

CITY OF PORT RICHEY, FLORIDA

Annual Comprehensive
Financial Report

September 30, 2024

CITY OF PORT RICHEY, FLORIDA

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CITY OF PORT RICHEY, FLORIDA

Listing of City Officials

Council - Manager Form of Government

As of September 30, 2024

Elected Officials

Mayor	John Hoover
Vice Mayor	Chris Maher
Council Member	Robert Hubbard
Council Member	Christine Sullivan
Council Member	Lisa Burke

Appointed Officials

City Manager	Don King
City Attorney	Nancy Meyer

Department Directors

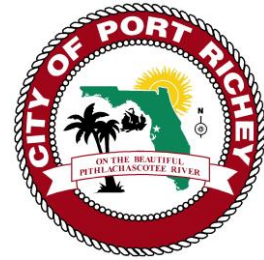
Fire	Gary Policastri
Police	Cyrus Robinson
Operations	Sal Licari
City Clerk	Ashlee McDonough
Finance	Adam Thompson
Revenue	Veronica Hanson
Grants	Pamela Lynch

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

CITY OF PORT RICHEY

6333 RIDGE ROAD
PORT RICHEY, FLORIDA 34668
TELEPHONE (727) 816-1900



January 26, 2026

The Honorable Mayor and Members of the City Council
City of Port Richey, Florida

The Annual Comprehensive Financial Report of the City of Port Richey, Florida (the City), for the fiscal year ended September 30, 2024 is hereby submitted in compliance with Florida law. The staff of the Finance Department prepared this Annual Comprehensive Financial Report with assistance from other departments. The responsibility for both the integrity of the data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City’s management. The report summarizes the City’s financial position and results of operations for its citizens, the City Council, the financial community and any other persons interested in the financial affairs of the City. All data is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. We have included all necessary disclosures to enable the reader to gain the maximum understanding of the City’s financial activity.

The financial statements include the provisions of Governmental Accounting Standards Board Statement No. 34 - “Basic Financial Statements - Management’s Discussion and Analysis - for State and Local Governments.” This letter of transmittal is designed to complement Management’s Discussion and Analysis and should be read in conjunction with it.

The Annual Comprehensive Financial Report is designed to meet the needs of a broad spectrum of readers and is presented in three sections:

- Section I: Introductory Section

- Section II: Financial Section
 - a) Management’s Discussion and Analysis
 - b) Basic financial statements
 - c) Required supplementary information
 - d) Other supplementary schedule

- Section III: Statistical Section

The introductory section includes the table of contents, this transmittal letter, the City’s organizational chart and a list of principal officials.

The financial section of the report contains the government-wide financial statements, the fund financial statements - governmental funds and proprietary funds, notes to the financial statements, required supplementary information and other supplementary schedules which present fairly the financial position and results of the operations for the fiscal year ended September 30, 2024. These statements are divided into four parts.

- 1) Government-wide financial statements, which display financial data of the City as a whole.
- 2) Fund financial statements, which present the governmental and proprietary major funds financial statements.
- 3) Required supplementary information, which present budgetary comparison schedules for the general and special revenue funds and the schedule of changes to the net pension liability.
- 4) Other supplementary schedule, which present additional financial information for the reader.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Reporting Entity

The City was incorporated in 1925 and was chartered by Chapter 110334, Special Acts of Florida, 1925 with a Mayor-Council form of government.

On April 12, 1994 the electors of Port Richey enacted a new Charter, which replaced the Mayor-Council form of government with the Council-Manager system. The City Council consists of a mayor and four council members elected on a nonpartisan basis for three-year staggered terms of office.

This report includes all funds, organizations, authorities, and agencies that the City is accountable for financially. The City provides a full range of municipal services. These services include public safety (police and fire), public works, storm water management, parks and recreation, building and code enforcement, planning and zoning, and general administration services. The City also provides water treatment and distribution and wastewater collection (Water and Sewer Fund) and stormwater management (Stormwater Utility Fund).

