absences	2,707	1,657	328	4,692
Increase (Decrease) in Customer Deposits	-	64,243	3,400	67,643
Total Adjustments	561,168	1,284,806	452,711	2,298,685
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	\$ 151,922	\$ 1,293,685	\$ 525,763	\$ 1,971,370

There were no noncash transactions.

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2023

ASSETS

Cash and Cash Equivalents:	
Short Term Investments	\$ 338,296
Total Cash and Cash Equivalents	338,296
Receivables:	
City Contributions in Transit	241,579
Additional City Contribution	8,540
Investment Income	31,298
Due from Government	48,761
Total Receivables	330,178
Investments, at Fair Value:	
U.S. Government Obligations	512,450
Asset-backed Securities	1,422,859
Stocks	3,294,617
Corporate Bonds	1,630,366
Mutual Funds:	
Equity	18,597,427
Real Estate	2,377,706
Fixed Income	8,608,453
Total Investments	36,443,878
Total Assets	37,112,352

LIABILITIES

Prepaid City Contribution	37,922
Accounts Payable	8,025
Total Liabilities	45,947

Net Position Restricted for Pension Benefits	\$ 37,066,405
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The notes to the financial statements are an integral part of the financial statements.

CITY OF GULFPORT, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For The Year Ended September 30, 2023

ADDITIONS

Contributions	
City	\$ 838,534
Member	398,210
State	312,036
Total Contributions	<u>1,548,780</u>
Investment Income (Loss)	
Net decrease in Fair Value of Investments	3,399,449
Interest and Dividends	473,128
Less: Investment Expense ¹	(129,355)
Net Investment Income (Loss)	<u>3,743,222</u>
Total Additions	<u>5,292,002</u>

DEDUCTIONS

Distributions to Members:	
Benefit Payments	1,620,342
Lump Sum PLOP Distributions	114,811
Refunds of Member Contributions	28,458
Total Distributions	<u>1,763,611</u>
Administrative Expense	<u>216,573</u>
Total Deductions	<u>1,980,184</u>

Change in Net Position 3,311,818

Net Position Restricted for Pension Benefits

Beginning of Year	<u>33,754,587</u>
End of Year	<u><u>\$ 37,066,405</u></u>

¹ Investment related expenses include investment advisory, custodial and performance monitoring fees
The notes to the financial statements are an integral part of the financial statements.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Gulfport, Florida (the "City"), have been prepared in conformity with generally accepted accounting principles ("GAAP"), as applied to governmental units, which were promulgated by the Governmental Accounting Standards Board ("GASB"). A summary of the City's significant accounting policies applied in the preparation of these financial statements follows.

A. REPORTING ENTITY

The City of Gulfport is a political subdivision of the state of Florida. The City was originally incorporated as the Town of Gulfport on October 12, 1910. This act was amended by Chapter 27580, No. 1101, Laws of Florida, Regular Session 1951, and approved by the Governor and filed with the Secretary of State, which changed the name to the City of Gulfport. The City provides a wide range of services that include police and fire protection, recreation and senior services, mini-bus service, public works services, and general administration. The City also operates several enterprise activities, including: sanitation, water and sewer, and a marina. The City operates a vehicle maintenance central garage, which is accounted for in the General Fund.

The City is a municipal corporation governed by an elected mayor and four-member council. As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable or entities that would be misleading to exclude. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Fiduciary component units include the City's pension trust funds.

Blended Component Units

The City has included the Gulfport Community Redevelopment Agency ("CRA") in these financial statements. The City Council (the "Council") is the governing body of this agency, which was approved by the Board of County Commissioners of Pinellas County under Chapter 163, Florida Statutes, to act as the redevelopment agency for the Gulfport Community Redevelopment Districts. The City approves the budget, provides funding, and performs all accounting functions for the CRA. The CRA's services are provided exclusively to the City. There are two separate and distinct redevelopment districts in the City, which are referred to as the "Waterfront" and "49th Street" Redevelopment Districts. The operations of these two redevelopment districts are reported as special revenue funds. The stand-alone audited financial report for the City's CRA can be obtained from the City's Finance Department.

Fiduciary Component Units

The City has included the General Employees' Pension Plan, Firefighters' Pension Plan, and Police Officers' Pension Plan as fiduciary component units of the City. They are included in the financial statements as pension trust funds.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

B. BASIC FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide statements (statement of net position and statement of activities) are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables, deferred outflows of resources, long-term liabilities, and deferred inflows of resources. The City's fiduciary funds are not included in the government-wide statements since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City.

The government-wide statement of activities reports the gross and net cost for the various functional categories (general government, public safety, recreation, community development and redevelopment, and public works) of the City that are otherwise supported by general government revenues (property, sales and use tax, and certain intergovernmental revenues, etc.). For the most part, the effect of interfund activity has been removed from this statement. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses are those costs that are allocated to functions and activities in accordance with the City's indirect cost allocation plan. The "Expenses" column includes both direct and indirect expenses. Program revenues are defined as charges for services, and operating and capital grants and contributions that specifically relate to a specific program function. Charges for services include revenue arising from charges to customers or applicants who purchase, use or directly benefit from the goods, services, or privileges provided. Operating and capital grants and contributions consist of revenues received from governments, organizations, or individuals that are specifically attributable to an activity program for either operating expenses or capital expenses associated with the specific program.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. All non-major funds are summarized into a single column. The City has reported the General Fund and Capital Projects Fund as major funds. In addition, all three of the City's enterprise funds are major funds. The City has reported the 49th Street Redevelopment District, Law Enforcement Trust, Library Fund, Waterfront Redevelopment District, and Capital Project Senior Center Fund as non-major funds.

C. MEASUREMENT FOCUS AND BASIS OF PRESENTATION

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. The minimum number of funds is maintained consistent with legal and managerial requirements. A fund is a separate accounting entity with a self-balancing set of accounts.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

C. MEASUREMENT FOCUS AND BASIS OF PRESENTATION *(Continued)*

Funds are classified into three fund types: governmental, proprietary, and fiduciary. Each fund type is described below:

1. Governmental Funds:

The focus of governmental fund measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources), rather than upon net income. The following is a description of the governmental funds that the City has presented:

- a) **General Fund** - This fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.
- b) **Special Revenue Funds** - These funds are used to account for and report the proceeds of specific revenue sources (other than debt service or major capital projects) that are legally restricted or committed to expenditures for specified purposes. The City has four special revenue funds consisting of the Waterfront and 49th Street Redevelopment Districts discussed previously, the Library Fund to account for donations for the library, and the Law Enforcement Trust to account for forfeiture proceeds restricted in use by Florida Statutes.
- c) **Capital Projects Funds** – These funds are used to account for financial resources restricted, committed, or assigned to expenditure for the acquisition or construction of major governmental capital projects in the Capital Projects Fund, and capital outlays for the Capital Project Senior Center Fund.

2. Proprietary Funds:

These funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Enterprise funds – These funds are used to account for those operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose. The Sanitation Fund is used to account for refuse collection activities, the Water and Sewer Fund to account for water and wastewater sales and services, and the Marina Fund to account for operations of the City's marina.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

C. MEASUREMENT FOCUS AND BASIS OF PRESENTATION *(Continued)*

2. Proprietary Funds: *(Continued)*

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in conjunction with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of personnel, contractual services, supplies, maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

3. Fiduciary Funds:

Fiduciary funds account for assets held by the City in a trustee capacity. Trust funds account for assets held by the government under the terms of a formal trust agreement.

Pension Trust Funds - These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The pension trust funds account for the assets of the City's public safety employees' pension plans and the general employees' pension plan.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

All proprietary funds and pension trust funds are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

1. Modified Accrual:

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Those revenues susceptible to accrual are utility and franchise taxes, intergovernmental revenues and grants, state revenue sharing, and interest on pooled investments.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING *(Continued)*

2. Accrual:

All proprietary and fiduciary funds are accounted for using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS, AND FUND EQUITY

Cash 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.

Investments are carried at a mixture of fair value measurement and amortized cost because certain investments meet GASB Statement No. 31, as amended by GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*, which establishes criteria for external investment pools to qualify for making the election to measure all of their investments at amortized cost for financial reporting purposes. The City's investments in the Florida PRIME and Florida Surplus Asset Fund Trust (SAFE) are similar to money market funds in which units are owned in the fund rather than the underlying investments, and they are reported at amortized cost.

There are no limitations or restrictions on withdrawals from the Florida PRIME and SAFE. In the occurrence of an event that has a material impact on the liquidity or operations of the PRIME, the fund's executive director may limit contributions to or withdrawals from the PRIME for a period of 48 hours. For investments in SAFE, the fund's manager may suspend redemptions for up to five business days. The Office of the Auditor General of the State of Florida performs the operational audit of the activities and investments of the Florida PRIME. All other investments are carried at fair value.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Receivables and Payables *(Continued)*

All accounts receivable is shown net of an allowance for uncollectible. The City maintains an allowance for estimated losses through ongoing estimates relating to the collectability of the accounts receivable.

Due to the nature of code enforcement violations brought before the special magistrate, the primary purpose of the fines assessed are to promote the abatement of the nuisance. The overarching goal of the City in regards to these types of issues is to gain compliance and abatement. Based on the history and understanding of these fines, the City believes the probability of collection is highly uncertain and would be offset with an allowance for uncollectible for the entire balance. The records and Magistrate's final orders are maintained by the City Clerk.

Property taxes, which were levied during fiscal year 2023 and are uncollected as of September 30, 2023, are immaterial and, therefore, not recorded as a receivable.

Inventories

Inventories are valued at cost using the first-in first-out ("FIFO") method and consist of expendable items held for consumption or resale. The cost of these items is recorded as expenditure or expense at the time the inventory item is consumed or sold.

Prepaid Expenditures/Expenses

Payments made to vendors for services, as well as to the actuary for pension contributions, that will benefit periods beyond September 30, 2023, are recorded as prepaid items. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, software, and infrastructure assets (i.e., roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life beyond one year. For lease right-to-use intangible assets, the City capitalizes when the asset value is \$10,000 or greater. These assets are recorded at historical cost or estimated historical cost, if purchased, and acquisition value, if contributed or donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred and are not capitalized.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Capital Assets *(Continued)*

Depreciation and amortization on all capital assets is provided on a straight-line basis over the following estimated useful lives: buildings 20-50 years; improvements other than buildings, including infrastructure assets, 3-70 years; software 5 years; and equipment 3-20 years.

Compensated Absences

It is the City's policy to permit employees to accumulate earned and unused vacation and sick pay benefits. Vested vacation and sick leave that accrues that is expected to be liquidated with expendable available financial resources is reported as an expense and a liability of the appropriate proprietary fund. The portion of the liability expected to be liquidated within the next year has been classified as a current liability. Amounts not expected to be liquidated within the next year are reported as a component of long-term liabilities. Compensated absences are reported in governmental funds only upon the retirement or resignation of a vested employee. The payment of compensated absences is charged to the respective fund and department in which the individual being paid is employed.

Leases and Subscription Based Information Technology Arrangements (SBITAs)

The City enters into many noncancelable leases for the right to use land, equipment and facilities throughout its operations. When the City is the lessee, the contracts result in recognition of a right-to-use intangible asset that is offset by a corresponding lease liability. When the City is the lessor, the contracts result in recognition of a lease receivable offset by a corresponding deferred inflow of resources. Lease intangible assets are reported with capital assets and lease liabilities are reported with long term liabilities on the government-wide and proprietary fund financial statements.

At the commencement of a lease when the City is the lessee, the City initially measures the lease liability at the present value of total payments over the lease term. The lease asset is measured as the value of the lease liability, adjusted for any prepayments, plus certain initial direct costs. At commencement of a lease when the City is the lessor, the City measures the lease receivable at the present value of expected rental receipts over the lease term. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for prepayments received prior to the lease commencement.

Estimates and judgments are sometimes made when determining the discount rate and overall term of the leases. The City monitors its leases for significant changes in circumstances that warrant a remeasurement of the lease liability and associated intangible asset, and/or lease receivable and associated deferred inflow of resources.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Leases and SBITAs *(Continued)*

The City often enters into noncancelable SBITAs for the right to use subscription software throughout its operations. These contracts result in recognition of a right-to-use intangible asset that is offset by a corresponding SBITA liability. SBITA intangible assets are reported with capital assets and SBITA liabilities are reported with long term liabilities on the government-wide and proprietary fund financial statements.

At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of total payments over the subscription term. The SBITA asset is measured as the value of the SBITA liability, adjusted for any prepayments, plus certain initial implementation costs. Estimates and judgments are sometimes made when determining terms of the SBITAs. The City monitors its SBITAs for significant changes in circumstances that warrant a remeasurement.

Net Pension Liability (Asset)

In the government-wide and proprietary statements, net pension liability or (asset) represents the present value of projected benefit payments to be provided through the single employer defined benefit pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension plans, pension expense, information about the fiduciary net position, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension investments are reported at fair value. The City allocated its net pension liability (asset), deferred outflows for pensions, deferred inflows for pensions, and pension expense to funds and functions/activities based on their respective contributions made to the pension plans during the measurement year.

Total Other Postemployment Benefits (OPEB) Liability

The total OPEB liability of the City of Gulfport Retiree Benefits Plan (the OPEB Plan) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. The plan is not administered through a trust.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Deferred Outflows of Resources / Deferred Inflows of Resources

The City reports deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expenditure or expense) until that applicable time. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that applicable time.

The City reports two items that qualify as deferred outflows of resources on its government-wide and proprietary statements of net position, deferred outflows for OPEB and pensions. The deferred outflows for OPEB and pensions are aggregates of items related to OPEB and pensions as calculated in accordance with GASB Statements No. 68 *Accounting and Financial Reporting for Pensions* and No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The deferred outflows for OPEB and pensions will be recognized as OPEB or pension expense, or as reductions of the total OPEB liability or net pension liability in future reporting years.

The City reports three items that qualify as deferred inflows of resources on its government-wide and proprietary statements of net position, deferred inflows for leases, OPEB and pensions. The deferred inflows for OPEB and pensions are aggregates of items related to OPEB and pensions as calculated under the same principles as deferred outflows for OPEB and pensions. Both will be recognized as reductions to OPEB and pension expenses in future reporting years. The deferred inflows for leases offset the lease receivable and will result in inflows of rental and interest income in future periods.

The City sometimes reports deferred inflows of resources on applicable governmental fund statements that represent revenues which are measurable but not available in accordance with the modified accrual basis of accounting. These deferred inflows will be recognized as revenue in the fiscal year they are earned and become available. The majority of these deferred inflows of resources represent intergovernmental receipts and reimbursements. The City also reports deferred inflows for leases that will be recognized in a systematic manner over the course of the lease.

Net Position

The government-wide and business-type activities financial statements utilize a net position presentation. Net position is presented in three components - net investment in capital assets, restricted, and unrestricted.

- **Net Investment in Capital Assets** - This component of net position consists of capital assets, net of accumulated depreciation and capital related debt.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Net Position *(Continued)*

- **Restricted-** This component consists of net position that has constraints placed either externally by third parties (grantors and contributors) or by law, through constitutional provisions of enabling legislation. The City would typically use restricted net position first, as appropriated opportunities arise, but reserves the right to selectively defer the use of these funds. A portion of the net position of the Water and Sewer Fund is restricted for improvement of the City's sewer system, through the use of sewer impact fees.
- **Unrestricted** - This component consists of net position that does not meet the definition of "net investment in capital assets" and "restricted." Allocations or earmarks of net position made by the City's management are included in this component because these types of constraints are internal and management can remove or modify them.

Fund Balance

In accordance with GAAP, the City classified governmental fund balances as follows:

- **Nonspendable Fund Balance** - Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the City's highest level of decision-making authority, which is an ordinance. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action. The Council can establish, modify or rescind a fund balance commitment through the formal approval of an ordinance.
- **Assigned Fund Balance** - Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Council or (b) a body or official to which the Council has delegated the authority to assign amounts to be used for specific purposes. The City Manager has the official authority to assign fund balance in accordance with the City's Fund Balance Policy. Additionally, this category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Fund Balance *(Continued)*

- **Unassigned Fund Balance** - Unassigned fund balance is the residual classification for the General Fund and also includes deficit fund balances of other governmental funds.

The City intends that restricted amounts be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that would prohibit doing this, such as grant agreements with dollar-for-dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Minimum Fund Balance Policy

It is the goal of the City to achieve and maintain an unassigned General Fund balance equal to 16% of the City's General Fund original budgeted expenditures for the respective fiscal year. These funds can only be used for an emergency as authorized in section 310 and 311 of the City Charter. If during any year, money is appropriated out of the unassigned fund and is spent in an amount that results in the unassigned funds being depleted below the required sixteen (16) percent budget minimum, then the Council shall in subsequent years add to the unassigned funds the lesser of a total of two hundred fifty thousand dollars (\$250,000) per year or whatever amount is necessary to achieve unassigned funds that are sixteen (16) percent of the respective fiscal year. These additions shall continue until funds in the unassigned fund have been increased to equal at least sixteen (16) percent of the City's General Fund original budgeted expenditures for the respective fiscal year.

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) Prior to July 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
- b) Two public hearings are conducted to obtain taxpayer comments on the proposed budget.
- c) Prior to October 1, the budget is legally enacted through passage of an ordinance for the General, Waterfront Redevelopment District, Capital Projects Fund, Sanitation, Water and Sewer, and Marina Funds.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Budgets and Budgetary Accounting *(Continued)*

- d) The City Manager may authorize budget adjustments if the total appropriations of the fund are not changed.
- e) The City Manager is authorized to transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within any department in the general fund and within any other fund. At the request of the City Manager, the Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department to another or from one fund to another.
- f) Budgets for enterprise funds are adopted using a financial flow basis and, as a result, are not consistent with GAAP in that depreciation is excluded and capital outlay cost is included. Formal budgetary integration is employed as a management control device during the year for the General, certain Special Revenue, major Capital Projects Fund and Enterprise Funds. Budgets for the governmental funds are adopted using a basis consistent with GAAP.
- g) Lapse of Appropriations – All appropriations shall lapse at the end of the budget year to the extent that they shall not have been expended or lawfully encumbered. Amounts that are legally encumbered but not expended shall be carried forward and incorporated in the following year's budget.

F. ENCUMBRANCES

Encumbrances represent contractual commitments in the form of purchase orders and contracts relating to governmental funds. Such encumbrances are not recorded as expenditures, but rather within restricted, committed or assigned fund balance depending on the method of approval of the contract or purchase order. Unencumbered appropriations lapse at year-end. The annual appropriations ordinance provides that outstanding encumbrances are to become supplemental appropriations in the respective departmental accounts in the ensuing fiscal year, unless cancelled.