Local Economic Condition and Outlook

The City's revenue sources were negatively impacted by the decline in property values that began in fiscal year 2009 and which continued into fiscal year 2014. Beginning in fiscal year 2015, and now continuing into fiscal year 2024, the City is seeing an increase in property values that has resulted in an increase of Ad Valorem tax revenues. The City is continuing to develop programs through the use of funds available in Port Richey Community Redevelopment Agency (CRA) to promote redevelopment and improve the community's economic condition and outlook.

The City has been working in conjunction with Pasco County to redevelop the U.S. 19 corridor and encourage private investment in the City's Waterfront District. The City has seen increased commercial activity along U.S. 19, as well as the Waterfront District.

Major Initiatives

An initiative that was begun in fiscal year 2011 that has continued into fiscal year 2024 is the revitalization of the City's financial well-being. The City ended 2010 with a deficit balance of \$342,617 in the Governmental Activities unrestricted net position and a deficit balance of \$867,969 in the Business-type Activities unrestricted net position. Additionally, the Water and Sewer Fund had a history of many years of continued losses. Through initiatives such as Water and Sewer utility rate increases, the re-instatement of the Electric Utility tax that went into effect January 1, 2011, and the ability to utilize Red Light Cameras, the City has been able to considerably improve upon its financial position. A new rate structure for the City Water and Sewer Utility was adopted on October 15, 2013 which will help increase net position for the Water and Sewer Utility fund.

As of September 30, 2024, the Governmental Activities unrestricted net position had a negative balance of \$(3,024,820), and the Business-type Activities unrestricted net position had a positive balance of \$2,630,795. It is very important for the user of the City's Annual Comprehensive Financial Report to understand why the Governmental Activities unrestricted net position now has a negative balance. The City adopted Governmental Accounting Standards Board (GASB) Statement No. 68 - "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date," in fiscal year ended September 30, 2015. As a result of the implementation of GASB Statements No. 68 and No. 71, the City reported a restatement for the change in accounting principle as of October 1, 2014 for the City's proportionate interest in the Florida Retirement System cost sharing - multiple employer plan. This has resulted in the City now having to report a net pension liability for the Florida Retirement System pension plan in the statement of net position as of September 30, 2024 of \$5,345,934 in the Governmental Activities and \$1,114,221 in the Business-type Activities.

Additionally, the City adopted GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," in the ended September 30, 2018. As a result of the implementation of GASB Statement 75, the City reported a total other OPEB liability in the statement of net position of \$980,852 in the Governmental Activities and \$414,219 in the Business-type Activities as of September 30, 2024.

Another very important indicator of the significant improvement that has been achieved since 2011 in the City's financial condition is that the General Fund unassigned fund balance was \$2,775,786 as of September 30, 2024. The General Fund unassigned fund balance is that portion of the fund equity that is available to pay for the on-going activities of the City.

Financial Information

Basis of accounting - The government-wide financial statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and long-term liabilities. Revenue is recorded when earned and expenses are recorded as incurred without regard to the receipt of payment or its equivalent.

The Governmental Funds utilize the modified accrual basis of accounting. Under this method, revenues are recorded when received in cash, except for those susceptible to accrual, which are recorded as revenue when they become both measurable and available to finance current City operations. Expenditures are recorded when the liability is incurred except for interest on long-term debt, which is recorded when paid. The financial statements of the proprietary funds are reflected on the accrual basis of accounting; revenue is recorded when earned and expenses are recorded in the period incurred.

Capital assets are stated at cost or if donated, acquisition value net of accumulated depreciation at the date of donation. Expenditures which materially extend the useful life of existing properties are capitalized. The City's governmental infrastructure assets - roadways, sidewalks, etc. are reported in the government-wide financial statements net of accumulated depreciation. Depreciation on property and equipment is recorded in the government-wide and proprietary fund financial statements and is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to sixty years.

In developing and evaluating the City's internal control structure, consideration is given to the adequacy of internal control procedures. Internal control procedures are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. However, one should remember that the cost of a control should not exceed its benefits. The City believes that its internal controls adequately safeguard the City's assets and provide reasonable assurance of the proper recording of financial transactions.