G. PROPERTY TAXES

The assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the Pinellas County Property Appraiser and Pinellas County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten mills. The millage rate in effect for the fiscal year ended September 30, 2023 was 4.026 mills.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

G. PROPERTY TAXES *(Continued)*

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

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

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they were assessed, and at such time a lien on the property is recorded. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. The City does not accrue its portion of the county-held certificates due to the immateriality of the amount.

H. INTERFUND TRANSACTIONS

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

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS

The City utilizes a consolidated cash pool to account for cash and investments of all City funds. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield, which are inherent to a larger investment pool. The account balances of each fund are reported as cash and cash equivalents and investments.

Cash and Pooled Cash

The City has one cash pool that maintains the deposits of all the governmental and enterprise funds of the City. Formal accounting records detail the individual equities of the participating funds. The cash pool utilizes a single checking account for all City receipts and disbursements.

Deposits

At September 30, 2023, the bank balance of the City's cash deposit accounts was \$5,844,833 and the carrying amount of the demand deposits and cash on hand was \$5,583,462. The cash deposits are held by a bank that qualifies as a public depository under the Florida Security and Public Deposits Act, as required by Chapter 280, Florida Statutes, and are considered fully insured.

Investments

Florida Statutes (218.415) authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the U.S. Government, U.S. Government Instrumentalities, State of Florida Local Government Surplus Funds Trust Fund, and mutual funds investing in U.S. Government securities.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS (*Continued*)

Investments (*Continued*)

The City adopted its own investment policy that also authorizes the City to invest in the following: a) Florida Municipal Investment Trust Funds; b) SEC registered money market funds with the highest credit rating from a nationally recognized rating agency; c) obligations of government-sponsored corporations (instrumentalities - which are usually “AAA” rated but have no explicit government guarantee), which are eligible as collateral for advances to member banks, as determined by the Board of Governors of the Federal Reserve; d) collateralized mortgage obligations (“CMO’s”) with very accurately defined maturities issued by Federal Agencies and instrumentalities and limited to VATM/accretion directed CMO’s or planned amortization class CMO’s or sequential bonds CMO’s; e) bankers’ acceptance guaranteed by banking institutions with a bank rating of “AA” on its long-term debt; f) prime commercial paper having received an “A1/P1” or higher rating by a nationally recognized rating agency; g) non-negotiable certificates of deposit and bank investment contracts (“BIC”), which can be insured, collateralized at the Federal Reserve or qualify as state-qualified public deposits, as defined by Florida Statutes; h) taxable or tax-exempt government bonds, notes or other obligations of state or local governments, including municipal corporations and special districts, of investment-grade quality; i) repurchase agreements with a “primary securities dealer” or with the City’s primary state certified public depository that are collateralized pursuant to State law and pursuant to a Master Repurchase Agreement entered into with the selling institution; j) auction rate securities (Dutch Auctions) rated “AA” or “AAA” with 28-35 day resets rated by a nationally-recognized rating agency; and k) corporate debt of corporations whose long-term debt is rated at least “AA-” or equivalent by a nationally recognized rating agency.

The City’s investment policy states that, to the extent possible, investment maturities and liquidity shall be matched to anticipated cash flow requirements. Unless an investment is matched to a specific cash flow, such as a reserve requirement or other longer-term investment horizon, investments shall not have a maturity date of more than five (5) years from the date of purchase.

The City categorizes the fair value measurement of its investments based on the hierarchy established by GASB Statement No. 72 *Fair Value Measurement and Application*. The hierarchy has three levels based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. GASB 72 allows for the use of quoted prices provided by third parties. The City uses quoted prices provided by its third-party custodians for its pension trust funds.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS *(Continued)*

Investments *(Continued)*

The City's investments reported at amortized cost as of September 30, 2023, are as follows:

	Fair Value	Weighted Average Maturity	Credit Rating
Florida Surplus Asset Fund Trust (SAFE)	\$ 10,594,201	45 days (1)	S&P AAAM
Florida PRIME	71,909	35 days (1)	S&P AAAM
Total Investments	<u>\$ 10,666,110</u>		

(1) The weighted average maturity does not exceed 60 days in accordance with S&P guidelines.

The FL SAFE and Florida PRIME are reported as cash equivalents in the financial statements.

Interest Rate Risk- In compliance with the City's investment policy, as of September 30, 2023, the City minimized the interest rate risk related to the decline in fair value of securities due to rising interest rates, by limiting the effective duration of security types not to exceed five (5) years, with the exception of securities related to a specific cash flow, such as a reserve fund and investing operating funds in primarily shorter term securities or similar government investment pools so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity.

Credit Risk - In compliance with the City's Investment Policy, as of September 30, 2023, the City minimized credit risk losses due to default of a security issuer or backer by limiting investments to the safest types of securities, U.S. Government Agency securities and government investment pools, and by pre-qualifying the financial institutions with which the City does business. Mortgage-backed U.S. Government Agencies securities are collateralized mortgage obligations restricted to those backed by GMNA, FHLMC, or FNMA and must pass the FIEC high-risk security test. Additional information on pension investments can be found in Note 8.

General Employees' Pension Fund

Cash and Cash Equivalents

Salem Trust Company periodically holds uninvested cash in its capacity as custodian of the General Employees' Pension Fund (the "Pension Fund"). These funds exist temporarily as cash in the process of collection from the sale of securities. Money market funds with original maturities of three months or less, totaling \$88,417, are reported as cash equivalents and valued at amortized cost.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS *(Continued)*

General Employees' Pension Fund *(Continued)*

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

The Pension Fund held the following investments with fair value measurements as of September 30, 2023:

	Fair Value	Weighted Average Maturity	Credit Rating
Equity Mutual Funds	\$ 10,373,148	n/a	n/a
Real Estate MF	845,601	n/a	n/a
Fixed Income Mutual Funds	6,741,980	see below	A
Total Investments	\$ 17,960,729		

Fixed income mutual funds with Dodge and Cox Income Fund have weighted average maturity of 10.44 years, and with PIMCO Diversified have weighted average maturity of 8.62 years with an average credit rating of A.

	Fair Value Measurements Using		
	Quoted Priced in Active Markets Level 1	Significant Observable Input Level 2	Significant Unobservable Level 3
	Equity Mutual Funds	\$ 10,373,148	-
Real Estate MF	-	-	845,601
Fixed Income Mutual Funds	6,741,980	-	-
Total Investments	\$ 17,115,128	-	\$ 845,601

Real estate investments in Level 3 are valued using discounted cash flows techniques.

Credit Risk- The Pension Fund minimizes credit risk by investing in mutual funds.

Interest Rate Risk- Through its investment policies, the Pension Fund manages its exposure to fair value losses arising from increasing interest rates by investing in short-term money market-type funds that can be liquidated immediately.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS *(Continued)*

Police Pension Fund

Cash and Cash Equivalents

Salem Trust Company periodically holds uninvested cash in its capacity as custodian of the Police Pension Fund (the "Police Pension"). These funds exist temporarily as cash in the process of collection from the sale of securities. Money market funds with original maturities of three months or less, totaling \$167,632, are reported as cash equivalents and valued at amortized cost.

Investments

The Board of Trustees of the Police Pension are authorized to invest in annuity and life insurance contracts with life insurance companies; time, savings, and money market accounts of an institution insured by the Federal Deposit Insurance Corporation; obligations of the U.S. Government or an agency or instrumentality of the U.S. Government, including mortgage-related securities; domestic and international equity securities, such that not more than 5% of the Police Pension's assets shall be invested in the common stock of any one issuing company, no more than 10% of the Police Pension's assets shall be invested in foreign securities, and no more than 60% of the aggregate investments shall be invested in common stock or convertible securities.

The Police Pension held the following investments with fair value measurements as of September 30, 2023:

	Fair Value	Weighted Average Maturity	Credit Rating
US Government Obligations	\$ 512,450	12.41 Years	Aaa/ AA+
Asset-backed Securities	1,422,859	8.72 Years	Aaa/ AA+
Stocks	1,984,664	n/a	n/a
Corporate Bonds	1,630,366	6.93 Years	A3 / A-
Equity Mutual Funds	5,660,183	n/a	n/a
Real Estate MF	1,056,661	n/a	n/a
Total Investments	<u>\$ 12,267,183</u>		

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS (Continued)

Police Pension Fund (Continued)

	<u>Fair Value Measurements Using</u>		
	Quoted Priced in Active Markets	Significant Observable Input	Significant Unobservable
	Level 1	Level 2	Level 3
	Level 1	Level 2	Level 3
US Government Obligations	\$ 137,155	\$ 375,295	\$ -
Asset-backed Securities	-	1,422,859	-
Stocks	1,984,664	-	-
Corporate Bonds	-	1,630,366	-
Equity Mutual Funds	5,660,183	-	-
Real Estate MF	-	-	1,056,661
Total Investments	\$ 7,782,002	\$ 3,428,520	\$ 1,056,661

Debt securities in Level 2 are valued using a matrix pricing technique. Real estate investments in Level 3 are valued using discounted cash flows techniques.

Credit Risk - To mitigate credit risk, the Police Pension’s investment policy limits the minimum credit quality rating of investments, as rated by nationally recognized statistical rating organizations (NRSROs).

Interest Rate Risk - Through its investment policies, the Police Pension manages its exposure to fair value losses arising from increasing interest rates by investing in bond mutual funds and short-term money market-type funds that can be liquidated immediately.

Firefighters’ Pension Fund

Cash and Cash Equivalents

Salem Trust periodically holds uninvested cash in its capacity as custodian of the Firefighters’ Pension Fund (the “Firefighters’ Pension”). These funds exist temporarily as cash in the process of collection from the sale of securities. Money market funds with original maturities of three months or less, totaling \$82,247, are reported as cash equivalents and valued at amortized cost.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS (Continued)

Firefighters' Pension Fund (Continued)

Investments

The Board of Trustees of the Firefighters' Pension are authorized to invest in annuity and life insurance contracts with life insurance companies; time, savings, and money market accounts of an institution insured by the Federal Deposit Insurance Corporation; obligations of the U.S. Government or an agency or instrumentality of the U.S. Government, including mortgage-related securities; domestic and international equity securities, such that not more than 5% of the Firefighters' Pension's assets shall be invested in the common stock of anyone issuing company, no more than 10% of the Firefighters' Pension's assets shall be invested in foreign securities, and no more than 65% of the aggregate investments shall be invested in common stock or convertible securities.

The Firefighters' Pension held the following investments with fair value measurements as of September 30, 2023:

	Fair Value	Weighted Average Maturity	Credit Rating
Stocks	\$ 1,309,953	n/a	n/a
Real Estate MF	475,444	n/a	n/a
Equity Mutual Funds	2,564,096	n/a	n/a
Fixed Income Mutual Funds	1,866,473	see below	A
Total Investments	\$ 6,215,966		

	Fair Value Measurements Using		
	Quoted Priced in Active Markets	Significant Observable Input	Significant Unobservable
	Level 1	Level 2	Level 3
	Level 1	Level 2	Level 3
Stocks	\$ 1,309,953	\$ -	\$ -
Real Estate MF	-	-	475,444
Equity Mutual Funds	2,564,096	-	-
Fixed Income Mutual Funds	1,866,473	-	-
Total Investments	\$ 5,740,522	\$ -	\$ 475,444

Real estate investments in Level 3 are valued using discounted cash flows techniques.

Fixed income mutual funds with Dodge and Cox Income Fund have weighted average maturity 10.44 years, and with PIMCO Diversified have weighted average maturity of 8.62 years with an average credit rating of A.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS (Continued)

Firefighters' Pension Fund (Continued)

Investments (Continued)

Credit Risk - To mitigate credit risk, the Firefighters' Pension's investment policy limits the minimum credit quality rating of investments, as rated by nationally recognized statistical rating organizations (NRSROs).

Interest Rate Risk - Through its investment policies, the Firefighters' Pension manages its exposure to fair value losses arising from increasing interest rates by investing in mutual bond funds and short-term money market-type funds that can be liquidated immediately.

NOTE 3 - RECEIVABLES

Receivables as of September 30, 2023, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities	Total
Accounts Receivable:			
Billed	\$ 730,496	\$ 966,845	\$ 1,697,341
Unbilled	18,990	600,110	619,100
Payroll Advance	2,883	927	3,810
Code Enforcement Liens	131,468	-	131,468
Total Receivables	883,837	1,567,882	2,451,719
Allowance for Uncollectibles	(61,521)	(182,371)	(243,892)
Net Total Receivables	\$ 822,316	\$ 1,385,511	\$ 2,207,827

Lease Receivables and Revenue

The City is the lessor in contracts with Verizon Wireless for the right to use land for a cell tower, and Boca Ciega Yacht Club and Gulfport Yacht Club for rights to use facility space. The terms include fixed annual payments through November 2028 with interest rates ranging from 1.2%-1.4%. The City has \$444,414 in outstanding lease receivable at September 30, 2023. During the fiscal year, the City recognized \$86,095 in lease revenue and \$5,424 in lease interest revenue.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers consist of the following for the year ended September 30, 2023:

Fund	Transfers In	Transfers Out
General	\$ 884,033	\$ 296,000
Capital Projects	-	444,123
Water and Sewer	444,123	455,351
Marina	-	428,682
Nonmajor Special Revenue Funds	596,000	300,000
Total	\$ 1,924,156	\$ 1,924,156

The transfers into the General Fund were made by Water & Sewer and the Marina and represent payments in lieu of taxes (PILOT). The Capital Project Fund transferred funds to Water & Sewer to support repayment on the Sanitary Sewer Evaluation Survey (SSES) Planning Phase I, SSES Phase II and the Wastewater Treatment Facility Construction State Revolving Loan. The General Fund transferred funds to the Senior Center Fund to support the capital campaign and transferred funds to the Water and Sewer fund to support capital projects.

NOTE 5 - CAPITAL ASSETS

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

	Beginning Balance 10/1/2022	Additions	Deletions	Transfers	Ending Balance 9/30/2023
Governmental Activities:					
Non-depreciated Assets:					
Land	\$ 592,072	\$ -	\$ -	\$ -	\$ 592,072
Construction in Progress	347,355	148,681	-	(306,037)	189,999
Depreciated and Amortized Assets:					
Buildings	10,828,026	-	(4,400)	-	10,823,626
Infrastructure and Improvements	22,399,044	972,101	(65,489)	306,037	23,611,693
Right-to-Use Lease Equipment	18,091	-	-	-	18,091
Equipment	6,516,213	833,000	(237,354)	-	7,111,859
Software	462,344	-	(9,147)	-	453,197
Total Capital Assets at Historical Cost	41,163,145	1,953,782	(316,390)	-	42,800,537
Less Accumulated Depreciation and Amortization for:					
Buildings	6,412,225	232,655	(4,400)	-	6,640,480
Infrastructure and Improvements	14,857,885	1,036,816	(65,489)	-	15,829,212
Right-to-Use Lease Equipment	3,618	3,619	-	-	7,237
Equipment	5,141,400	678,321	(237,354)	-	5,582,367
Software	442,467	11,045	(9,147)	-	444,365
Total Accumulated Depreciation and Amortization	26,857,595	1,962,456	(316,390)	-	28,503,661
Governmental Activities Capital Assets, Net	\$ 14,305,550	\$ (8,674)	\$ -	\$ -	\$ 14,296,876

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 5 - CAPITAL ASSETS (Continued)

Business-Type Activities:	Beginning Balance 10/1/2022	Additions	Deletions	Transfers	Ending Balance 9/30/2023
Non-depreciated Assets:					
Land	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Construction in Progress	9,222,488	367,341	-	(5,221,157)	4,368,672
Depreciated and Amortized Assets:					
Buildings	1,556,390	-	-	-	1,556,390
Infrastructure and Improvements	25,652,061	758,362	(2,098)	5,221,157	31,629,482
Equipment	4,527,726	191,015	(62,155)	-	4,656,586
Software	69,953	-	-	-	69,953
Total at Historical Cost	41,048,618	1,316,718	(64,253)	-	42,301,083
Less Accumulated Depreciation and Amortization for:					
Buildings	896,431	49,107	-	-	945,538
Infrastructure and Improvements	17,524,342	1,058,306	(2,098)	-	18,580,550
Equipment	3,298,576	429,132	(62,153)	-	3,665,555
Software	69,951	2	-	-	69,953
Total Accumulated Depreciation and Amortization	21,789,300	1,536,547	(64,251)	-	23,261,596
Business-Type Activities Capital Assets, Net	\$ 19,259,318	\$ (219,829)	\$ (2)	\$ -	\$ 19,039,487

Depreciation and amortization were charged to governmental activities, as follows:

General Government	\$ 93,485
Public Safety	348,841
Leisure Services	538,499
Community Development/ Redevelopment	337,050
Public Works	644,581
	<u>\$ 1,962,456</u>

Depreciation and amortization were charged to business-type activities: \$284,244 to sanitation, \$948,469 to water and sewer, and \$303,834 to marina operations.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 6 - RISK MANAGEMENT

The City is subject to losses in the normal course of operations resulting from general liability, property and casualty; workers' compensation; employee health and accident; environmental, and antitrust matters. The City has purchased commercial insurance to protect against employee health losses. The City participates in the Public Risk Management of Florida for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; and general liability, including malpractice, and errors and omissions. The City does not self-insure against any risks. To the extent that the City has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter.

There has been no significant reduction in insurance coverage from the prior year. In addition, there have been no settlements which exceeded the City's insurance coverage for each of the past three fiscal years. The Public Risk Management of Florida is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool requires additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums during the last three years, nor is the City aware of any contingent assessments.

NOTE 7 - LONG TERM LIABILITIES

The City's long-term liabilities consist of lease liability, financed purchases, notes from direct borrowing, accrued compensated absences, other postemployment benefits liability, and net pension liability. The change in long term liabilities is as follows:

	Balance 10/1/2022	Additions	Deletions	Balance 9/30/2023	Due in One Year
Governmental Activities:					
Compensated Absences	\$ 1,049,336	\$ 577,113	\$ (464,880)	\$ 1,161,569	\$ 384,200
Lease Liability	15,183	-	(3,173)	12,010	3,463
Net Pension Liability	7,289,959	2,616,492	(1,061,194)	8,845,257	-
Total OPEB Liability	731,090	60,010	(18,545)	772,555	-
	<u>\$ 9,085,568</u>	<u>\$ 3,253,615</u>	<u>\$ (1,547,792)</u>	<u>\$ 10,791,391</u>	<u>\$ 387,663</u>
Business-Type Activities:					
Compensated Absences	\$ 174,734	\$ 93,835	\$ (89,143)	\$ 179,426	\$ 64,395
Financed Purchase	233,419	-	(154,606)	78,813	78,813
Notes from Direct Borrowing	7,550,930	265,966	(332,562)	7,484,334	351,191
Net Pension Liability	640,241	350,112	-	990,353	-
Total OPEB Liability	151,825	13,440	(4,154)	161,111	-
	<u>\$ 8,751,149</u>	<u>\$ 723,353</u>	<u>\$ (580,465)</u>	<u>\$ 8,894,037</u>	<u>\$ 494,399</u>

Governmental activities compensated absences, total OPEB liability, and net pension liability will be liquidated in future periods primarily by the General Fund.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 7 - LONG TERM LIABILITIES (Continued)

Notes from Direct Borrowing - State Revolving Loan

The City has entered into four agreements with the Florida Department of Environmental Protection (FDEP); The Sanitary Sewer Evaluation Study (SSES); the SSES Phase I Construction; and the Lift Station 2 Force Main Extension and Lift Station Improvement agreement. The agreements are funded through the Clean Water State Revolving Fund (SRF) Loan Program protected under the Federal Clean Water Act. The original principal amount of the loans are as follows:

- SSES Phase I Planning, \$1,665,977; interest rate of 2.12%
- SSES Phase II Planning, \$599,162; interest rate of 1.05%
- SSES Phase I Construction, \$2,997,327; interest rate of 0.05%
- Lift Station 2 Force Main Extension and Lift Station Improvement, \$3,041,695, interest rate of 0.00%

SSES Phase I Planning and SSES Phase II Planning began repayment in FY20, SSES Phase I Construction began repayment in FY21, the Lift Station 2 Force Main Extension and Lift Station Improvement began repayment in FY23.

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the loan. The loan is payable solely from water and sewer customer net revenues and is payable through 2042. Rate coverage for the loan requires that the pledged revenues equal or exceed 1.15 times the sum of the semiannual loan payments due in the fiscal year. The total semi-annual principal and interest paid for the current year were \$369,700. Total pledged revenues of \$8,254,744 less operating expenses of \$7,242,974 amount to net pledged revenues of \$1,011,770. The total principal and interest to be paid on the loan is \$7,793,927.

Future debt service payments on the SRF Loan are as follows:

FY Ending	Principal	Interest
2024	\$ 351,191	\$ 35,239
2025	413,962	33,303
2026	415,933	31,332
2027	417,944	29,321
2028	419,992	27,272
2029-2033	2,132,077	104,246
2034-2038	2,189,475	46,846
2039-2043	1,143,760	2,034
	\$ 7,484,334	\$ 309,593

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 7 - LONG TERM LIABILITIES (*Continued*)

Notes from Direct Borrowing - State Revolving Loan (continued)

Under all four agreements with the State Revolving Fund, upon occurrence of an event of default, the FDEP may provide notice to the Florida Auditor General and Chief Financial Officer regarding delinquency of debt service payments, and intercept delinquent amounts from unobligated revenue or tax-sharing funds due to the City. The FDEP may impose a penalty of 18% annually on the amount due. Additionally, the FDEP may accelerate the repayment schedule or increase the financing rate up to 1.667 times the current rate.

Financed Purchases

The City entered into a master equipment financed purchase agreement with Regions Bank to acquire sanitation equipment. The equipment's net cost under this agreement is \$74,416. The interest rate for the remaining Regions Bank agreement is 2.60%. The total remaining lease payment is \$79,837 comprised of \$78,813 principal and \$1,024 interest.

Under the agreement with Regions Bank, upon occurrence of an event of default, title to all equipment would revert back to the bank and the bank may declare any outstanding installments immediately due and payable. The bank may terminate the agreement and all equipment must be returned to the bank, after receipt of which the bank may sell or lease the equipment and reclaim all proceeds.

Lease Liability

The City is the lessee of a Pitney Bowes Sendpro-P postage machine. The fixed quarterly payments are \$1,103 through September 2026 at an interest rate of 2.2%. The City's lease liability at September 30, 2023 is \$12,010. Future debt service payments at September 30 are as follows.

<u>FY Ending</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 3,463	\$ 949
2025	3,780	632
2026	4,767	249
	<u>\$ 12,010</u>	<u>\$ 1,830</u>

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS

Pension Plan Financial Statements

CITY OF GULFPORT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2023

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total
ASSETS				
Cash and Cash Equivalents:				
Short Term Investments	\$ 88,417	\$ 167,632	\$ 82,247	\$ 338,296
Total Cash and Cash Equivalents	88,417	167,632	82,247	338,296
Receivables:				
City Contributions in Transit	77,327	95,917	68,335	241,579
Additional City Contribution	-	-	8,540	8,540
Investment Income	-	30,225	1,073	31,298
Due From Government	-	-	48,761	48,761
Total Receivable	77,327	126,142	126,709	330,178
Investments, at Fair Value:				
U.S. Government Obligations	-	512,450	-	512,450
Asset-backed Securities	-	1,422,859	-	1,422,859
Stocks	-	1,984,664	1,309,953	3,294,617
Corporate Bonds	-	1,630,366	-	1,630,366
Mutual Funds:				
Equity	10,373,148	5,660,183	2,564,096	18,597,427
Real Estate	845,601	1,056,661	475,444	2,377,706
Fixed Income	6,741,980	-	1,866,473	8,608,453
Total Investments	17,960,729	12,267,183	6,215,966	36,443,878
Total Assets	18,126,473	12,560,957	6,424,922	37,112,352
LIABILITIES				
Prepaid City Contribution	32	37,890	-	37,922
Accounts Payable	-	1,458	6,567	8,025
Total Liabilities	32	39,348	6,567	45,947
Net Position Restricted for Pension Benefits	\$ 18,126,441	\$ 12,521,609	\$ 6,418,355	\$ 37,066,405

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS (Continued)

Pension Plan Financial Statements (Continued)

CITY OF GULFPORT, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For The Year Ended September 30, 2023

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total
ADDITIONS				
Contributions				
City	\$ 270,486	\$ 308,609	\$ 259,439	\$ 838,534
Member	128,125	198,399	71,686	398,210
State	-	136,733	175,303	312,036
Total Contributions	<u>398,611</u>	<u>643,741</u>	<u>506,428</u>	<u>1,548,780</u>
Investment Income (Loss)				
Net Increase (Decrease) in Fair Value of Investments	2,088,950	810,638	499,861	3,399,449
Interest & Dividends	3,260	307,981	161,887	473,128
Less: Investment Expense ¹	<u>(34,926)</u>	<u>(59,936)</u>	<u>(34,493)</u>	<u>(129,355)</u>
Net Investment Income (Loss)	<u>2,057,284</u>	<u>1,058,683</u>	<u>627,255</u>	<u>3,743,222</u>
Total Additions	<u>2,455,895</u>	<u>1,702,424</u>	<u>1,133,683</u>	<u>5,292,002</u>
DEDUCTIONS				
Distributions to Members:				
Benefit Payments	907,716	538,954	173,672	1,620,342
Lump Sum Distributions	-	-	114,811	114,811
Refunds of Member Contributions	<u>11,429</u>	<u>17,029</u>	<u>-</u>	<u>28,458</u>
Total Distributions	<u>919,145</u>	<u>555,983</u>	<u>288,483</u>	<u>1,763,611</u>
Administrative Expense	<u>87,788</u>	<u>63,289</u>	<u>65,496</u>	<u>216,573</u>
Total Deductions	<u>1,006,933</u>	<u>619,272</u>	<u>353,979</u>	<u>1,980,184</u>
Change in Net Position	1,448,962	1,083,152	779,704	3,311,818
Net Position - Beginning of Year	<u>16,677,479</u>	<u>11,438,457</u>	<u>5,638,651</u>	<u>33,754,587</u>
Net Position - End of Year	<u>\$ 18,126,441</u>	<u>\$ 12,521,609</u>	<u>\$ 6,418,355</u>	<u>\$ 37,066,405</u>

¹ Investment related expenses include investment advisory, custodial and performance monitoring fees.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS (*Continued*)

Summary of Significant Accounting Policies

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

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Plan Description

Plan Administration. The City contributes to three single-employer defined benefit pension plans covering all full-time City employees, which are maintained as Pension Trust Funds and reported as fiduciary funds of the City. The Council has the authority to establish and amend plan benefits. The pension plans do not issue stand-alone financial reports; however, more information on each individual plan can be found in this section. The pension plans are administered by an independent Board of Trustees and accounted for as separate funds. The accounting information with respect to these funds has been provided to the City by the insurance company and the banks, which maintain custody over their assets.

General Employees' Pension Plan (GEPP) covers all permanent, full-time City employees, except those employees covered by the Police or Fire Pension Plans, the City Manager, the Department Directors, and the City Clerk. The plan is administered by a Board of Trustees comprised of four members of the plan, two Council appointees, and the administrative services director.

Police Officers' Pension Plan (PPP) covers all non-civilian police department employees. The plan is administered by a Board of Trustees comprised of two Council appointees, two members of the department elected by membership, and the fifth member elected by the other four and appointed by Council.

Firefighters' Pension Plan (FPP) covers all firefighters. The plan is administered by a Board of Trustees comprised of two Council appointees, two members of the department elected by membership, and the fifth member elected by the other four and appointed by Council.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS (Continued)

Plan Description (Continued)

Plan Membership as of October 1, 2022

	GEPP	PPP	FPP
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	81	21	23
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	107	16	8
Active Plan Members	87	25	18
	275	62	49

Benefits Provided

General Employees' Pension Plan (GEPP):

The GEPP provides retirement, termination and death benefits.

Normal Retirement:

Date: The attainment of age 62 with 5 years of Credited Service.

Benefit: 2.3% of Average Compensation times Credited Service.

Early Retirement:

Date: Attainment of age 55 with 5 years of Credited Service.

Benefit: Accrued Benefit on Early Retirement Date, actuarially reduced for each year that Early Retirement precedes Normal Retirement.

Termination of Employment:

Vesting Schedule: Years of Service Vested %

Less than 5 0%

5 or more 100%

Benefit: Vested Accrued benefit payable at 62 (unreduced) or Early Retirement Date (reduced).

Pre-Retirement Death Benefit:

Eligibility: 5 Years of Credited Service.

Benefit: Accrued benefit payable for 10 years beginning at the member's otherwise Early Retirement Date (reduced) or Normal Retirement Date (unreduced).

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS (*Continued*)

Plan Description (*Continued*)

Benefits Provided (Continued)

Firefighters' Pension Plan (FPP):

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

Normal Retirement:

Eligibility: Earlier of: 1) Age 55 and completion of 10 years of Credited Service
2) Age 52 and the completion of 25 years of Credited Service or
3) the completion of 30 years of Credited Service, regardless of age.

Benefit: 3.37% of Average Final Compensation Times Years of Credited Service.

Early Retirement:

Eligibility: Age 50 and the completion of 10 years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year

Vesting:

Schedule: 100% after 10 years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability:

Eligibility: Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 10 years of Credited Service.

Benefit Service Incurred: Greater of: \$250 per month, accrued benefit, or 50% of average final compensation.

Benefit Non-service Incurred: Accrued Benefit.

Pre-Retirement Death Benefits:

Prior to vesting: Refund of Accumulated Member Contributions

Vested: Accrued Benefit payable for 10 years at the otherwise Early (reduced) or Normal Retirement Date.

Post Retirement Death Benefits:

Benefits payable to beneficiary in accordance with option selected at retirement.

Cost-Of-Living Adjustments:

Members who retire or terminate employment after April 21, 2009 receive 2.0% increases each year from Age 55 to Age 65.

Annual Supplemental Payment:

Each March 1, each current retiree receives a benefit increase in the amount of 3.0% of the State contribution received in the prior year, subject to a maximum increase for all retirees equal to 10.0% of the State contribution.

Chapter 175 Share Accounts:

Chapter 2015-39 allows City to use 90% of the State monies to offset funding requirements or reduce the Unfunded Actuarial Accrued Liability (UAAL), and 10% of State monies are allocated to current retirees.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS (Continued)

Plan Description (Continued)

Benefits Provided (Continued)

Police Officers' Pension Plan (PPP):

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

Normal Retirement:

Date: Earlier of: 1) Age 55 and 10 years of Credited Service, or
2) 25 years of Credited Service.

Benefit: 3.0% of Average Final Compensation Times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year for each year that Early Retirement precedes Normal Retirement.

Vesting:

Schedule: 100% after 10 years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date (unreduced) or Early Retirement Date (reduced).

Disability:

Eligibility: Service Incurred: Covered from Date of Employment. Non-Service Incurred: 10 years of Credited Service.

Benefit: Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested: Refund of accumulated contributions without interest.

Chapter 185 Share Accounts:

Chapter 2015-39 allows City to use 90% of the State monies to offset funding requirements or reduce the Unfunded Actuarial Accrued Liability (UAAL), and 10% of State monies are allocated to current retirees.

Contributions. Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes. The Council has the authority to establish and amend contribution amounts. The City contributed \$270,486 to the GEPP, \$445,342 to the PPP, and \$434,742 to the FPP, including state contributions for the PPP and FPP. For the year ended September 30, 2023 the active member contribution rate and the City's contribution rate was as follows:

	GEPP	PPP	FPP
Active member contribution rate	2.70%	8.50%	5.00%
City's contribution rate	5.70%	10.70%	11.80%

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS (*Continued*)

Investments

Investment Policy. The following was the Board's adopted asset allocation policy as of September 30, 2023:

	<u>Target Allocation</u>		
	GEPP	PPP	FPP
Domestic Equity	40%	45%	45%
International Equity	10%	15%	15%
Domestic Fixed Income	30%	35%	35%
Global Fixed Income	5%	--	5%
Global Tactical Asset Allocation	5%	--	--
Real Estate	5%	5%	--
REITS	5%	--	--
	100%	100%	100%

Concentrations. The Plans did not hold investments in any one organization that represent 5 percent or more of the Plan's fiduciary net positions.

Rate of Return. For the year ended September 30, 2023 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

Money-Weighted Rate of Return		
GEPP	PPP	FPP
12.70%	9.16%	11.55%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability and Actuarial Assumptions

The City's aggregate net pension liability is \$9,835,610. The components of the City's net pension liability of the Plans as of September 30, 2023 were as follows:

	GEPP	PPP	FPP
Total Pension Liability	\$ 20,937,349	\$ 16,964,566	\$ 9,000,098
Plan Fiduciary Net Position	18,126,440	12,521,609	6,418,354
City's Net Pension Liability	\$ 2,810,909	\$ 4,442,957	\$ 2,581,744

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.57%	73.81%	71.31%
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CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS (*Continued*)

Net Pension Liability and Actuarial Assumptions (*Continued*)

Actuarial Assumptions. The total pension liability was determined by actuarial valuations as of October 1, 2022 updated to September 30, 2023 using the following actuarial assumptions applied to all measurement periods.

	GEPP	PPP	FPP
Inflation	2.50%	2.50%	3.00%
Salary Increases	Service based	Service based	Service based
Discount Rate	6.80%	7.15%	7.10%
Investment Rate of Return	6.80%	7.15%	7.10%

Mortality rates were factored using the following:

GEPP – Healthy Active Lives PubG.H-2010 for Employees: Males – (below median) set back one year; Females – no adjustment. Healthy Retiree Lives PubG.H-2010 for Healthy Retirees: Males – (below median) set back one year; Females – no adjustment. Beneficiary Lives PubG.H-2010 for Healthy Retirees: Males – set back one year; Females – (below median). Disabled Lives PubG.H-2010 for Disabled Retirees: Males and Females – set forward three years. All rates are projected generationally with mortality improvement scale MP-2018. The significant assumptions were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2021 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

PPP - Healthy Active Lives PubS.H-2010 for Employees: Males and Females – set forward one year. Healthy Retiree Lives PubS.H-2010 for Healthy Retirees: Males – (below median) set forward one year; Females – set forward one year. Beneficiary Lives PubG.H-2010 for Healthy Retirees: Males – (below median) set back one year; Females – (below median). Disabled Lives 80% PubG.H-2010 for Disabled Retirees and 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with mortality improvement scale MP-2018. The significant assumptions were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS (*Continued*)

Net Pension Liability and Actuarial Assumptions (*Continued*)

FPP - Healthy Active Lives PubS.H-2010 for Employees: Males and Females – set forward one year, Males – (below median). Healthy Retiree Lives PubS.H-2010 for Healthy Retirees: Males and Females – (below median) set forward one year. Beneficiary Lives PubG.H-2010 for Healthy Retirees: Males – (below median) set back one year; Females – (below median). Disabled Lives 80% PubG.H-2010 for Disabled Retirees and 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with mortality improvement scale MP-2018. The significant assumptions were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Long Term Expected Rate of Return

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

Best estimates of arithmetic real rates of return for each major asset class included in each Plan's target asset allocation as of September 30, 2023 are summarized in the following table:

	<u>Long Term Expected Real Rate of Return</u>		
	<u>GEPP</u>	<u>PPP</u>	<u>FPP</u>
Domestic Equity	7.5%	7.5%	7.5%
International Equity	8.5%	8.5%	8.5%
Domestic Fixed Income	2.5%	2.5%	2.5%
Global Fixed Income	3.5%	--	3.5%
Global Tactical Asset Allocation	3.5%	--	--
Real Estate	4.5%	4.5%	--
REITS	2.5%	--	--

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS (Continued)

Net Pension Liability (Asset) and Actuarial Assumptions (Continued)

Discount Rate Sensitivity Analysis

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following tables present the sensitivity of the net pension liability (asset) to changes in the discount rate.

	<u>GEPP</u>		
	1% Decrease	Discount Rate	1% Increase
	5.80%	6.80%	7.80%
Net Pension Liability	\$ 5,304,603	\$ 2,810,909	\$ 720,123

	<u>PPP</u>		
	1% Decrease	Discount Rate	1% Increase
	6.15%	7.15%	8.15%
Net Pension Liability	\$ 6,525,640	\$ 4,442,957	\$ 2,709,849

	<u>FPP</u>		
	1% Decrease	Discount Rate	1% Increase
	6.10%	7.10%	8.10%
Net Pension Liability	\$ 3,842,360	\$ 2,581,744	\$ 1,511,127

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS (Continued)

Net Pension Liability (Asset), Deferred Outflows/Deferred Inflows of Resources, and Pension Expense for the City's Defined Benefit Plans

The following table presents the change in net pension liability (asset) of the City's Plans as of the measurement date of September 30, 2023.