Budgeting Controls

The following procedures are utilized in establishing the budgetary data reflected in the financial statements.

- 1) At least sixty (60) days prior to October 1, the City Manager submits to the City Council an operating budget and an explanatory message. The budget message contains an outline of the proposed financial policies for the fiscal year, (1) identifying any important changes from the current year in revenue items or appropriations; and (2) listing any new funding sources that are pending.
- 2) Public hearings are conducted by the City Council as required by State and Federal law to obtain taxpayers' comments on the proposed budget.
- 3) The budget is adopted by a majority of all members of the City Council prior to October 1.
- 4) Each Department Head, with the City Manager's authority, may transfer any unencumbered appropriation or portion thereof between general classifications of expenditures (personnel, operating, and capital) within their assigned department and service, function or activity. The City Council may, by resolution, make appropriations to meet a need for public expenditures to protect the public health, safety, and welfare or may transfer an unencumbered appropriation from any office, agency, and department or from contingency to another office, agency, department or contingency.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Enterprise Operations

The City has two Enterprise Funds: the Water and Sewer Fund and the Stormwater Utility Fund. The Water and Sewer Fund is of much greater financial significance and is highlighted below.

Water and Sewer Fund

The City provides utility service to approximately 2,200 residential customer accounts and nearly 400 commercial accounts. This represents customers both within and outside of the City's limits. The City owns its well field and water treatment facility. This Water Treatment Plant facility has a treatment capacity of approximately 1.2 million gallons of water per day. The safe yield of the City well field has been estimated at 1.16 million gallons per day.

The utility rates have been structured using a tiered approach which is intended to increase the cost to larger volume users. Also, base rates have been established that are billed to all customers, regardless of whether any usage has occurred during the billing period. This fee structure is intended to target customers that do not consume any water during a portion of the year but yet the City continues to incur the cost of making water available to these customers.

Debt Administration

Revenue Bonds Payable, Series 2016: On September 29, 2016, the City issued \$3,055,000 of bonds through the Florida Municipal Loan Council for the purpose of advance refunding the Revenue Bonds Payable Series 2005C in the amount of \$500,000 and the Revenue Bonds Payable Series 2005D in the amount of \$2,615,000. As a result, the Revenue Bonds Payable Series 2005C and 2005D were defeased and subsequently paid-off on November 1, 2016 from the amount being held in escrow. The Series 2005C Revenue Bonds were an obligation of the City's General Fund and the Series 2005D Revenue Bonds were a liability of the Water and Sewer Fund. The 2016 Revenue Bonds were issued to reduce the City's overall interest costs. The advance refunding enabled the City to obtain an economic gain of \$318,598 through the reduction of future interest costs.

The balance outstanding on the Revenue Bonds Payable, Series 2016 as of September 30, 2024, and the balance pertaining to the Business-type Activities (Water and Sewer Fund) is \$1,645,000. There is no Government Activities balance outstanding.

Finally, in accordance with the City Code of Ordinances, the City Attorney is required to review, analyze, research and approve, prior to the execution by the City and its authorized agents, any document or instrument of any nature or kind, which has a legal effect upon the City.

Perspective

The City is a political subdivision of the state of Florida, located in the western section of Pasco County, Florida (the County). It is four square miles in area with nineteen miles of paved streets. Located within the four square miles are many small retailers, two industrial parks, two medical complexes and several manufacturers. There are also two mobile home parks, a large condominium project and a Super Wal-Mart Center located within the City's boundaries. Accordingly, the entire Tampa Bay area affects the City's economic conditions.

The City Council and management remain committed to improving the financial soundness of the City as demonstrated by their commitment to maintaining a balanced budget.

During the 1985 session, the State Legislature passed the Growth Management Act that requires the State and local governments to develop five-year comprehensive plans addressing growth related issues for the particular political division. The State requires each unit of a local government's plan to be concurrent with the County plan in which the municipality is located and with the Regional Planning Council, and to ensure that adequate attention is being placed on the infrastructure needs of the State. That five-year plan has been completed and submitted to the State as required.

In compliance with the requirements of the Comprehensive Land Use Plan adopted by the City, the City developed a Land Development Code (Code) in 1992. The Code has a great impact on all land development and land uses and continues to be utilized.

Independent Audit

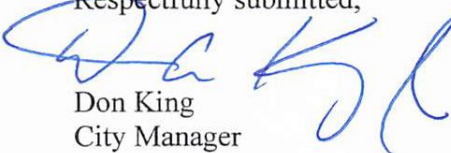
The Florida Statutes and the City's Charter require an annual audit of the books of accounting and financial records of the City by an independent certified public accountant selected by the City Council. This requirement has been complied with by retaining the firm of EFPR Group, CPAs, PLLC, Certified Public Accountants to serve as the City's independent auditors. The independent auditors' opinion has been included in the report.

Acknowledgements

The preparation of this report could not be accomplished without the efficient and dedicated work of the entire staff of the Finance Department, City Clerk's Department and the Utility Department. We wish to express our appreciation to all the members of the City's staff and the independent auditors' for their contributions to this report.

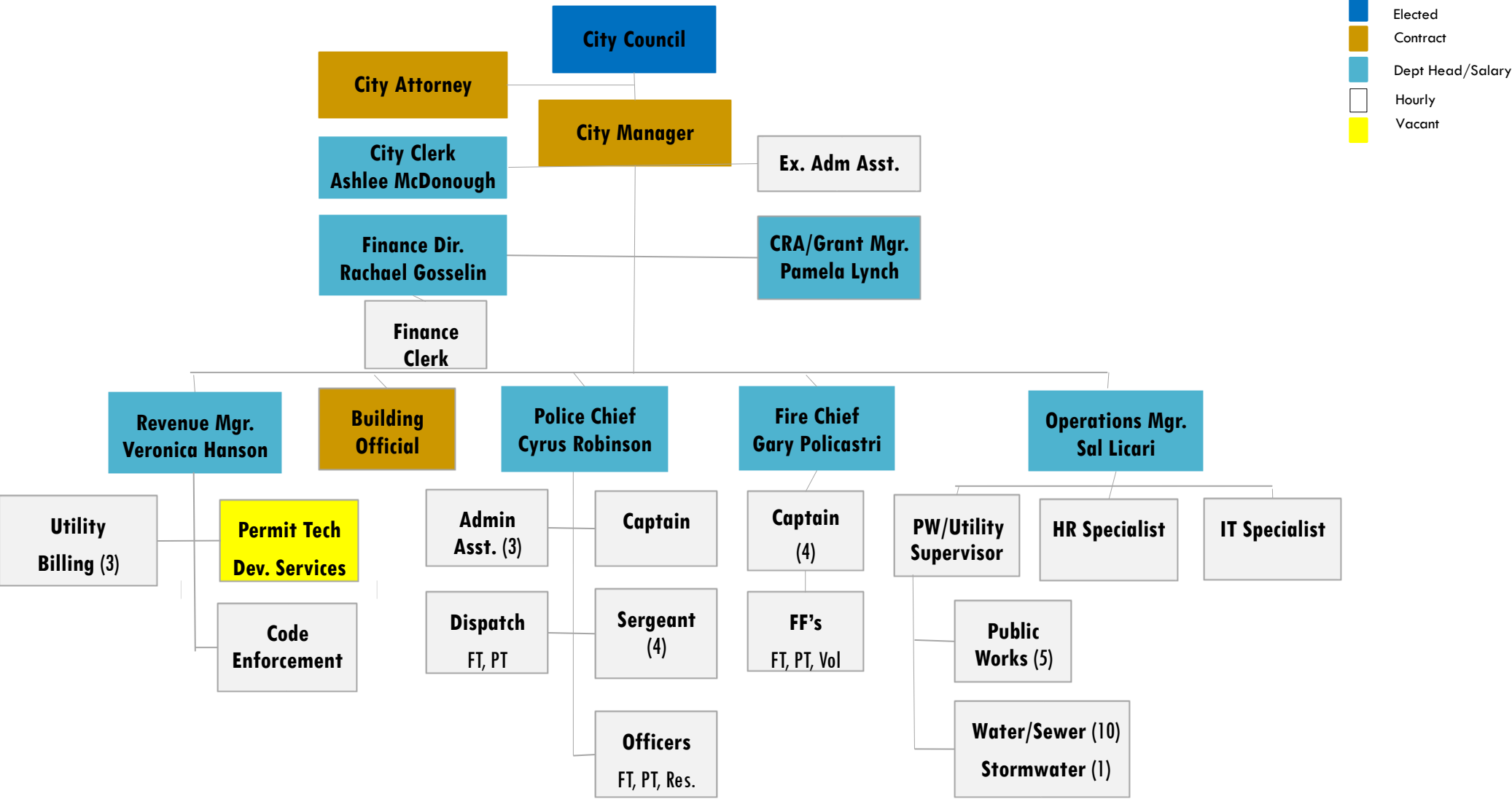
We also wish to thank the members of City Council for their interest and support in planning and conducting the financial operations of the City in a responsive and progressive manner.