	GEPP	PPP	FPP	Total
Total Pension Liability				
Service Cost	\$ 354,150	\$ 285,625	\$ 237,563	\$ 877,338
Interest	1,245,991	1,071,035	594,796	2,911,822
Change in Excess State Monies	-	-	17,530	17,530
Share Plan Allocation	-	26,224	35,845	62,069
Change in Benefit Terms	1,371,475	689,423	281,461	2,342,359
Difference Between Actual and Expected Experience	456,062	476,365	(162,707)	769,720
Benefit Payments	(919,146)	(555,984)	(288,483)	(1,763,613)
Net Change in Total Pension Liability	2,508,532	1,992,688	716,005	5,217,225
Total Pension Liability - Beginning	18,428,817	14,971,878	8,284,093	41,684,788
Total Pension Liability - Ending (a)	\$ 20,937,349	\$ 16,964,566	\$ 9,000,098	\$ 46,902,013
Plan Fiduciary Net Position				
Contributions - Employer	\$ 270,486	\$ 308,609	\$ 259,439	\$ 838,534
Contributions - State	-	136,733	175,303	312,036
Contributions - Member	128,124	198,399	71,685	398,208
Net Investment Income	2,057,284	1,058,684	627,255	3,743,223
Benefit Payments, including Refunds of Contributions	(919,146)	(555,984)	(288,483)	(1,763,613)
Administrative Expense	(87,788)	(63,289)	(65,496)	(216,573)
Net Change in Plan Fiduciary Net Position	1,448,960	1,083,152	779,703	3,311,815
Plan Fiduciary Net Position - Beginning	16,677,480	11,438,457	5,638,651	33,754,588
Plan Fiduciary Net Position - Ending (b)	\$ 18,126,440	\$ 12,521,609	\$ 6,418,354	\$ 37,066,403
Net Pension Liability (a) - (b)	\$ 2,810,909	\$ 4,442,957	\$ 2,581,744	\$ 9,835,610

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS (*Continued*)

For the year ended September 30, 2023, the City recognized pension expense of \$5,275,296, (\$1,603,885 related to the PPP, \$1,075,689 related to the FPP and \$2,595,722 related to the GEPP).

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

	GEPP	
	Deferred Outflows	(Deferred Inflows)
Difference between expected and actual experience	340,261	-
Difference for change in assumptions	285,146	-
Net difference between projected and actual earnings on plan investments	1,044,706	-
	PPP	
	Deferred Outflows (Deferred Inflows)	
Difference between expected and actual experience	358,668	-
Difference for change in assumptions	146,355	(49,480)
Net difference between projected and actual earnings on plan investments	1,359,220	-
	FPP	
	Deferred Outflows (Deferred Inflows)	
Difference between expected and actual experience	31,447	(108,472)
Difference for change in assumptions	133,866	-
Net difference between projected and actual earnings on plan investments	664,060	-
Total All Plans	\$ 4,363,729	\$ (157,952)

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

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

Year Ending September 30	GEPP	PPP	FPP	Net Amount
2024	\$ 705,226	\$ 660,286	\$ 288,583	\$ 1,654,095
2025	391,407	540,776	149,278	1,081,461
2026	762,260	661,693	327,340	1,751,293
2027	(188,780)	(47,992)	(44,300)	(281,072)
	\$ 1,670,113	\$ 1,814,763	\$ 720,901	\$ 4,205,777

Payable to the Pension Plans

On September 30, 2023, the City reported a payable of \$8,540 for the outstanding amount of contributions to the fire pension plan.

NOTE 9 - DEFINED CONTRIBUTION PLAN

The City contributes to the 401(a) Money Purchase Defined Contribution Plan (DC Plan) for participating eligible employees which include the City Manager, Department Directors, Fire Chief, Police Chief, and City Clerk hired after October 1, 1999. The DC Plan is administered by Mission Square Retirement. Benefit terms, including contribution requirements, for the DC Plan are established and may be amended by the Council. For each participating employee in the DC Plan, the City must contribute 12% of annual compensation, and 20% for the City Manager. The DC Plan does not require contributions from members. For the year ended September 30, 2023, the City recognized pension expense of \$74,578. Employer contributions and earnings on those contributions are immediately 100% vested; therefore, there are no forfeitures.

NOTE 10 – OTHER POST RETIREMENT PLANS

The City offers its employees two deferred compensation plans created in accordance with Section 457, Internal Revenue Code. The plans, which are available to all City employees through Mission Square Retirement and Nationwide Retirement Plans, permit the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 10 – OTHER POST RETIREMENT PLANS (*Continued*)

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the participating employees. It is the opinion of the government's legal counsel that the government has no liability for losses under the plans, but does have the duty of due care that would be required of any ordinary prudent investor.

GASB Statement No. 32 eliminates the requirement that the City report the assets of Internal Revenue Code, Section 457, plans on the statement of net position.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which superseded previous accounting and financial reporting guidance for certain postemployment healthcare and life insurance benefits provided by the City.

Plan Description, Benefit Terms and Contribution Requirements

The Other Postemployment Benefit Plan (“OPEB Plan”) is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees generally have higher costs, it means that the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees. This is known as the “implicit rate subsidy”.

Retirees and their dependents are permitted to remain covered under the City's respective medical and insurance plans as long as they pay a full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers per Ch. 112.08, F.S. Benefits that exceed this minimum are established and may be amended through action of the Council. The OPEB Plan does not issue a stand-alone report.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Plan participants must reimburse the City for the City’s average blended cost. Contributions requirements of the City are established and may be amended through action of the Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

At September 30, 2023, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently	
Receiving Benefits	2
Active Employees	142
	144

Total OPEB Liability and Changes in Total OPEB Liability

The measurement date for the City’s total OPEB liability was September 30, 2023. The measurement period for OPEB cost was October 1, 2022 to September 30, 2023. The components of the City’s net OPEB liability are as follows:

Total OPEB Liability	\$ 933,666
OPEB Plan Fiduciary Net Position	-
City's Net OPEB Liability	\$ 933,666
OPEB Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.0%

The components of the changes in the total OPEB liability are as follows:

	Fiscal Year 2023
<u>Total OPEB Liability</u>	
Service Cost	\$ 41,696
Interest	37,169
Difference between Expected and Actual Experience	(5,415)
Benefit Payments	(22,699)
Net Change in Total OPEB Liability	50,751
Total OPEB Liability, Beginning	882,915
Total OPEB Liability, Ending	\$ 933,666

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Actuarial Assumptions and OPEB Liability Sensitivity to Healthcare Trend Rate

The total OPEB liability reported at September 30, 2023 was based on an actuarial valuation dated October 1, 2021 rolled forward to September 30, 2023, using the following actuarial assumptions:

Inflation	3.0% per annum
Discount Rate	4.09%
Salary Increases	2.5% per annum
Mortality Rates	RP-2014 mortality table with MP-2019 projection
Healthcare Trend Rate	Trend starting at 5.2% with .1% decrease per year to final rate of 3.9%

Sensitivity of OPEB liability to healthcare cost trend 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 healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
	2.9 - 4.2%	3.9 - 5.2%	4.9 - 6.2%
Total OPEB Liability	\$ 818,257	\$ 933,666	\$ 1,097,160

Discount Rate and OPEB Liability Sensitivity to Discount Rate

The discount rate used to measure the total OPEB liability reported as of September 30, 2023 was 4.09%. Because the City's OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total OPEB liability for the OPEB Plan. The S&P Municipal Bond 20-Year High-Grade Rate Index was used for this purpose.

Sensitivity of OPEB liability to 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 1% lower or 1% higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	3.09%	4.09%	5.09%
Total OPEB Liability	\$ 1,078,246	\$ 933,666	\$ 832,636

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$73,326. At September 30, 2023, the City had deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 204,016	\$ 165,743
Change of Assumptions and Other Inputs	3,053	-
	\$ 207,069	\$ 165,743

Deferred inflows of resources and deferred outflows of resources shown above will be recognized in OPEB expense in the following years.

Fiscal Year Ending		Net Outflows
2024	\$	(5,539)
2025		(5,539)
2026		(5,539)
2027		(5,539)
2028		(5,539)
Thereafter		69,021
	\$	41,326

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Contractual Services

The City has a Water Purchase and Sewer Treatment Agreement with the City of St. Petersburg to acquire water and have its sewage treated at prevailing wholesale rates. During the current year, the City paid the City of St. Petersburg \$4,364,672 for these services.

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits cannot presently be determined, it is the opinion of the City’s counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 12 - COMMITMENTS AND CONTINGENCIES (*Continued*)

Encumbrances

At September 30, 2023, the City has outstanding encumbrances in several funds reported within appropriate fund as follows:

	Amount	Classification
<u>Major Funds:</u>		
General Fund	\$ 1,564,276	Assigned fund balance
Capital Projects Fund	379,923	Restricted fund balance
Water and Sewer	182,899	Unrestricted net position
Marina	182,899	Unrestricted net position
<u>Nonmajor Funds:</u>		
Senior Center Fund	411,738	Restricted fund balance
Waterfront Redevelopment District	164,774	Restricted fund balance
	<u>\$ 2,886,509</u>	

Outstanding Commitments

At September 30, 2023, the City has significant architectural and engineering commitments totaling \$1,500,000 for the senior center improvement project.

Grants

The City receives financial assistance from federal, state, and local agencies in the form of operating and capital grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Disallowed claims, if any, resulting from such audits, may become liabilities of the City. However, in the opinion of management, disallowed claims, if any, will not have a material effect on the City's financial statements.

Required Supplementary Information

This financial statement section provides the following schedules:

Budgetary comparison schedule for *Major Fund*

- General Fund

Schedules for Employee Retirement Plans

- Schedules of Net Pension Liability and Related Ratios
 - Municipal Police Officers' Trust Fund
 - Firefighters' Retirement Pension Fund
 - General Employees' Pension Plan
- Schedules of Contributions
 - Municipal Police Officers' Trust Fund
 - Firefighters' Retirement Pension Fund
 - General Employees' Pension Plan
- Schedule of Investment Returns

Schedules for Employee Other Postemployment Benefits Plan

- Schedule of Changes in the City's Total OPEB Liability and Related Ratios

CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 8,370,122	\$ 8,370,122	\$ 8,345,433	\$ (24,689)
Permits and Fees	808,352	808,352	792,442	(15,910)
Intergovernmental Revenues	2,601,349	2,691,446	2,970,723	279,277
Charges for Services	3,171,704	3,186,704	3,347,458	160,754
Fines and Forfeitures	70,976	70,976	86,909	15,933
Investment Income	42,895	42,895	344,086	301,191
Miscellaneous Revenues	431,804	431,804	442,892	11,088
Total Revenues	<u>15,497,202</u>	<u>15,602,299</u>	<u>16,329,943</u>	<u>727,644</u>
EXPENDITURES				
General Government				
Legislative	477,563	471,653	461,144	(10,509)
Legal	120,000	120,000	117,965	(2,035)
Executive	359,398	337,449	322,025	(15,424)
Financial	611,412	652,807	625,808	(26,999)
Human Resources	244,216	313,432	310,331	(3,101)
Information Technology	308,320	354,339	346,134	(8,205)
Total	<u>2,120,909</u>	<u>2,249,680</u>	<u>2,183,407</u>	<u>(66,273)</u>
Public Safety				
Fire	2,309,774	2,503,676	2,494,807	(8,869)
Police	4,614,058	4,717,385	4,367,980	(349,405)
Total	<u>6,923,832</u>	<u>7,221,061</u>	<u>6,862,787</u>	<u>(358,274)</u>
Recreation				
Library	924,582	922,372	889,544	(32,828)
Office of Director	90,728	101,004	101,006	2
Elderly Mobility Service	157,428	195,271	179,733	(15,538)
Recreation Center	851,928	787,465	838,198	50,733
Casino	492,647	563,140	563,141	1
Theater	263,371	263,371	241,507	(21,864)
Parks	983,488	1,221,451	1,400,747	179,296
Senior Center	347,037	347,037	320,236	(26,801)
Total	<u>4,111,209</u>	<u>4,401,111</u>	<u>4,534,112</u>	<u>133,001</u>
Community Development				
Planning & Development	353,185	334,518	319,319	(15,199)
Building Inspections	912,019	872,630	775,134	(97,496)
Total	<u>1,265,204</u>	<u>1,207,148</u>	<u>1,094,453</u>	<u>(112,695)</u>

Continued

CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE - Continued
GENERAL FUND
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued)				
Public Works				
Building Maintenance	\$ 282,390	\$ 324,588	\$ 327,013	\$ 2,425
Central Garage	914,870	664,405	694,043	29,638
Office of Director	188,033	188,033	171,802	(16,231)
Streets	732,689	842,699	860,222	17,523
Other Public Works	-	345,953	298,508	(47,445)
Total	<u>2,117,982</u>	<u>2,365,678</u>	<u>2,351,588</u>	<u>(14,090)</u>
Debt Service				
Principal	-	-	3,173	3,173
Interest	-	-	1,239	1,239
Total	<u>-</u>	<u>-</u>	<u>4,412</u>	<u>4,412</u>
Total Expenditures	<u>16,539,136</u>	<u>17,444,678</u>	<u>17,030,759</u>	<u>(413,919)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(1,041,934)</u>	<u>(1,842,379)</u>	<u>(700,816)</u>	<u>1,141,563</u>
OTHER FINANCING SOURCES				
AND (USES)				
Transfers In	884,033	884,033	884,033	-
Transfers (Out)	-	(296,000)	(296,000)	-
Total Other Financing				
Sources and (Uses)	<u>884,033</u>	<u>588,033</u>	<u>588,033</u>	<u>-</u>
Net Change in Fund Balance	<u>(157,901)</u>	<u>(1,254,346)</u>	<u>(112,783)</u>	<u>1,141,563</u>
Fund Balance - Beginning	<u>4,600,399</u>	<u>4,600,399</u>	<u>9,401,387</u>	<u>4,800,988</u>
Fund Balance - Ending	<u>\$ 4,442,498</u>	<u>\$ 3,346,053</u>	<u>\$ 9,288,604</u>	<u>\$ 5,942,551</u>

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total Pension Liability					
Service Cost	\$ 285,625	\$ 414,657	\$ 388,613	\$ 391,676	\$ 389,379
Interest	1,071,035	1,022,510	965,942	954,620	931,787
Share Plan Allocation	26,224	12,947	8,915	8,862	10,804
Changes of Benefit Terms	689,423	-	-	-	129,476
Differences Between Expected and Actual Experience	476,365	54,274	55,814	(361,584)	(435,954)
Changes of Assumptions	-	(98,958)	585,420	(279,845)	-
Contributions - Buy Back	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(555,984)	(639,477)	(578,786)	(540,625)	(647,121)
Net Change in Total Pension Liability	1,992,688	765,953	1,425,918	173,104	378,371
Total Pension Liability - Beginning	14,971,878	14,205,925	12,780,007	12,606,903	12,228,532
Total Pension Liability - Ending (a)	<u>\$ 16,964,566</u>	<u>\$ 14,971,878</u>	<u>\$ 14,205,925</u>	<u>\$ 12,780,007</u>	<u>\$ 12,606,903</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 308,609	\$ 257,384	\$ 276,260	\$ 299,758	\$ 345,305
Contributions - State	136,733	110,180	102,117	102,009	105,893
Contributions - Employee	198,399	192,989	182,450	178,594	177,043
Contributions - Buy Back	-	-	-	-	-
Net Investment Income	1,058,684	(2,543,590)	2,237,195	1,024,708	427,723
Benefit Payments, Including Refunds of Employee Contributions	(555,984)	(639,477)	(578,786)	(540,625)	(647,121)
Administrative Expense	(63,289)	(64,303)	(59,835)	(43,030)	(43,366)
Net Change in Plan Fiduciary Net Position	1,083,152	(2,686,817)	2,159,401	1,021,414	365,477
Plan Fiduciary Net Position - Beginning	11,438,457	14,125,274	11,965,873	10,944,459	10,578,982
Plan Fiduciary Net Position - Ending (b)	<u>\$ 12,521,609</u>	<u>\$ 11,438,457</u>	<u>\$ 14,125,274</u>	<u>\$ 11,965,873</u>	<u>\$ 10,944,459</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,442,957</u>	<u>\$ 3,533,421</u>	<u>\$ 80,651</u>	<u>\$ 814,134</u>	<u>\$ 1,662,444</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.81%	76.40%	99.43%	93.63%	86.81%
Covered payroll	2,479,986	2,412,361	2,280,629	2,232,422	2,213,041
Net Pension Liability as a Percentage of Covered payroll	179.15%	146.47%	3.54%	36.47%	75.12%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability					
Service Cost	\$ 351,591	\$ 413,848	\$ 362,330	\$ 365,388	\$ 334,035
Interest	849,234	807,364	729,221	715,821	672,178
Change in Excess State Money	-	-	(2,819)	2,819	-
Share Plan Allocation	8,757	4,450	5,930	-	-
Changes of Benefit Terms	-	-	-	21,042	20,404
Differences Between Expected and Actual Experience	280,707	123,717	46,622	(420,290)	-
Changes of Assumptions	-	132,292	322,474	-	-
Benefit Payments, Including Refunds of Employee Contributions	(498,444)	(529,340)	(490,278)	(479,625)	(511,332)
Net Change in Total Pension Liability	1,007,785	952,331	973,480	205,155	515,285
Total Pension Liability - Beginning	11,220,747	10,268,416	9,294,936	9,089,781	8,574,496
Total Pension Liability - Ending (a)	<u>\$ 12,228,532</u>	<u>\$ 11,220,747</u>	<u>\$ 10,268,416</u>	<u>\$ 9,294,936</u>	<u>\$ 9,089,781</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 286,047	\$ 225,173	\$ 208,907	\$ 280,862	\$ 409,967
Contributions - State	101,801	93,186	93,326	90,084	86,155
Contributions - Employee	172,314	165,215	157,729	154,189	146,999
Net Investment Income	753,861	950,148	603,881	(63,986)	781,414
Benefit Payments, Including Refunds of Employee Contributions	(498,444)	(529,340)	(490,278)	(479,625)	(511,332)
Administrative Expense	(51,060)	(62,929)	(37,730)	(41,565)	(32,563)
Other	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	780,459	841,453	535,835	(60,041)	880,640
Plan Fiduciary Net Position - Beginning	9,798,523	8,957,070	8,421,235	8,481,276	7,600,636
Plan Fiduciary Net Position - Ending (b)	<u>\$ 10,578,982</u>	<u>\$ 9,798,523</u>	<u>\$ 8,957,070</u>	<u>\$ 8,421,235</u>	<u>\$ 8,481,276</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,649,550</u>	<u>\$ 1,422,224</u>	<u>\$ 1,311,346</u>	<u>\$ 873,701</u>	<u>\$ 608,505</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.51%	87.33%	87.23%	90.60%	93.31%
Covered payroll	2,153,923	2,065,190	1,971,612	1,927,761	1,837,490
Net Pension Liability as a Percentage of Covered payroll	76.58%	68.87%	66.51%	45.32%	33.12%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

NOTES TO SCHEDULE:

The amounts presented for each fiscal year were determined as of September 30.

Changes of Benefit Terms:

For measurement date 09/30/2023, the valuation reflects the following benefit changes:

1. Increase the member contribution rate by 0.5% to 8.5%.
2. Remove the age 52 requirement in order to retire with 25 years of credited service.
3. Increase the benefit accrual rate from 2.88% to 3.0%. Members who retired between January 4, 2011 and September 30, 2023 will receive the 2.88% benefit accrual rate and will not be subject to change.
4. All future State Contributions will be utilized by the City to reduce the City's funding obligation to the plan (beginning with fiscal 2024)

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Benefit Terms:

For measurement date 09/30/2022, the Board approved the following assumption changes based on the April 15, 2022 actuarial experience study:

1. Salary Increases – Moved to a service-based table from a flat 5.5% per year.
2. Withdrawal Rates – Updated to a service-based table from an age-based table.

Changes in Assumptions:

For measurement date 09/30/2021, the investment rate of return was lowered from 7.50% to 7.15% per year, net of investment related expenses.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date 09/30/2017, amounts reported as changes of assumptions resulted from the following changes:

- The actuarial cost method was updated from The Frozen Entry Age method to The Entry Age Normal method.
- The investment rate of return assumption was decreased from 7.75% to 7.50%. Based on an experience study completed in June of 2017, the following assumptions were changed:
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were updated to incorporate the mortality change by the Florida Retirement System actuary effective with the July 1, 2016 FRS valuation.
- The assumption that Members eligible for Normal Retirement on the valuation date would continue to work one more year was eliminated.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

- The salary increase assumption was decreased from 6.0% to 5.5%.
- The rates of withdrawal were increased by 50% at each age from the prior assumption.

Additionally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For the year ending 09/30/2016, as a result of Chapter 2015-157, Florida Statutes, the assumed rate of mortality was changed to the assumption used by the Florida Retirement System.

Changes of Benefit Terms:

For measurement date 09/30/2019, Ordinance No. 2019-06 provided for an ad hoc cost-of-living adjustment (one-time increase) as of October 1, 2018 equal to 3.0% of the current benefit. This adjustment shall apply to all members that were receiving benefits on October 1, 2017, including Retirees and Beneficiaries.

For the year ending 09/30/2015 the benefit accrual rate has been increased from 2.87% to 2.88% for each year of Credited Service.

For the year ending 09/30/2014 the benefit accrual rate has been increased from 2.86% to 2.87% for each year of Credited Service.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total Pension Liability					
Service Cost	\$237,563	\$264,286	\$245,210	\$153,866	\$ 140,184
Interest	594,796	547,333	473,233	398,726	363,586
Change in Excess State Money	17,530	11,479	10,796	8,800	8,074
Share Plan Allocation	35,845	8,614	12,865	9,869	3,656
Changes of Benefit Terms	281,461	259,497	544,901	164,956	(83,212)
Differences Between Expected and Actual Experience	(162,707)	3,881	120,611	(10,260)	(106,460)
Changes of Assumptions	-	269,907	175,586	(81,804)	-
Benefit Payments, Including Refunds of Employee Contributions	(288,483)	(131,247)	(122,642)	(119,932)	(119,171)
Net Change in Total Pension Liability	\$716,005	\$1,233,750	\$1,460,560	\$524,221	206,657
Total Pension Liability - Beginning	8,284,093	7,050,343	5,589,783	5,065,562	4,858,905
Total Pension Liability - Ending (a)	<u>\$ 9,000,098</u>	<u>\$ 8,284,093</u>	<u>\$ 7,050,343</u>	<u>\$ 5,589,783</u>	<u>\$ 5,065,562</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$259,439	\$221,305	\$132,717	\$122,823	\$ 114,388
Contributions - State	175,303	114,790	107,963	87,999	80,741
Contributions - Employee	71,685	70,536	63,829	59,306	47,025
Net Investment Income	627,255	(1,355,661)	1,043,412	506,717	195,599
Benefit Payments, Including Refunds of Employee Contributions	(288,483)	(131,247)	(122,642)	(119,932)	(119,171)
Administrative Expense	(65,496)	(54,921)	(35,194)	(40,830)	(42,016)
Net Change in Plan Fiduciary Net Position	779,703	(1,135,198)	1,190,085	616,083	276,566
Plan Fiduciary Net Position - Beginning	5,638,651	6,773,849	5,583,764	4,967,681	4,691,115
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,418,354</u>	<u>\$ 5,638,651</u>	<u>\$ 6,773,849</u>	<u>\$ 5,583,764</u>	<u>\$ 4,967,681</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,581,744</u>	<u>\$ 2,645,442</u>	<u>\$ 276,494</u>	<u>\$ 6,019</u>	<u>\$ 97,881</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.31%	68.07%	96.08%	99.89%	98.07%
Covered payroll	\$ 1,433,708	\$ 1,410,724	\$ 1,276,582	\$ 1,186,130	\$ 940,505
Net Pension Liability as a Percentage of Covered payroll	180.07%	187.52%	21.66%	0.51%	10.41%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability					
Service Cost	\$ 149,429	\$ 152,339	\$ 161,384	\$ 160,502	\$ 146,050
Interest	364,329	359,763	339,327	309,885	285,042
Change in Excess State Money	8,474	8,268	9,292	9,553	12,377
Share Plan Allocation	8,882	14,290	-	-	-
Changes of Benefit Terms	37,711	(180,957)	(41,492)	(29,384)	25,161
Differences Between Expected and Actual Experience	(173,374)	(460,613)	(12,721)	75,658	-
Changes of Assumptions	-	66,326	75,795	-	158,627
Benefit Payments, Including Refunds of Employee Contributions	(117,392)	(117,165)	(122,139)	(153,677)	(124,928)
Net Change in Total Pension Liability	278,059	(157,749)	409,446	372,537	502,329
Total Pension Liability - Beginning	4,580,846	4,738,595	4,329,149	3,956,612	3,454,283
Total Pension Liability - Ending (a)	<u>\$ 4,858,905</u>	<u>\$ 4,580,846</u>	<u>\$ 4,738,595</u>	<u>\$ 4,329,149</u>	<u>\$ 3,956,612</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 92,253	\$ 153,107	\$ 148,544	\$ 163,946	\$ 119,241
Contributions - State	84,737	82,682	92,921	95,531	123,764
Contributions - Employee	44,590	46,373	47,185	49,392	47,067
Net Investment Income	294,169	454,330	241,498	(57,458)	316,924
Benefit Payments, Including Refunds of Employee Contributions	(117,392)	(117,165)	(122,139)	(153,677)	(124,928)
Administrative Expense	(40,958)	(43,038)	(29,214)	(36,745)	(23,058)
Net Change in Plan Fiduciary Net Position	357,399	576,289	378,795	60,989	459,010
Plan Fiduciary Net Position - Beginning	4,333,716	3,757,427	3,378,632	3,317,643	2,858,633
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,691,115</u>	<u>\$ 4,333,716</u>	<u>\$ 3,757,427</u>	<u>\$ 3,378,632</u>	<u>\$ 3,317,643</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 167,790</u>	<u>\$ 247,130</u>	<u>\$ 981,168</u>	<u>\$ 950,517</u>	<u>\$ 638,969</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.55%	94.61%	79.29%	78.04%	83.85%
Covered payroll	\$ 891,807	\$ 927,464	\$ 943,708	\$ 988,134	\$ 941,341
Net Pension Liability as a Percentage of Covered payroll	18.81%	26.65%	103.97%	96.19%	67.88%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

NOTES TO SCHEDULE:

The amounts presented for each fiscal year were determined as of September 30.

Changes of Benefit Terms:

For measurement date 09/30/2023, the valuation reflects the following benefit changes:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.32% to 3.37% of Average Final Compensation per year of Credited Service. Please note that this rate will no longer fluctuate with changes in State Monies.
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 1.72% per year to 2.00%. Please note that this rate will no longer fluctuate with changes in State Monies.
3. Supersede the "default" calculation under Chapter 2015-39, Laws of Florida, and allow the City to use 90% of all State Monies received each year to offset funding requirements or reduce the Unfunded Actuarial Accrued Liability (UAAL). 10% of State Monies each year are allocated to current retirees. For the purpose of this Impact Statement, it is assumed that the City will use the 90% of State Monies to offset their annual funding requirement and not to pay down the UAAL.

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Benefit Terms:

For measurement date 09/30/2022, the following benefit changes have been reflected:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.25% to 3.32% of Average Final Compensation per year of Credited Service.
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 1.38% per year to 1.72%.

Additionally, Ordinance No. 2022-09 was adopted on November 1, 2022 to provide the following changes:

1. Amend the definition of Salary to add necessary language to clarify the determination period for maximum annual compensation for members who leave the service of the City with less than 12 months of service completed during a fiscal year.
2. Amend the Finance and Fund Management terms to broaden the permissible investment restrictions.
3. Amend the pre-retirement death benefit to provide the minimum 10-year benefit required by Florida Statutes.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

PRIOR YEAR NOTES TO SCHEDULE (continued):

For measurement date 09/30/2021, the following benefit changes have been reflected:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.07% to 3.25% of Average Final Compensation per year of Credited Service.
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.38% per year to 1.38%.

For measurement date 09/30/2020, the following benefit changes have been reflected:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.00% to 3.07% of Average Final Compensation per year of Credited Service, and
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.02% per year to 0.38%.

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.181, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Additionally, the following benefit changes have been reflected, as documented in the Actuarial Impact Statement dated December 23, 2019:

1. Decrease the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.04% to 3.00% of Average Final Compensation per year of Credited Service, and
2. Decrease the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.22% per year to 0.02%.

For measurement date 09/30/2018, the following benefit changes have been reflected, as documented in our Actuarial Impact Statement dated January 10, 2019:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.02% to 3.04% of Average Final Compensation for year of Credited Service, and
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.12% per year to 0.22%.

For measurement date 09/30/2017, amounts that were reported as benefit changes resulted from Ordinance 2009-04, that was adopted April 21, 2009 provided that if 90% of the State Monies received in any calendar year fell below \$108,435, then on the immediately following January 1st the benefit accrual rate and COLA rate would be reduced proportionally. In application of that ordinance, the benefit accrual rate decreased from 3.12% to 3.02% of Average Final Compensation for each year of Credited Service. Also, the automatic increases from age 55 through 65 for all future retirees of any type and their beneficiaries have decreased from 0.63% to 0.12%.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

PRIOR YEAR NOTES TO SCHEDULE (continued):

For measurement date 09/30/2016 the benefit accrual rate has been decreased from 3.14% to 3.12% of Average Final Compensation for each year of Credited Service. The COLA rate has been decreased from 0.76% to 0.63%.

For measurement date 09/30/2015 the benefit accrual rate has been decreased from 3.16% to 3.14% of Average Final Compensation for each year of Credited Service. The COLA rate has been decreased from 0.84% to 0.76%.

For the year ending 09/30/2014 the benefit accrual rate has been increased from 3.14% to 3.16% of Average Final Compensation for each year of Credited Service. The COLA rate has been increased from 0.76% to 0.84%.

Changes in Assumptions:

For measurement date 09/30/2022, the Board approved the following assumption changes based on the April 15, 2022 actuarial experience study:

1. Investment Return – Reduced from 7.30% to 7.10% per year, net of investment related expenses.
2. Salary Increases – Amended to be 7.0% in the first year of employment and 4.25% in each additional year of employment.

For measurement date 09/30/2021, the investment rate of return was lowered from 7.5% to 7.3% per year, net of investment related expenses.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from an experience study dated July 20, 2017, the following assumptions and methods were changed:

- The actuarial cost method was updated from The Frozen Entry Age method to The Entry Age Normal method.
- The investment rate of return assumption was decreased from 7.75% to 7.50%.
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were updated to incorporate the mortality change by the Florida Retirement System actuary effective with the July 1, 2016 FRS valuation.
- The assumption that Members eligible for Normal Retirement on the valuation date would continue to work one more year was eliminated.
- The salary increase assumption was changed from a flat 5.5% to a service-based table.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

PRIOR YEAR NOTES TO SCHEDULE (continued):

For measurement date 09/30/2016, as a result of Chapter 2015-157, Florida Statutes, the assumed rate of mortality was changed from the RP-2000 Combined Healthy Table to the assumption used by the Florida Retirement System. For measurement date 09/30/2014 the investment rate of return has been lowered from 8.00% to 7.75% per year, net of investment related expenses.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total Pension Liability					
Service Cost	\$354,150	\$338,985	\$302,347	\$283,925	\$ 271,856
Interest	1,245,991	1,199,052	1,144,487	1,117,006	1,089,995
Changes of benefit terms	1,371,475	237,022	-	-	-
Differences Between Expected and Actual Experience	456,062	39,783	91,833	81,772	(186,030)
Changes of Assumptions	-	521,579	445,144	(250,952)	-
Benefit Payments, Including Refunds of Employee Contributions	(919,146)	(921,826)	(906,534)	(835,728)	(794,927)
Net Change in Total Pension Liability	2,508,532	1,414,595	1,077,277	396,023	380,894
Total Pension Liability - Beginning	18,428,817	1,854,194	776,917	380,894	-
Total Pension Liability - Ending (a)	<u>\$ 20,937,349</u>	<u>\$ 3,268,789</u>	<u>\$ 1,854,194</u>	<u>\$ 776,917</u>	<u>\$ 380,894</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$270,486	\$232,772	\$209,393	\$197,990	\$ 184,593
Contributions - Employee	128,124	120,862	106,672	99,048	92,296
Net Investment Income	2,057,284	(3,332,047)	3,855,559	1,234,357	619,714
Benefit Payments, Including Refunds of Employee Contributions	(919,146)	(921,826)	(906,534)	(835,728)	(794,927)
Administrative Expense	(87,788)	(74,330)	(56,215)	(54,033)	(61,631)
Net Change in Plan Fiduciary Net Position	\$1,448,960	(3,974,569)	3,208,875	641,634	40,045
Plan Fiduciary Net Position - Beginning	16,677,480	20,652,049	17,443,174	16,801,540	16,761,495
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,126,440</u>	<u>\$ 16,677,480</u>	<u>\$ 20,652,049</u>	<u>\$ 17,443,174</u>	<u>\$ 16,801,540</u>
Net Pension Asset - Ending (a) - (b)	<u>\$ 2,810,909</u>	<u>\$ (13,408,691)</u>	<u>\$ (18,797,855)</u>	<u>\$ (16,666,257)</u>	<u>\$ (16,420,646)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset Covered payroll	86.57%	90.50%	121.38%	109.45%	108.11%
Net Pension Asset as a Percentage of Covered payroll	\$ 4,745,361	\$ 4,476,379	\$ 3,950,807	\$ 3,668,429	\$ 3,418,372
	59.23%	39.12%	-92.08%	-41.06%	-36.88%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
GENERAL EMPLOYEES' PENSION PLAN

Last 10 Fiscal Years

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability					
Service Cost	\$ 233,428	\$ 226,567	\$ 216,372	\$ 269,179	\$ 255,660
Interest	1,040,024	1,005,364	963,742	949,742	905,991
Changes of benefit terms	-	181,204	-	-	-
Differences Between Expected and Actual Experience	147,269	(61,382)	5,622	(163,109)	-
Changes of Assumptions	-	-	(149,200)	200,531	-
Contributions - Buy Back	-	37,041	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(744,843)	(727,935)	(579,725)	(567,825)	(615,831)
Net Change in Total Pension Liability	675,878	660,859	456,811	688,518	545,820
Total Pension Liability - Beginning	14,484,150	13,823,291	13,366,480	12,677,962	12,132,142
Total Pension Liability - Ending (a)	<u>\$ 15,160,028</u>	<u>\$ 14,484,150</u>	<u>\$ 13,823,291</u>	<u>\$ 13,366,480</u>	<u>\$ 12,677,962</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 164,641	\$ 154,351	\$ 245,147	\$ 554,653	\$ 538,169
Contributions - Employee	89,157	81,514	76,080	74,112	73,822
Contributions - Buy Back	-	37,041	-	-	-
Net Investment Income	1,330,123	1,909,526	1,322,566	(274,556)	1,325,707
Benefit Payments, Including Refunds of Employee Contributions	(744,843)	(727,935)	(579,725)	(567,825)	(615,831)
Administrative Expense	(56,105)	(56,001)	(61,138)	(56,985)	(49,667)
Net Change in Plan Fiduciary Net Position	782,973	1,398,496	1,002,930	(270,601)	1,272,200
Plan Fiduciary Net Position - Beginning	15,978,522	14,580,026	13,577,096	13,847,697	12,575,497
Plan Fiduciary Net Position - Ending (b)	<u>\$ 16,761,495</u>	<u>\$ 15,978,522</u>	<u>\$ 14,580,026</u>	<u>\$ 13,577,096</u>	<u>\$ 13,847,697</u>
Net Pension Asset - Ending (a) - (b)	<u>\$ (1,601,467)</u>	<u>\$ (1,494,372)</u>	<u>\$ (756,735)</u>	<u>\$ (210,616)</u>	<u>\$ (1,169,735)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset Covered payroll	110.56%	110.32%	105.47%	101.58%	109.23%
Net Pension Asset as a Percentage of Covered payroll	\$ 3,302,099	\$ 3,019,032	\$ 2,837,465	\$ 2,705,700	\$ 2,734,138
	-48.50%	-49.50%	-26.67%	-7.78%	-42.78%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

NOTES TO SCHEDULE:

The amounts presented for each fiscal year were determined as of September 30.

Changes of Benefit Terms:

For measurement date 09/30/2023, the valuation reflects the following benefit changes:

1. Ordinance No. 2023-14 was adopted and effective on October 17, 2023. This ordinance increased the benefit accrual rate from 2.0% to 2.3% for all years of credited service.

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Benefit Terms:

For measurement date 09/30/2022, amounts reported as changes of benefit terms resulted from Ordinance No. 2022-02 and provided for the following benefit change:

Effective retroactively to October 1, 2021, the monthly benefit being received by all Retirees, joint pensioners or beneficiaries (including terminated vested persons) who were receiving a benefit on October 1, 2020 shall be increased by three percent (3%). This is a one-time increase in these benefits

For measurement date 09/30/2017, amounts reported as changes of benefit terms resulted from Ordinance No. 2017-14. This provided for an Ad Hoc cost-of-living adjustment (one-time increase) as of October 1, 2017 equal to 3.0% of the current benefit. This adjustment shall apply to all members that were receiving benefits on October 1, 2016, including Retirees and Beneficiaries.

Changes in Assumptions:

For measurement date 09/30/2022, based on the results of the April 15, 2022 Actuarial Experience Study, the following assumption changes are incorporated:

1. Investment Return – Reduced from 7.00% to 6.80% per year, net of investment related expenses.
2. Early Retirement Rates – Increased from 0.0% to 5.0% per year.
3. Normal Retirement Rates – Amended for ages 63 – 69.
4. Withdrawal Rates – Reduced for those with 1 year of Credited Service.