Respectfully submitted,


Don King
City Manager

ORGANIZATION CHART

City of Port Richey Organizational Chart



- Elected
- Contract
- Dept Head/Salary
- Hourly
- Vacant

FINANCIAL SECTION

This section contains the following subsections:

Independent Auditors' Report

Required Supplementary Information
Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information Other Than
Management's Discussion and Analysis

Other Supplementary Schedule

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
City of Port Richey, Florida:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Richey, Florida (the City), as of and for the year ended September 30, 2024, and the related notes to 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information on pages 59 through 63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the

methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 26, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Jupiter, Florida
January 26, 2026

CITY OF PORT RICHEY, FLORIDA
Management's Discussion and Analysis
September 30, 2024

The City of Port Richey, Florida's (the City) 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 next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (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 City's financial statements.

Financial Highlights

Financial Highlights

- Government-wide unrestricted cash and equivalents totaled \$7,808,545 at September 30, 2024. Restricted cash and equivalents totaled \$8,871,349 at September 30, 2024.
- For the year ended September 30, 2024, citywide expenses of \$12,236,817 net of program revenue of \$7,373,477 resulted in a net cost of providing city services of (\$4,863,340). This net cost amount is generally the amount that needs to be funded by the general revenue of the City. The net cost of providing city services for September 30, 2023 was (\$5,463,324).
- The City's net position increased \$2,112,970 from 2024 activities compared to an increase of \$1,037,700 for 2023. The governmental net position increased by \$1,220,765 and the business-type (Water and Sewer Fund Utility and Stormwater Utility Fund) net position increased by \$892,205.
- The net position of the City at the close of 2024 was \$21,592,553 (net position). The governmental activities unrestricted net position was a negative amount of (\$3,024,820) as of September 30, 2024. Business-type activities unrestricted net position was \$2,630,795 as of September 30, 2024. The negative balance in the governmental activities unrestricted net position is directly as a result of recording the City's proportionate interest in the net pension liability of the Florida Retirement System (FRS) of \$5,345,934 and the total OPEB liability of \$980,852 as explained below.
- During 2015, the City was required to implement Governmental Accounting Standards Board (GASB) Statement No. 68 - "Accounting and Financial Reporting for Pensions." The net pension liability as of September 30, 2024 of which \$5,345,934 pertains to governmental activities and \$1,114,221 pertains to business-type activities.

CITY OF PORT RICHEY, FLORIDA
Management's Discussion and Analysis, Continued

City Highlights

- The City expended \$771,575 on capital improvement for governmental activities during 2024.
- The City expended \$122,068 on capital improvements for business-type activities during 2024.

Using This Annual Report

The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) 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.