For measurement date 09/30/2021, the investment rate of return was lowered from 7.25% to 7.00% per year, net of investment related expenses.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

Additionally, the inflation rate assumption was lowered from 3.0% to 2.5%.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

PRIOR YEAR NOTES TO SCHEDULE (continued):

Changes in Assumptions (continued):

For measurement date 09/30/2016, as a result of Chapter 2015-157, Florida Statutes, the assumed rate of mortality was changed to the assumption used by the Florida Retirement System.

For measurement date 09/30/2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.50% to 7.25% and reducing the salary increase assumptions.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
9/30/2023	\$ 419,118	\$ 419,118	\$ -	\$ 2,479,986	16.90%
9/30/2022	\$ 354,617	\$ 354,617	\$ -	\$ 2,412,361	14.70%
9/30/2021	\$ 369,462	\$ 369,462	\$ -	\$ 2,280,629	16.20%
9/30/2020	\$ 392,906	\$ 392,906	\$ -	\$ 2,232,422	17.60%
9/30/2019	\$ 440,395	\$ 440,395	\$ -	\$ 2,213,041	19.90%
9/30/2018	\$ 379,090	\$ 379,090	\$ -	\$ 2,153,923	17.60%
9/30/2017	\$ 313,909	\$ 313,909	\$ -	\$ 2,065,190	15.20%
9/30/2016	\$ 297,713	\$ 297,713	\$ -	\$ 1,971,612	15.10%
9/30/2015	\$ 368,127	\$ 368,127	\$ -	\$ 1,927,761	19.10%
9/30/2014	\$ 496,122	\$ 496,122	\$ -	\$ 1,837,490	27.00%

NOTES TO SCHEDULE:

Valuation Date: 10/1/2021

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

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:

Mortality Rate:

Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 for Employees, set forward one year.

Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS - Continued
MUNICIPAL POLICE OFFICERS' TRUST FUND
 Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

- Interest Rate: 7.15% (previously 7.50%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.
- Salary Increases: 5.50% per year until the assumed retirement age. This assumption was lowered as a result of our July 2017 experience study. Projected salary at retirement is increased 20% to account for non-regular compensation.
- Payroll Growth: 1.80% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.
- Administrative Expenses: \$51,433 annually, based on the average of actual expenses incurred in the prior two fiscal years.
- Retirement Age: Earlier of Age 55 and 10 years of service or Age 52 and 25 years of services. We feel this assumption is reasonable based upon the plan provisions but do not have sufficient data to develop retirement rates at this time.
- Early Retirement: Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. We feel this assumption is reasonable based upon the plan provisions but do not have sufficient data to develop retirement rates at this time.
- Termination Rates: See table of sample rates on following page (150% of the 1304A table). This assumption was developed in conjunction with a May 1, 2008 actuarial experience study, and increased by 50% with a July 2017 experience study, to more closely mirror the actual experience realized in the plan.
- Disability Rates: See table of sample rates on following page (1201). It is assumed that 75% of disablements are service related. This assumption was developed from those used by other plans containing Florida municipal Police Officers.
- Funding Method: Entry Age Normal Actuarial Cost Method.
- Amortization Method: New UAAL amortization bases are amortized over the following amortization periods:
 Experience 20 Years.
 Assumption/Method Changes: 20 Years.
 Benefit Changes: 30 Years.
- Actuarial Asset Method: All assets are valued at fair value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five-year period.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
9/30/2023	\$ 381,367	\$ 381,367	\$ -	\$ 1,433,708	26.60%
9/30/2022	\$ 316,002	\$ 316,002	\$ -	\$ 1,410,724	22.40%
9/30/2021	\$ 217,019	\$ 217,019	\$ -	\$ 1,276,582	17.00%
9/30/2020	\$ 192,153	\$ 192,153	\$ -	\$ 1,186,130	16.20%
9/30/2019	\$ 183,399	\$ 183,399	\$ -	\$ 940,505	19.50%
9/30/2018	\$ 159,634	\$ 159,634	\$ -	\$ 891,807	17.90%
9/30/2017	\$ 217,027	\$ 213,231	\$ 3,796	\$ 927,464	22.99%
9/30/2016	\$ 228,377	\$ 232,173	\$ (3,796)	\$ 943,708	24.60%
9/30/2015	\$ 249,924	\$ 249,924	\$ -	\$ 988,134	25.29%
9/30/2014	\$ 230,628	\$ 230,628	\$ -	\$ 941,341	24.50%

NOTES TO SCHEDULE:

Valuation Date: 10/01/2021 (AIS 01/06/2023)

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

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:

Mortality:

Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Healthy Retiree Lives:

PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter

2015-157, Laws of Florida. This law mandates the use of the assumptions used in

either of the two most recent valuations of the Florida Retirement System (FRS).

The above rates are those outlined in Milliman's July 1, 2020 FRS valuation report

for special risk employees, with appropriate adjustments made based on plan demographics.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
 Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

Interest Rate: 7.3% (previously 7.5%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases: Salary Scale

Service	Rate
0-4	7.0%
5-9	5.5%
10+	4.5%

This assumption was covered and changed in our July 20, 2017 Actuarial Experience Study.

Payroll Growth: 3.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses: \$38,012 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method: New UAAL amortization bases are amortized over 20 Years.

Retirement Age: The earlier of attainment of age 55 with 10 years of credited service, or age 52 with 25 years of credited service, or the completion of 30 years of Credited Service, regardless of age. We feel this assumption is reasonable based upon the plan provisions but do not have sufficient data to develop retirement rates.

Early Retirement: Commencing with attainment of Early Retirement Status (age 50 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. We feel this assumption is reasonable based upon the plan provisions but do not have sufficient data to develop retirement rates at this time.

Termination Rates: See sample rates below. This assumption was covered in our July 20, 2017 Actuarial Experience Study and continues to be our best estimate of future experience.

% Terminating During the Year	
Age	Rate
20	12.0%
30	10.0%
40	5.2%
50	1.6%
60	0.4%
70	0.4%

Disability Rates: See sample rates below. It is assumed that 90% of disablements are service related. This assumption was developed from those used by other plans containing Florida Municipal Firefighters.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
 Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

% Becoming Disabled During the Year	
Age	Rate
20	0.03%
30	0.04%
40	0.07%
50	0.18%
60	0.90%
65+	2.22%

Cost-of-Living (COLA): 1.38% automatic increases from age 55 to 65 for all retirees and beneficiaries.

Funding Method: Entry Age Normal Actuarial Cost Method.

Asset Valuation Method: All assets are valued at fair value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five-year period.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
9/30/2023	\$ 270,486	\$ 270,486	\$ -	\$ 4,745,361	5.70%
9/30/2022	\$ 232,772	\$ 232,772	\$ -	\$ 4,476,379	5.20%
9/30/2021	\$ 209,393	\$ 209,393	\$ -	\$ 3,950,807	5.30%
9/30/2020	\$ 198,095	\$ 197,990	\$ 105	\$ 3,668,429	5.40%
9/30/2019	\$ 184,592	\$ 184,593	\$ (1)	\$ 3,418,372	5.40%
9/30/2018	\$ 165,105	\$ 164,641	\$ 464	\$ 3,302,099	4.99%
9/30/2017	\$ 153,971	\$ 154,352	\$ (381)	\$ 3,014,032	5.11%
9/30/2016	\$ 245,146	\$ 245,147	\$ (1)	\$ 2,837,465	8.64%
9/30/2015	\$ 554,467	\$ 554,653	\$ (186)	\$ 2,705,700	20.50%
9/30/2014	\$ 571,435	\$ 571,435	\$ -	\$ 2,499,710	20.90%

NOTES TO SCHEDULE:

Valuation Date: 10/1/2021 (AIS 03/21/2022)

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

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:

Mortality Rates:

Healthy Active Lives:

Female: PubG.H-2010 for Employees

Male: PubG.H-2010 (Below Median) for Employees, set back one year.

Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS – Continued
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest Rates: 7.00% (prior year 7.25%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases: See Table below. These rates were developed based upon our July 22, 2015 Experience Study of the Plan. Projected salary in the year of retirement is increased individually according to accrued leave at transition date.

Years of Service	Salary Increase
0-4	5.5%
5-14	1.5%
15+	3.5%

Payroll Growth: 0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses: \$55,124 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Retirement Age: See Table below. This assumption was covered in our July 22, 2015 Experience Study and continues to be our best estimate of future experience.

Age	% Retiring During the Year
62	50%
63-64	10%
65	50%
66-68	10%
69+	100%

Early Retirement: None.

Termination Rates: See Table below. This assumption was covered in our July 22, 2015 Experience Study and continues to be our best estimate of future experience.

Years of Service	% Terminating During the Year
0-1	25%
2-5	10%
6-19	7%
20+	0%

Funding Method: Entry Age Normal Method.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS – Continued
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

Amortization Method:	New UAAL amortization bases are amortized over the following amortization periods: Experience: 10 Years. Assumption/Method Changes: 20 Years. Benefit Changes: 20 Years.
Actuarial Asset Method:	All assets are valued at fair value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five-year period.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
 Last 10 Fiscal Years

ANNUAL MONEY-WEIGHTED RATE OF RETURN NET OF INVESTMENT EXPENSE:

<u>Year Ended September 30</u>	<u>General Employees</u>	<u>Firefighters</u>	<u>Police Officers</u>
2023	12.57%	11.55%	9.16%
2022	16.40%	-20.04%	-18.18%
2021	22.50%	18.70%	18.83%
2020	7.47%	10.23%	9.45%
2019	3.76%	4.19%	4.08%
2018	8.47%	6.82%	7.72%
2017	13.33%	12.14%	10.74%
2016	9.87%	7.17%	7.25%
2015	-2.00%	-1.73%	-0.74%
2014	10.61%	11.05%	10.23%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>
Total OPEB Liability					
Service cost	41,696	59,203	59,286	54,432	43,499
Interest	37,169	25,580	22,373	23,641	21,291
Difference between expected and actual experience	(5,415)	(188,372)	(3,347)	282,485	(23,146)
Change of assumptions and other inputs	-	-	-	-	4,578
Benefit payments	(22,699)	(22,699)	(22,154)	(22,154)	(33,000)
Net change in total OPEB liability	50,751	(126,288)	56,158	338,404	13,222
Total OPEB liability - beginning	882,915	1,009,203	953,045	614,641	601,419
Total OPEB liability - ending	<u>933,666</u>	<u>882,915</u>	<u>1,009,203</u>	<u>953,045</u>	<u>614,641</u>
Covered-employee payroll	9,760,605	9,692,393	8,703,580	8,249,747	7,771,070
Total OPEB liability as a percentage of covered-employee payroll	9.60%	9.11%	11.60%	11.55%	7.91%
	<u>9/30/2018</u>				
Total OPEB Liability					
Service cost	46,052				
Interest	20,112				
Difference between expected and actual experience	(803)				
Change of assumptions and other inputs	-				
Benefit payments	(32,919)				
Net change in total OPEB liability	32,442				
Total OPEB liability - beginning	568,977				
Total OPEB liability - ending	<u>601,419</u>				
Covered-employee payroll	7,564,210				
Total OPEB liability as a percentage of covered-employee payroll	7.95%				

CITY OF GULFPORT, FLORIDA

NOTES TO SCHEDULE:

1. GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB75
2. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Changes of Benefit Terms:

None

Changes of Assumptions:

The discount rate changed to 4.09% in current year from 4.02% in prior year.

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Assumptions:

For measurement date 09/30/2022: The discount rate changed to 4.02% in current year from 2.26% in prior year.

For measurement date 09/30/2021: The discount rate changed to 2.26% in current year from 2.21% in prior year.

For measurement date 09/30/2020: Discount rate changed to 2.21% in current year from 3.58% in prior year.

For measurement date 09/30/2019: Discount rate decreased to 3.58% from 3.64% in the prior year.

Other:

Benefit payments includes Implicit Subsidy Contribution of \$33,000

Other Supplementary Information

This financial statement section provides the following schedules:

Combining balance sheet and statement of revenues, expenditures, and changes in fund balances for nonmajor special revenue funds

Budgetary comparison schedules for

Major Fund

- Capital Projects Fund

Nonmajor Funds

- Waterfront Redevelopment District

CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
For the Year Ended September 30, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 1,599,559	\$ 1,851,204	\$ 251,645
Permits and Fees	15,000	4,459	(10,541)
Total Revenues	<u>1,829,304</u>	<u>1,855,663</u>	<u>26,359</u>
EXPENDITURES			
General Government			
Capital Outlay	382,995	60,356	(322,639)
Public Safety			
Capital Outlay	411,453	291,044	(120,409)
Public Works			
Capital Outlay	498,750	429,550	(69,200)
Recreation			
Capital Outlay	136,983	254,717	117,734
Total Expenditures	<u>1,430,181</u>	<u>1,035,667</u>	<u>(394,514)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>399,123</u>	<u>819,996</u>	<u>420,873</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(444,123)	(444,123)	-
Total Other Financing Sources and (Uses)	<u>(444,123)</u>	<u>(444,123)</u>	<u>-</u>
Net Change in Fund Balance	(45,000)	375,873	420,873
Fund Balance - Beginning	<u>322,763</u>	<u>1,051,909</u>	<u>729,146</u>
Fund Balance - Ending	<u>\$ 277,763</u>	<u>\$ 1,427,782</u>	<u>\$ 1,150,019</u>

CITY OF GULFPORT, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

Special Revenue Funds

	49th Street Redevelopment District	Law Enforcement Trust	Library Fund	Waterfront Redevelopment District	Total Nonmajor Special Revenue Funds	Nonmajor Capital Project Senior Center Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 12,089	\$ 2,000	\$ 45,832	\$ 611,256	\$ 671,177	\$ 416,781	\$ 1,087,958
Accounts Receivable (net)	-	-	-	287,586	287,586	-	287,586
Total Assets	12,089	2,000	45,832	898,842	958,763	416,781	1,375,544
LIABILITIES							
Accounts Payable	-	-	-	85,951	85,951	5,043	90,994
Accrued Liabilities	126	-	-	-	126	-	126
Total Liabilities	126	-	-	85,951	86,077	5,043	91,120
FUND BALANCES							
Restricted for Library	-	-	45,832	-	45,832	-	45,832
Restricted for Law Enforcement	-	2,000	-	-	2,000	-	2,000
Restricted for Donor Provisions	-	-	-	-	-	411,738	411,738
Restricted for Waterfront Redevelopment	-	-	-	486,059	486,059	-	486,059
Assigned for 49th Street Redevelopment	11,963	-	-	-	11,963	-	11,963
Assigned for Beach Renourishment	-	-	-	120,000	120,000	-	120,000
Assigned for Other Waterfront Redevelopment	-	-	-	206,832	206,832	-	206,832
Total Fund Balances	11,963	2,000	45,832	812,891	872,686	411,738	1,284,424
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 12,089	\$ 2,000	\$ 45,832	\$ 898,842	\$ 958,763	\$ 416,781	\$ 1,375,544

CITY OF GULFPORT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

Special Revenue Funds

	49th Street Redevelopment District	Law Enforcement Trust	Library Fund	Waterfront Redevelopment District	Total Nonmajor Special Revenue Funds	Nonmajor Capital Project Senior Center Fund	Total Nonmajor Governmental Funds
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ 527,777	\$ 527,777	\$ -	\$ 527,777
Miscellaneous Revenues	-	-	-	3,929	3,929	13,922	17,851
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>531,706</u>	<u>531,706</u>	<u>13,922</u>	<u>545,628</u>
EXPENDITURES							
Current:							
Recreation	-	-	-	-	-	300,370	300,370
Community Development/ Redevelopment	-	-	-	306,879	306,879	-	306,879
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,879</u>	<u>306,879</u>	<u>300,370</u>	<u>607,249</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,827</u>	<u>224,827</u>	<u>(286,448)</u>	<u>(61,621)</u>
OTHER FINANCING SOURCES AND (USES)							
Transfers In	-	-	-	-	-	596,000	596,000
Transfers (Out)	-	-	-	(300,000)	(300,000)	-	(300,000)
Total Other Financing Sources And (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>596,000</u>	<u>296,000</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,173)</u>	<u>(75,173)</u>	<u>309,552</u>	<u>234,379</u>
Fund Balances - Beginning	11,963	2,000	45,832	888,064	947,859	102,186	1,050,045
Fund Balances - Ending	<u>\$ 11,963</u>	<u>\$ 2,000</u>	<u>\$ 45,832</u>	<u>\$ 812,891</u>	<u>\$ 872,686</u>	<u>\$ 411,738</u>	<u>\$ 1,284,424</u>

CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
WATERFRONT REDEVELOPMENT DISTRICT
For the Year Ended September 30, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Budget - Over (Under)
REVENUES			
Taxes	\$ 560,558	\$ 527,777	\$ (32,781)
Miscellaneous Revenues	-	3,929	3,929
Total Revenues	<u>560,558</u>	<u>531,706</u>	<u>(28,852)</u>
EXPENDITURES			
Community Development/Redevelopment			
Operating	654,230	299,014	(355,216)
Capital Outlay	3,370	7,865	4,495
Total Expenditures	<u>657,600</u>	<u>306,879</u>	<u>(350,721)</u>
Excess of Revenues Over Expenditures	<u>(97,042)</u>	<u>224,827</u>	<u>321,869</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	-	(300,000)	(300,000)
Total Other Financing Sources	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>
Net Change in Fund Balance	(97,042)	(75,173)	21,869
Fund Balance - Beginning	<u>711,057</u>	<u>888,064</u>	<u>177,007</u>
Fund Balance - Ending	<u>\$ 614,015</u>	<u>\$ 812,891</u>	<u>\$ 198,876</u>

City of Gulfport, Florida
Statistical Section
September 30, 2023

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs

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

Note: As of September 30, 2023, the City had no long-term general bonded debt outstanding, and there has been none for the prior ten years. The City Charter has established that any general obligation borrowing must be exercised in accordance with Chapter 166, Florida Statutes.

**Schedule 1
City of Gulfport, Florida**

**NET POSITION BY COMPONENT
(accrual basis of accounting)
(in thousands)
Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Governmental activities</u>										
Net investment										
in capital assets	\$ 12,450	\$ 12,812	\$ 13,411	\$ 14,242	\$ 14,442	\$ 14,757	\$ 15,101	\$ 14,801	\$ 14,133	\$ 14,285
Restricted	690	847	438	380	508	659	426	3,001	1,488	2,393
Unrestricted	2,744	3,407	3,559	2,136	2,064	1,535	1,841	747	6,469	2,387
Total governmental activities net position	\$ 15,884	\$ 17,066	\$ 17,408	\$ 16,758	\$ 17,014	\$ 16,951	\$ 17,368	\$ 18,549	\$ 22,090	\$ 19,065
<u>Business-type activities</u>										
Net investment										
in capital assets	\$ 11,356	\$ 10,952	\$ 10,891	\$ 12,318	\$ 12,347	\$ 11,314	\$ 12,085	\$ 11,589	\$ 11,348	\$ 11,476
Restricted	516	409	702	714	188	267	140	1,347	222	224
Unrestricted (Deficit)	622	1,630	1,810	2,479	3,401	3,137	2,961	2,290	4,660	3,985
Total business-type activities net position	\$ 12,494	\$ 12,991	\$ 13,403	\$ 15,511	\$ 15,936	\$ 14,718	\$ 15,186	\$ 15,226	\$ 16,230	\$ 15,685
<u>Primary government</u>										
Net investment										
in capital assets	\$ 23,806	\$ 23,764	\$ 24,302	\$ 26,560	\$ 26,789	\$ 26,071	\$ 27,186	\$ 26,390	\$ 25,481	\$ 25,761
Restricted	1,206	1,256	1,140	1,094	696	926	566	4,348	1,710	2,617
Unrestricted	3,366	5,037	5,369	4,615	5,465	4,672	4,802	3,037	11,129	6,372
Total primary government, net position	\$ 28,378	\$ 30,057	\$ 30,811	\$ 32,269	\$ 32,950	\$ 31,669	\$ 32,554	\$ 33,775	\$ 38,320	\$ 34,750

Schedule 2
City of Gulfport, Florida

CHANGES IN NET POSITION
Last Ten Fiscal Years
(in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General Government	\$ 1,451	\$ 1,540	\$ 1,557	\$ 1,614	\$ 1,567	\$ 1,867	\$ 1,846	\$ 1,902	\$ 2,355	\$ 2,510
Public Safety	4,984	5,315	5,455	5,483	5,745	6,031	6,230	6,795	7,863	9,200
Recreation	2,808	2,865	3,106	3,249	3,434	3,614	3,457	3,382	4,489	5,525
Community Development - Redevelopment	886	701	1,001	1,411	812	1,063	1,089	1,173	1,552	1,751
Public Works	1,659	1,630	1,494	1,039	1,836	1,767	1,995	1,923	2,806	3,195
Interest on Long Term Debt	-	-	-	6	13	18	13	5	3	1
Total governmental activities expenses	\$ 11,788	\$ 12,051	\$ 12,613	\$ 12,802	\$ 13,407	\$ 14,360	\$ 14,630	\$ 15,180	\$ 19,068	\$ 22,182
Business-type activities:										
Sanitation	\$ 1,984	\$ 1,971	\$ 2,059	\$ 2,210	\$ 2,474	\$ 2,215	\$ 2,398	\$ 2,284	\$ 2,953	\$ 3,391
Water and Sewer	4,684	5,242	5,472	5,399	5,825	8,237	6,794	7,240	7,557	8,228
Marina	1,610	1,580	1,536	1,762	1,964	2,006	2,107	2,561	3,045	3,121
Total business-type activities expenses	8,278	8,793	9,067	9,371	10,263	12,458	11,299	12,085	13,555	14,740
Total primary government expenses	\$ 20,066	\$ 20,844	\$ 21,680	\$ 22,173	\$ 23,670	\$ 26,818	\$ 25,929	\$ 27,265	\$ 32,623	\$ 36,922
Program revenues										
Governmental activities:										
Charges for services -										
General Government	\$ 980	\$ 1,421	\$ 1,498	\$ 1,559	\$ 1,767	\$ 1,818	\$ 1,964	\$ 2,083	\$ 2,250	\$ 2,277
Public Safety	1,026	1,200	1,240	957	1,179	1,226	1,427	1,715	1,659	1,906
Recreation	702	694	769	763	779	772	411	343	716	863
Public Works	329	149	178	210	387	260	248	209	430	422
Operating Grants and Contributions	255	293	526	294	382	479	539	524	6,586	456
Capital Grants and Contribution:	4	387	317	310	137	305	49	105	89	15
Total governmental activities program revenues	\$ 3,296	\$ 4,144	\$ 4,528	\$ 4,093	\$ 4,631	\$ 4,860	\$ 4,638	\$ 4,979	\$ 11,730	\$ 5,939
Business-type activities:										
Charges for Services										
Sanitation	\$ 2,035	\$ 2,218	\$ 2,184	\$ 2,247	\$ 2,330	\$ 2,339	\$ 2,442	\$ 2,577	\$ 2,745	\$ 2,977
Water and Sewer	4,720	5,215	5,167	5,798	6,091	6,233	6,940	7,488	7,977	8,200
Marina	1,760	1,672	1,742	1,936	2,217	2,150	2,412	2,835	3,233	3,194
Operating Grants and Contributions	-	-	36	225	9	335	9	8	9	173
Capital Grants and Contribution:	6	122	303	839	226	11	311	18	17	8
Total business-type activities program revenues	\$ 8,521	\$ 9,227	\$ 9,432	\$ 11,045	\$ 10,873	\$ 11,068	\$ 12,114	\$ 12,926	\$ 13,981	\$ 14,552
Total primary government program revenues	\$ 11,817	\$ 13,371	\$ 13,960	\$ 15,138	\$ 15,504	\$ 15,928	\$ 16,752	\$ 17,905	\$ 25,711	\$ 20,491
Net (Expense) Revenue										
Governmental activities	\$ (8,492)	\$ (7,907)	\$ (8,085)	\$ (8,709)	\$ (8,776)	\$ (9,500)	\$ (9,992)	(10,201)	\$ (7,338)	\$ (16,243)
Business-type activities	243	434	365	1,674	610	(1,390)	815	841	426	(188)
Total primary government net (expense)	\$ (8,249)	\$ (7,473)	\$ (7,720)	\$ (7,035)	\$ (8,166)	\$ (10,890)	\$ (9,177)	\$ (9,360)	\$ (6,912)	\$ (16,431)

Continued next page

Schedule 2 - *Continued*
City of Gulfport, Florida

CHANGES IN NET POSITION - *Continued*
Last Ten Fiscal Years
(in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Ad Valorem	\$ 2,661	\$ 2,848	\$ 3,051	\$ 3,314	\$ 3,563	\$ 3,852	\$ 4,213	\$ 4,568	\$ 4,910	\$ 5,653
Franchise Fees	740	767	712	705	752	803	794	798	862	902
Public Service Taxes	1,595	1,589	1,577	1,593	1,621	1,711	1,800	1,864	1,956	2,112
Sales Tax - Infrastructure	1,010	1,258	1,242	1,281	1,343	1,417	1,353	1,524	1,786	1,851
Half-cent Sales Tax	692	730	764	772	799	821	780	912	1,015	993
Local Option Gas Tax	155	187	179	179	174	170	156	159	162	164
Other Taxes	78	70	64	69	67	72	41	65	73	65
State Revenue Sharing	372	391	398	416	425	437	408	461	557	546
Investment Income	36	33	27	37	53	62	33	9	36	334
Miscellaneous	148	1,370	203	128	177	216	167	119	65	126
Gain/(Loss) on Sale of Capital Assets	-	-	-	-	-	14	1	62	28	32
Transfers	(319)	378	(47)	(433)	222	(138)	664	840	(570)	440
Total governmental activities	\$ 7,168	\$ 9,621	\$ 8,170	\$ 8,060	\$ 9,196	\$ 9,437	\$ 10,410	\$ 11,381	\$ 10,880	\$ 13,218
Business-type activities:										
Investment Income (loss)	\$ (1)	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ 82
Gain on Sale of Capital Assets	-	-	-	-	65	34	-	40	-	-
Special Item	-	-	-	-	-	-	316	-	-	-
Transfers	319	(378)	47	433	(222)	138	(664)	(840)	570	(440)
Total business-type activities	318	(377)	47	433	(157)	172	(348)	(800)	578	(358)
Total primary government	\$ 7,486	\$ 9,244	\$ 8,217	\$ 8,493	\$ 9,039	\$ 9,609	\$ 10,062	\$ 10,581	\$ 11,458	\$ 12,860
Change in Net Position										
Governmental activities	\$ (1,323)	\$ 1,714	\$ 85	\$ (649)	\$ 420	\$ (63)	\$ 418	\$ 1,180	\$ 3,542	\$ (3,025)
Business-type activities	561	57	412	2,107	453	(1,218)	467	41	1,004	(546)
Total primary government	\$ (762)	\$ 1,771	\$ 497	\$ 1,458	\$ 873	\$ (1,281)	\$ 885	\$ 1,221	\$ 4,546	\$ (3,571)

**Schedule 3
City of Gulfport, Florida**

**FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>General Fund</u>										
Nonspendable	\$ 178	\$ 60	\$ 51	\$ 48	\$ 72	\$ 58	\$ 80	\$ 45	\$ 273	\$ 353
Restricted	12	16	20	27	43	16	8	16	16	18
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	60	17	9	58	78	218	506	2,762	1,748
Unassigned	3,248	4,330	4,184	3,415	3,626	3,310	3,016	4,033	6,350	7,169
Total General Fund	\$ 3,438	\$ 4,466	\$ 4,272	\$ 3,499	\$ 3,799	\$ 3,462	\$ 3,322	\$ 4,600	\$ 9,401	\$ 9,288
<u>All other governmental funds</u>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 2	\$ 1	\$ 1	\$ 25	\$ -
Restricted	678	831	419	354	465	580	193	479	1,443	2,374
Assigned	48	174	602	475	421	359	630	631	634	339
Unassigned (Deficit)	(41)	(39)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 685	\$ 966	\$ 1,021	\$ 829	\$ 887	\$ 941	\$ 824	\$ 1,111	\$ 2,102	\$ 2,713

Schedule 4
City of Gulfport, Florida

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 6,217	\$ 6,699	\$ 6,805	\$ 7,118	\$ 7,501	\$ 8,003	\$ 8,335	\$ 8,955	\$ 9,722	\$ 10,724
Permits and fees	255	334	401	385	585	592	638	771	794	797
Intergovernmental revenues	1,728	2,211	2,414	2,209	2,086	2,438	2,291	3,003	9,154	2,971
Charges for services	1,871	2,119	2,264	2,377	2,742	2,714	2,559	2,569	3,182	3,347
Fines and forfeitures	343	426	401	116	110	84	53	54	(75)	87
Investment Income	36	33	27	37	52	62	33	9	26	344
Miscellaneous revenues	333	1,566	434	344	469	476	325	311	405	461
Total revenues	\$ 10,783	\$ 13,388	\$ 12,746	\$ 12,586	\$ 13,545	\$ 14,369	\$ 14,234	\$ 15,672	\$ 23,208	\$ 18,731
Expenditures										
General government	\$ 1,387	\$ 1,421	\$ 1,432	\$ 1,520	\$ 1,489	\$ 1,610	\$ 1,773	\$ 1,749	\$ 2,147	\$ 2,183
Public safety	4,768	5,026	4,950	5,055	5,243	5,493	5,863	6,106	6,429	6,863
Recreation	2,564	2,860	2,698	3,015	2,979	3,259	3,283	3,252	4,115	4,834
Community development/ Redevelopment	699	774	1,709	1,406	1,123	1,062	1,299	1,156	1,214	1,401
Public works	1,397	1,185	1,180	1,225	1,586	1,562	1,538	1,606	2,131	2,352
Capital outlay	609	1,189	1,125	1,179	1,123	1,555	1,139	920	721	1,037
Debt service:										
Principal	-	-	-	43	115	196	247	153	85	3
Interest	-	-	-	6	13	18	13	5	3	1
Total expenditures	\$ 11,424	\$ 12,455	\$ 13,094	\$ 13,451	\$ 13,671	\$ 14,755	\$ 15,155	\$ 14,947	\$ 16,845	\$ 18,674
Excess of revenues over (under) expenditures	\$ (641)	\$ 933	\$ (348)	\$ (865)	\$ (126)	\$ (386)	\$ (921)	\$ 725	\$ 6,363	\$ 57
Other financing sources (uses)										
Transfers in	\$ 1,702	\$ 734	\$ 1,267	\$ 686	\$ 631	\$ 635	\$ 1,030	\$ 1,213	\$ 997	\$ 1,480
Transfers out	(2,021)	(357)	(1,315)	(1,119)	(409)	(773)	(366)	(373)	(1,567)	(1,040)
Issuance of capital leases	-	-	-	332	263	241	-	-	-	-
Total other financing sources (uses)	\$ (319)	\$ 377	\$ (48)	\$ (101)	\$ 485	\$ 103	\$ 664	\$ 840	\$ (570)	\$ 440
Net change in fund balances	\$ (960)	\$ 1,310	\$ (396)	\$ (966)	\$ 359	\$ (283)	\$ (257)	\$ 1,565	\$ 5,793	\$ 497
Debt service as a percentage of non-capital expenditures	N/A	N/A	N/A	0.4%	1.1%	1.7%	2.0%	1.2%	0.6%	0.0%

**Schedule 5
City of Gulfport, Florida**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years**

Fiscal Year Ended Sept. 30	Real Property			Less: Tax Exemptions	
	Residential Property	Commercial Property	Personal Property	Governmental/ Institutional	\$25,000 Homestead
2014	\$ 921,149,481	\$ 125,580,281	\$ 18,742,091	\$ 88,127,607	\$ 155,487,991
2015	1,041,251,353	130,259,384	18,886,102	90,811,334	157,363,084
2016	1,158,471,984	132,568,863	18,251,893	90,582,656	160,455,030
2017	1,246,940,796	135,303,673	19,314,382	89,126,722	167,873,903
2018	1,363,188,964	142,481,545	17,562,734	91,440,845	174,575,373
2019	1,467,189,529	150,551,485	18,119,786	94,740,002	177,093,595
2020	1,598,555,263	164,355,758	21,154,924	103,325,187	182,642,216
2021	1,737,662,739	177,910,708	20,511,221	111,415,087	186,311,931
2022	2,252,778,016	200,349,023	20,093,197	120,569,843	190,513,020
2023	2,739,257,661	223,024,199	21,680,929	130,885,569	191,873,026

Continued

Source: Pinellas County Property Appraiser, 2022 Final tax roll (Form DR403V and Land Use Recaps)

**Schedule 5 - Continued
City of Gulfport, Florida**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - Continued
Last Ten Fiscal Years**

Less: Tax Exemptions				Total Taxable	
Homestead	Widows/			Assessed	Millage
Assessment	Disability/			Value	Rate •
Differential	Blind				
\$ 116,611,683	\$ 7,486,605	\$	697,757,967	4.039	
186,620,366	7,608,410		747,993,645	4.039	
245,544,608	7,550,108		805,160,338	4.039	
269,860,826	8,096,306		866,601,094	4.039	
310,073,683	9,607,438		937,535,904	4.039	
330,338,990	11,598,684		1,022,089,529	4.039	
377,854,602	11,881,243		1,108,362,697	4.039	
431,602,238	14,061,432		1,192,693,980	4.039	
770,842,530	17,412,528		1,373,882,315	4.039	
1,070,148,879	21,343,457		1,569,711,858	4.026	

• The rate used in the calculation of property taxes. One mill equals \$1 per \$1,000 of taxable value. A millage of 4.026 (which is the millage in effect for the City of Gulfport) is equal to \$4.026 for each \$1,000 of taxable value on real property. The tax rate on real property based on \$1 per \$1,000 of assessed property value.

Property is assessed at actual value and therefore a separate table for assessed and actual data is not presented.

**Schedule 6
City of Gulfport, Florida**

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**

City Direct Rates		Overlapping Rates					
Fiscal Year	Basic Rate •	Pinellas County	Pinellas County Schools	Transit	Emerg. Medical Services	Other ★	Total Millage
2014	4.0390	5.3377	7.8410	0.7305	0.9158	1.2799	20.1439
2015	4.0390	5.3377	7.7700	0.7305	0.9158	1.2629	20.0559
2016	4.0390	5.3377	7.3180	0.7500	0.9158	1.2448	19.6053
2017	4.0390	5.3590	7.0090	0.7500	0.9158	1.2262	19.2990
2018	4.0390	5.3590	6.7270	0.7500	0.9158	1.2086	18.9994
2019	4.0390	5.3590	6.5840	0.7500	0.9158	1.1932	18.8410
2020	4.0390	5.3590	6.4270	0.7500	0.9158	1.1800	18.6708
2021	4.0390	5.2092	6.3250	0.7500	0.9158	1.1666	18.4056
2022	4.0390	4.8188	5.9630	0.7500	0.8775	1.0978	17.5461
2023	4.0258	4.8111	5.9380	0.7500	0.8418	1.0503	17.4170

Sources: Pinellas County Tax Collector, Pinellas County Property Appraiser

Note: • The rate used in the calculation for property taxes. One mill equals \$1 per \$1,000 of taxable value. The tax rate on real property based on \$1 per \$1,000 of assessed property value.

★ "Other" includes Pinellas County Planning Council, Juvenile Welfare Board, South West Florida Water Management District and Pinellas Anclote River Basin.

Overlapping rates are those of local and county governments that apply to property owners within the City of Gulfport. The total millage column applies to all property owners within the City.

**Schedule 7
City of Gulfport, Florida**

**PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**

Fiscal Year Ended Sept. 30	Total Tax Levy	Current Year Tax Collections	Percentage of Levy Collected in Year	Tax Collected in Subsequent Years	Total Tax Collected	Percentage of Levy Collected to Date
2014	\$ 2,646,579	\$ 2,554,311	96.5%	\$ 4,461	\$ 2,558,772	96.7%
2015	2,818,244	2,717,771	96.4%	18,347	2,736,118	97.1%
2016	3,021,146	2,912,132	96.4%	8,951	2,921,083	96.7%
2017	3,252,043	3,139,165	96.5%	29,885	3,169,050	97.4%
2018	3,500,202	3,384,032	96.7%	10,887	3,394,919	97.0%
2019	3,786,708	3,655,605	96.5%	3,369	3,658,974	96.6%
2020	4,128,220	3,987,368	96.6%	2,297	3,989,665	96.6%
2021	4,476,677	4,322,415	96.6%	2,713	4,325,128	96.6%
2022	4,817,291	4,646,594	96.5%	3,296	4,649,890	96.5%
2023	5,549,111	5,357,847	96.6%	7,875	5,365,722	96.7%

Sources: Pinellas County Tax Collector's reports, Pinellas County final tax roll.