The General Fund, Community Redevelopment Fund, Capital Improvement Fund, Water and Sewer Utility Fund and Stormwater Utility Fund have been reported as major funds within the basic financial statements.

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 which add to a total for the primary government. The focus of the statement of net position (the unrestricted net position) is designed to be similar to a bottom line for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The statement of activities is focused on both the gross and net cost of various activities (including governmental and business-type) which are provided by the government's general tax and other revenues. This statement is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or the subsidy to various business-type activities.

The Governmental Activities reflect the City's basic services, including general government, police, fire, protective inspections, physical environment (public works, transportation and parks and recreation), and human services. Property, sales, and utility services taxes along with franchise fees fund the majority of these services. The Business-type Activities reflect private sector type operations (water and sewer system management and stormwater utility), where the fees for services typically cover all, or most of the cost, of the operation, including depreciation.

CITY OF PORT RICHEY, FLORIDA
Management's Discussion and Analysis, Continued

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus of the fund financial statements is on major funds. All of the government type funds of the City are reported as major funds.

The governmental major fund presentation is 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.

While the amounts on the business-type fund financial statements are the same as those within the business-type column in the government-wide financial statements, the governmental major 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 will reflect capital expenditures and debt repayment. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column (in the government-wide financial statements).

Infrastructure Assets

The City presents its annual comprehensive financial report in accordance with the provisions of GASB Statement No. 34 - "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," including the reporting of infrastructure capital assets related to governmental activities. Prior to this accounting standard, a government's largest group of assets (infrastructure - buildings and roads as well as vehicles and equipment) had not been depreciated in government financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the governmental column of the government-wide financial statements.

CITY OF PORT RICHEY, FLORIDA
Management's Discussion and Analysis, Continued

Government-Wide Statements

Statement of Net Position

The following table reflects the summarized statement of net position as of September 30, 2024.

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total Primary</u> <u>Government</u>
Current assets	\$ 4,373,343	4,222,274	8,595,617
Capital assets, net	7,277,364	8,223,392	15,500,756
Noncurrent assets - cash and equivalents	7,080,241	1,791,108	8,871,349
Noncurrent assets - other	<u>-</u>	<u>22,615</u>	<u>22,615</u>
Total assets	18,730,948	14,259,389	32,990,337
Deferred outflows of resources	<u>1,746,088</u>	<u>373,879</u>	<u>2,119,967</u>
Total assets and deferred outflows of resources	<u>20,477,036</u>	<u>14,633,268</u>	<u>35,110,304</u>
Current liabilities	1,049,054	583,719	1,632,773
Noncurrent liabilities:			
Total OPEB liability	932,761	393,910	1,326,671
Net pension liabilities	5,345,934	1,114,221	6,460,155
Revenue bonds payable	-	1,536,644	1,536,644
Installment purchase agreements	-	266,983	266,983
Accrued compensated absences	<u>869,491</u>	<u>170,960</u>	<u>1,040,451</u>
Total liabilities	<u>8,197,240</u>	<u>4,066,437</u>	<u>12,263,677</u>
Deferred inflows of resources	<u>1,137,366</u>	<u>116,708</u>	<u>1,254,074</u>
Total liabilities and deferred inflows of resources	<u>9,334,606</u>	<u>4,183,145</u>	<u>13,517,751</u>
Net position:			
Net investment in capital assets	7,166,855	6,211,875	13,378,730
Restricted	7,000,395	1,607,453	8,607,848
Unrestricted (deficit)	<u>(3,024,820)</u>	<u>2,630,795</u>	<u>(394,025)</u>
Total net position	<u>\$ 11,142,430</u>	<u>10,450,123</u>	<u>21,592,553</u>

CITY OF PORT RICHEY, FLORIDA
Management's Discussion and Analysis, Continued

At the end of 2024, the city-wide net position increased \$2,112,970 from current year operations. These changes resulted in an ending balance of \$21,592,553 compared to the net position of \$19,479,583 at the end of 2023. Net position for Governmental Activities was \$11,142,430 and net position for Business-type Activities was \$10,450,123. The total net position includes the amount of \$13,378,730 which represents the City's net investment in capital assets and \$8,607,848 which represents current and other assets restricted for specific purposes. The portion of net position that is unrestricted equals a negative amount of (\$394,025). As previously explained, the negative unrestricted net position is directly associated with recording the net pension liability for the City's proportionate share of FRS as required by GASB Statement No. 68 and the total OPEB liability required by GASB Statement No. 75.