Schedule 8
City of Gulfport, Florida

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Property Description	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Seaside Villas Gulfport LLC	\$ 21,000,000	1	1.89%	\$ 8,486,500	1	1.30%
Culby Properties South LLC	5,602,231	2	0.51%	-		
Hawkeye Equity LLC	4,799,965	3	0.43%	-		
Valin, Peter J	4,682,501	4	0.42%	-		0.00%
49th Street LLC	4,548,500	5	0.41%	2,355,870	6	0
Lidberg, Scott	3,765,162	6	0.34%	-		
J L P Management Assoc Inc	3,565,348	7	0.32%	1,721,799	9	
Hornsleth, Poul & April Caldwell	3,378,873	8	0.30%	-		
5701 Gulfport Property LLC	3,209,766	9	0.29%	-		0.00%
Woiteshak, Dwight	2,951,273	10	0.27%	-		
Paonessa, Jeffrey L	-			3,372,379	2	0.51%
CFC Pasadena Golf LLC	-			3,084,786	3	0.47%
Tugbaev, Igor	-			2,871,387	4	0.44%
Karma Fund 3 LLC	-			2,440,218	5	0.37%
Hernandez, Roberto M	-			2,018,181	7	0.31%
Holmes, Michael R	-			1,975,060	8	0.30%
Levine, Alan M	-			1,694,341	10	0.26%
All Others	-		94.81%	-		95.68%
Total	\$ 57,503,619		100.00%	\$ 30,020,521		100.00%

Source: Pinellas County Property Appraiser tax rolls.

**Schedule 9
City of Gulfport, Florida**

**WATER SOLD BY TYPE OF CUSTOMER
Last Ten Fiscal Years**

Type of Customer	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Residential	\$ 2,896,639	\$ 2,852,787	\$ 2,758,757	\$ 2,828,295	\$ 2,646,964	\$ 2,643,615	\$ 2,728,581	\$ 2,600,561	\$ 2,591,810	\$ 2,657,756
Commercial	288,723	283,859	271,658	291,889	258,286	272,263	292,060	297,300	271,434	273,719
Government	111,633	110,428	113,235	112,531	108,342	107,453	86,816	81,856	100,168	96,608
Total	<u>\$ 3,296,995</u>	<u>\$ 3,247,074</u>	<u>\$ 3,143,650</u>	<u>\$ 3,232,715</u>	<u>\$ 3,013,592</u>	<u>\$ 3,023,331</u>	<u>\$ 3,107,457</u>	<u>\$ 2,979,717</u>	<u>\$ 2,963,412</u>	<u>\$ 3,028,083</u>
Total direct rate per 1,000 gallons:	\$6.18	*\$6.92	\$6.92	\$7.14	\$7.84	\$7.84	\$8.47	\$9.15	\$9.88	\$8.88

Source: City of Gulfport Utility Billing System, Incode Software
*Corrected to properly reflect the effective date of the rate change

**Schedule 10
City of Gulfport, Florida**

**WATER AND SEWER RATES
Last Ten Fiscal Years**

Fiscal Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2013	\$ 11.04	\$ 5.52	\$ 13.72	\$ 6.86
2014	12.36	6.18	15.37	7.69
2015	13.84	6.92	17.21	8.61
*2016	13.84	6.92	17.21	8.61
2017	14.28	7.14	17.76	8.88
2018	15.68	7.84	21.32	10.66
2019	15.68	7.84	21.32	10.66
2020	16.93	8.47	23.03	11.52
2021	18.28	9.15	24.87	12.43
2022	19.74	9.88	26.86	13.42
2023	17.74	8.88	24.86	12.44

Source: City of Gulfport Utility Billing System, Incode Software

*Corrected to properly reflect the effective date of the rate change

Schedule 11
City of Gulfport, Florida

**RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Gulfport Personal Income	Percentage of Personal Income	Per Capita
	Lease Liability	Financed Purchases	Financed Purchases	State Revolving Loan				
2014	\$ -	\$ -	\$ 311,607	\$ -	\$ 311,607	\$ 356,601,490	0.1%	\$ 26
2015	-	-	239,633	959,120	1,198,753	366,447,480	0.3%	98
2016	-	-	166,409	1,457,997	1,624,406	385,109,230	0.4%	131
2017	-	288,561	91,918	1,563,819	1,944,298	408,689,190	0.5%	155
2018	-	436,386	28,229	2,995,086	3,459,701	426,431,607	0.8%	276
2019	-	481,807	673,995	4,272,126	5,427,928	446,273,542	1.2%	430
2020	-	235,023	530,911	4,610,978	5,376,912	465,068,760	1.2%	424
2021	-	82,268	384,085	5,232,143	5,698,496	514,478,003	1.1%	460
2022	15,183	-	233,419	7,550,930	7,799,532	603,785,007	1.3%	663
2023	12,010	-	78,813	7,484,334	7,575,157	784,916,262	1.0%	631

Sources: Per capita information for calculation of personal income obtained from University of Florida Bureau of Economic and Business Research for Pinellas County.

Debt limitation: There are no legal debt limits for Florida municipalities.

**Schedule 12
City of Gulfport, Florida**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2023**

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable ^a	City's Share of Debt
DIRECT DEBT			
City of Gulfport	\$ -	100.0%	\$ -
Subtotal Direct Debt	<u>\$ -</u>		<u>\$ -</u>
OVERLAPPING DEBT			
Pinellas County School District State Bonds ^b	\$ -	1.31%	\$ -
Pinellas County School District Lease Liability	9,314,547	1.31%	122,413
Pinellas County Financed Purchases	31,298,003	1.31%	411,322
Pinellas County Notes Outstanding	2,099,669	1.31%	27,594
Pinellas County SBITAs	4,188,234	1.31%	55,042
Subtotal Overlapping Debt	<u>\$ 46,900,453</u>		<u>\$ 616,371</u>
Total Direct and Overlapping Debt	<u>\$ 46,900,453</u>		<u>\$ 616,371</u>

Sources: Assessed value data used to estimate applicable percentages provided by Pinellas County Property Appraiser. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

^a The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

^b The School District State Bonds are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is also pledged for the bonds.

**Schedule 13
City of Gulfport, Florida**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Year	Population	Personal Income ^a	Per Capita Personal Income	Median Age ^a	Unemployment Rate ^b	School Enrollment ^c
2014	12,145	\$ 356,601,490	\$ 29,362	50.7	5.4%	2,394
2015	12,180	366,447,480	30,086	52.9	5.4%	2,289
2016	12,371	385,109,230	31,130	53.0	4.5%	2,489
2017	12,510	408,689,190	32,669	53.7	3.1%	2,493
2018	12,527	426,431,607	34,041	54.2	3.7%	2,531
2019	12,623	446,273,542	35,354	54.7	3.3%	2,502
2020	12,686	465,068,760	36,660	54.9	6.8%	2,277
2021	12,389	514,478,003	41,527	55.2	4.0%	2,110
2022	11,769	603,785,007	51,303	55.2	2.5%	2,003
2023	12,006	784,916,262	65,377	54.0	2.8%	1,887

Sources:

- a - Pinellas County Economic Development
- b - Florida Department of of Economic Opportunity
- c - Pinellas County School Board (Boca Ciega High School, Gulfport Elementary School, and Disston Academy)

**Schedule 14
City of Gulfport, Florida**

**PRINCIPAL EMPLOYERS (a)
Current Year and Nine Years Ago**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Pinellas County Public School District	13,071	1	25.71%	15,928	1	38.82%
Publix	7,641	2	15.03%			0.00%
U.S. Dept Of Veterans Affairs	5,055	3	9.94%	4,406	2	0.11
Walmart	4,809	4	9.46%			0.00%
Raymond James & Associates	4,541	5	8.93%	2,475	8	0.06
All Childrens Health Systems	3,767	6	7.41%	2,950	4	7.19%
City of St Petersburg	3,716	7	7.31%	3,112	3	7.58%
Morton F Plant Hospital	3,196	8	6.29%	2,525	7	0.06
Baycare Health System	2,550	9	5.02%			0.00%
Mease Hospital Trustees	2,498	10	4.91%	2,050	10	5.00%
St. Petersburg College	-		-	2,744	5	6.69%
Pinellas County Sheriff's Office	-		-	2,693	6	6.56%
Home Shopping Network	-		-	2,150	9	5.24%
Total Employees above	<u>50,844</u>			<u>41,033</u>		
Total Employment Pinellas County	<u><u>509,140</u></u>			<u><u>390,273</u></u>		

(a) Data for the City of Gulfport is not currently available. Pinellas County is the closest large metropolitan area with data available for reporting purposes.

Source: Pinellas County Economic Development, Florida Research and Economic Information Database Application

Schedule 15
City of Gulfport, Florida

CITY FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Services	6.50	6.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	8.00
Information Technology	-	-	-	-	-	-	-	-	-	-
Human Resources	1.00	1.50	-	-	-	-	-	-	-	2.00
Public Safety										
Police	37.50	37.00	37.50	37.50	37.50	38.50	38.50	40.00	40.00	40.00
Fire	13.50	13.50	14.50	13.50	13.50	14.50	18.50	18.50	18.50	20.50
Recreation										
Parks	6.00	-	-	-	-	-	-	-	-	-
Library	9.75	9.75	8.50	8.75	9.75	9.25	9.25	9.75	9.75	9.75
Recreation	11.00	11.00	10.25	11.25	12.25	12.25	12.25	12.25	12.25	12.25
Senior Center	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.25	3.25	4.25
Gems	4.00	4.00	3.50	3.50	3.00	3.00	3.00	3.50	3.50	3.50
Cultural Facilities										
Casino	3.25	3.25	3.25	3.50	3.50	3.50	3.50	3.25	3.25	3.75
Theater	3.25	3.25	3.25	3.50	3.50	3.50	3.50	3.25	3.25	3.75
Tech Events	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development										
Planning	2.00	2.00	2.00	2.00	3.00	2.67	2.67	2.67	2.67	2.67
Building	3.00	3.00	3.00	3.00	3.00	3.67	3.67	4.67	5.67	5.67
Code Enforcement	1.25	1.25	1.25	1.25	1.25	1.66	2.66	2.66	2.66	2.66
49th Street Corridor	0.75	0.75	0.75	0.75	0.75	-	-	-	-	-
Waterfront Redevelopment	-	-	-	-	-	-	-	-	-	-
Public Works										
Director	1.00	1.00	1.00	1.25	1.25	1.25	*1.50	1.50	1.50	1.50
Parks	-	6.00	6.00	7.00	7.00	8.50	*9.00	9.00	9.00	9.00
Streets	3.50	3.50	1.50	0.50	3.50	3.50	3.50	3.50	3.50	3.50
Garage	2.00	2.00	2.00	2.00	2.00	2.50	3.00	3.00	3.00	3.00
Building	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Utilities										
Water	3.30	3.30	3.80	3.54	3.54	3.21	*3.28	3.28	3.28	3.28
Sewer	3.30	3.30	3.80	3.54	3.54	3.21	*3.28	3.28	3.28	3.28
Stormwater	1.00	1.00	1.00	1.67	3.67	4.34	4.34	4.34	4.34	4.34
Sanitation	13.90	13.90	15.90	17.00	16.00	16.00	*16.10	16.10	16.10	16.10
Marina	3.50	3.50	3.50	4.50	6.00	6.00	6.00	7.00	7.00	7.00
Total	144.25	143.75	146.25	149.75	157.75	161.25	167.75	171.75	172.75	176.75

Source: City Annual Adopted Budgets

Notes:

to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time recreation aide working twenty (20) hours per week for fifty-two (52) weeks a year equals .5 of a full-time position.

*Corrected to properly reflect the Full Time Equivalent per date range

Schedule 16
City of Gulfport, Florida

OPERATING INDICATORS BY FUNCTION / PROGRAM
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Reported crime (UCR Part One)	711	661	444	633	455	528	384	367	-	-
Reported crime (NIBRS) ***	-	-	-	-	-	-	-	-	708	614
Felony arrests ♦	220	168	148	173	176	152	117	112	88	101
Reported traffic crashes	105	95	104	118	114	133	98	107	126	122
Traffic violations issued ♦	1,477	1,520	1,053	1,137	1,445	1,518	672	776	667	452
Calls for service	27,591	29,144	21,649	29,139	27,538	29,821	29,513	24,794	22,188	29,043
Fire										
Fire incidents ♦♦	64	43	23	18	32	38	40	41	75	65
Emergency responses	2,761	3,040	3,668	2,576	2,698	3,106	2,876	4,295	3,660	3,509
Fire inspections	458	702	813	707	556	788	486	767	477	234
Sanitation										
Refuse collected (tons/annu.)	8,746	9,042	9,839	9,917	9,966	10,473	10,125	10,099	9,457	9,675
Recyclables collected (tons/annu.)	1,174	1,147	987	796	756	692	731	653	769	632
Utilities										
Average daily consumption (thousands of gallons)	951	948	964	*968	*921	*899	900	886	958	1,001
Average daily sewage treatment (thousands of gallons)	1,050	1,323	1,299	*977	1,028	1,131	836	**953	748	620
Recreation										
Participants in after-school program	50	58	61	52	78	67	11	33	51	59
Participants in summer camp program	133	152	136	149	125	123	27	72	79	75
Library										
Circulation of materials	103,701	85,513	110,371	120,047	119,261	114,482	123,397	144,771	134,793	138,200
Reference questions	10,228	5,132	8,908	7,835	6,300	9,053	1,311	2,756	13,117	10,823
Sponsored programs	238	259	354	374	435	609	319	141	398	359
Senior Center										
Average daily attendance	175	233	240	525	599	614	270	150	445	592
Meals served daily	50	71	82	88	59	59	184	115	125	148
Reassurance calls made daily	11	11	10	10	10	12	199	18	15	18
GEMS										
Number of rides	8,760	6,811	8,300	8,502	9,624	9,659	4,683	6,425	8,569	9,136
Number of subscriptions	109	115	128	113	122	128	104	122	120	132
Number of handicapped members	87	92	102	76	73	58	60	55	63	39
Marina										
Number of wet/dry slips rented	289	290	290	290	290	281	320	326	332	330
Number of vessels fueled	5,184	5,014	5,528	5,167	5,704	6,790	7,683	7,606	9,104	6,825
Number of gallons dispensed	211,697	196,046	208,394	224,490	272,977	296,018	389,387	380,559	428,942	355,592
Number of transient rentals	197	209	303	353	304	566	424	419	420	379
Number of kayaks stored	28	32	32	24	22	29	32	32	32	32
Cultural Facilities										
Number of dances/rentals	314	329	335	328	331	340	145	77	327	383
Number of theater rentals	67	66	66	69	82	82	41	16	87	122

Sources: Various City departments

♦ Different operating indicators selected for tracking after 2007.

♦♦ Changed from *Fires extinguished* as of FY21-22.

* Corrected to properly reflect the daily average consumption due to a meter reading error by the City's wholesale provider.

** Corrected to properly reflect the daily average consumption due to a reporting error.

*** The State of Florida has transitioned from Uniform Crime Reporting (UCR) to National Incident Based Reporting (NIBRS). NIBRS requires reporting of up to ten offenses per incident versus UCR's one offense and includes a much larger range of offense types.

Schedule 17
City of Gulfport, Florida

CAPITAL ASSET STATISTICS BY FUNCTION PROGRAM
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Schools										
Elementary	1	1	1	1	1	1	1	1	1	1
Junior/Senior High	2	2	2	2	2	2	2	2	2	2
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	22	23	23	23	23	23	23	23	23
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire trucks	2	2	2	2	2	2	2	2	2	2
Rescue Units	-	-	-	-	-	-	1	1	1	1
Other Public Works										
Streets - Paved	67.63	67.63	67.63	67.63	*49.25	49.25	49.25	49.25	49.25	49.25
Streets - Unpaved	32	32	32	32	32	32	32	32	32	32
Streetlights	1,368	1,368	1,368	1,368	1,368	1,368	1,368	1,380	1,380	1,381
Sanitation										
Collection trucks	7	8	11	11	11	12	12	12	12	12
Utilities										
Water mains (miles)	68	68	68	68	68	68	68	68	68	68
Fire hydrants	284	284	284	285	286	286	286	286	286	268
Lift stations	2	2	2	2	2	2	2	2	2	2
Sanitary sewer (miles)	105	105	105	105	105	105	105	105	105	105
Storm drain lines (miles)	23	23	23	23	23	23	23	23	23	23
Stormwater treatment lakes	2	2	2	4	4	4	4	4	4	4
Recreation										
Acreage	36.75	36.75	36.75	36.75	36.75	36.75	36.75	36.75	36.75	36.75
Playgrounds	6	5	6	6	6	6	6	6	6	6
Tennis courts	2	2	2	2	2	2	2	2	2	2
Skate parks	1	-	-	-	-	1	1	1	1	1
Volleyball courts	5	4	4	4	4	6	6	6	6	6
Basketball courts	1	1	1	1	1	1	1	1	1	1
Bocce courts	1	1	1	1	1	1	1	1	1	1
Recreation buses	1	1	1	1	1	1	1	1	1	1
Pickleball courts	-	-	-	-	-	-	-	-	-	2
Library										
Catalogued items	89,339	75,546	80,948	76,868	100,071	127,834	147,969	153,762	78,795	78,204
GEMS										
Vehicles	4	4	4	4	4	4	4	4	4	4
Marina										
Number of slips	247	247	247	247	247	247	252	252	252	252
Dry storage slips	80	80	80	80	79	79	78	78	78	78

Sources: Various City departments

Note: No capital asset indicators are available for the general government function.

*All paved roads were recently inventoried which showed a reduction in City maintained lane miles. Prior to 2018 this statistic included private and County maintained paved roadways.

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Compliance Section

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

Honorable Mayor and
Members of the City Council
City of Gulfport, 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 of the City of Gulfport, Florida (the City) as of and for the fiscal 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 May 29, 2024.

Report on Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective 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 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 may exist that have not been identified.

The Honorable Mayor and
Members of the City Council
City of Gulfport, Florida

Report on Compliance and Other Matters

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

Pursuant to the provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the City in a separate management letter and Independent Accountant's Report dated May 29, 2024.

Purpose of this Report

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
May 29, 2024



INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and
Members of the City Council
City of Gulfport, Florida

We have examined the City of Gulfport, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. 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 with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

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

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
May 29, 2024

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and
Members of the City Council
City of Gulfport, Florida

Report on Financial Statements

We have audited the financial statements of the City of Gulfport, Florida (the City) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 29, 2024.

Auditor's Responsibility

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.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 29, 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 annual financial report. In connection with the preceding audit, there were no findings or recommendations.

The Honorable Mayor and
Members of the City Council
City of Gulfport, Florida

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report 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 identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, see separately issued financial statements for the Gulfport Waterfront Community Redevelopment Agency.

Additional Matter

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

The Honorable Mayor and
Members of the City Council
City of Gulfport, Florida

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 City Council members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
May 29, 2024