Normal Impacts - Statement of Net Position

There are six basic (normal) transactions that will affect the comparability of the statement of net position summary presentation.

Net Results of Activities - which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital - which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital Assets - which will reduce current assets and increase capital assets. There is a second impact, an increase in investment in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Spending of Nonborrowed Current Assets on New Capital Assets - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal Payment on Debt - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and net investment in capital assets and increase unrestricted net position.

Current Year Impacts

The remaining basic transactions directly / indirectly affect the unrestricted net position as indicated in the following schedule. The adjusted results of operations, current assets used for capital and debt principal payments clearly demonstrate the change in unrestricted net position.

CITY OF PORT RICHEY, FLORIDA
Management's Discussion and Analysis, Continued

Statement of Activities

The following schedule compares the revenue and expenses for years ended September 30, 2024 and 2023.

Statements of Activities
Years ended September 30, 2024 and 2023

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue:						
Program revenue:						
Charges for services:						
Water and sewer utility	\$ -	-	4,367,081	3,906,478	4,367,081	3,906,478
Stormwater utility	-	-	388,892	278,270	388,892	278,270
General government	447,834	445,992	-	-	447,834	445,992
Public safety	1,356,657	1,955,196	-	-	1,356,657	1,955,196
Operating grants and contributions	813,013	321,175	-	-	813,013	321,175
General revenue:						
Ad valorem	3,331,564	2,960,202	-	-	3,331,564	2,960,202
Franchise fees	391,034	407,398	-	-	391,034	407,398
Utility taxes	542,128	564,834	-	-	542,128	564,834
Communication service tax	230,428	195,383	-	-	230,428	195,383
Half-cent tax	268,477	273,791	-	-	268,477	273,791
Local option gas tax	179,852	180,795	-	-	179,852	180,795
Discretionary sales surtax - infrastruc	725,318	705,193	-	-	725,318	705,193
Other taxes	34,212	61,169	-	-	34,212	61,169
State revenue sharing	124,188	195,079	-	-	124,188	195,079
Impact fees	78,380	35,176	96,360	294,694	174,740	329,870
Investment income	536,956	393,408	241,452	185,634	778,408	579,042
Miscellaneous	100,862	14,978	95,099	33,327	195,961	48,305
Total revenue	<u>9,160,903</u>	<u>8,709,769</u>	<u>5,188,884</u>	<u>4,698,403</u>	<u>14,349,787</u>	<u>13,408,172</u>
Expenses:						
Governmental activities:						
General government	2,922,049	3,021,980	-	-	2,922,049	3,021,980
Public safety	4,202,838	3,627,950	-	-	4,202,838	3,627,950
Physical environment	1,160,427	953,619	-	-	1,160,427	953,619
Culture and recreation	203,957	241,063	-	-	203,957	241,063
Interest expense	2,065	4,075	-	-	2,065	4,075
Business-type activities:						
Water and sewer	-	-	3,502,756	4,128,669	3,502,756	4,128,669
Stormwater utility	-	-	242,725	393,116	242,725	393,116
Total expenses	<u>8,491,336</u>	<u>7,848,687</u>	<u>3,745,481</u>	<u>4,521,785</u>	<u>12,236,817</u>	<u>12,370,472</u>
Interfund transfers in (out)	<u>551,198</u>	<u>615,170</u>	<u>(551,198)</u>	<u>(615,170)</u>	<u>-</u>	<u>-</u>
Change in net position	1,220,765	1,476,252	892,205	(438,552)	2,112,970	1,037,700
Net position at beginning of year	<u>9,921,665</u>	<u>8,445,413</u>	<u>9,557,918</u>	<u>9,996,470</u>	<u>19,479,583</u>	<u>18,441,883</u>
Net position at end of year	<u>\$ 11,142,430</u>	<u>9,921,665</u>	<u>10,450,123</u>	<u>9,557,918</u>	<u>21,592,553</u>	<u>19,479,583</u>

CITY OF PORT RICHEY, FLORIDA
Management's Discussion and Analysis, Continued

Normal Impacts - Statement of Activities

There are seven basic impacts on revenue and expenses as reflected below.

Revenue

Economic Condition - which can reflect a declining, stable or growing economic environment and has a substantial impact on property, sales, infrastructure, gas or other tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption for electric or water usage for which the City collects taxes, franchise fees and user fees.

Increase/Decrease in Commission Approved Rates - while certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water and sewer, permitting, impact fee, property taxes, etc.).

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

Market Impacts on Investment Income - the City's investment income consists of interest earned on cash equivalent balances.

Expenses

Introduction of New Programs - within the functional expense categories (General Government, Police, Fire Protection, Physical Environment (Public Works, Transportation, Parks and Recreation) individual programs may be added or deleted to meet changing community needs.

Salary Increases (cost of living, merit and market adjustment) - the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation - while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities and services such as chemicals, supplies, fuels and group health insurance. Some functions may experience unusual commodity specific increases.

Over the last several years, costs of fuel, general insurance, employee health benefits and pension costs have tended to experience increases. Contract services that have these personnel costs factored in can fluctuate based on these inflationary pressures.

CITY OF PORT RICHEY, FLORIDA
Management's Discussion and Analysis, Continued

<u>Fund Statements</u>				
<u>Governmental Funds Revenue</u>				
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Change Percentage</u>
Revenue:				
Taxes	\$ 5,703,013	5,348,765	354,248	6.62%
Licenses and permits	460,528	445,863	14,665	3.29%
Intergovernmental revenue	937,201	516,254	420,947	81.54%
Impact fees	78,380	35,176	43,204	122.82%
Charges for services	26,445	24,828	1,617	6.51%
Fines and forfeitures	1,317,518	1,930,497	(612,979)	-31.75%
Interest income	536,956	393,408	143,548	36.49%
Miscellaneous	<u>100,862</u>	<u>14,978</u>	<u>85,884</u>	573.40%
Total revenue	<u>\$ 9,160,903</u>	<u>8,709,769</u>	<u>451,134</u>	5.18%

Overall, revenue in the City's governmental funds increased \$451,134 or 5.18% from last year. The primary source of the increase was from an increase in taxes of \$354,248 and intergovernmental revenue of \$420,947.

<u>Governmental Funds Expenditures</u>				
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Change Percentage</u>
Expenditures:				
General government support	\$ 2,793,336	2,829,027	(35,691)	-1.26%
Public safety	3,993,917	3,340,533	653,384	19.56%
Physical environment	948,591	711,527	237,064	33.32%
Culture and recreation	117,379	155,730	(38,351)	-24.63%
Debt service	78,316	78,315	1	0.01%
Capital outlay	<u>750,583</u>	<u>299,780</u>	<u>450,803</u>	150.38%
Total expenditures	<u>\$ 8,682,122</u>	<u>7,414,912</u>	<u>1,267,210</u>	17.09%

Total expenditures for the governmental funds increased by \$1,267,210 or 17.09% from last year. The largest source of the increase was due to increases in public safety and capital outlay.

Proprietary Fund (Business-Type Funds)

The combined net position of the Water and Sewer Utility and Stormwater Utility enterprise funds increased \$892,205 in 2024. This increase is comprised of operating gain of \$1,176,600, plus impact fee income of \$96,360, less nonoperating expenses of \$380,755.

CITY OF PORT RICHEY, FLORIDA
Management's Discussion and Analysis, Continued

Budgetary Highlights - General Fund

There was no change to the total final budgeted appropriations for the General Fund compared to the original budgeted total. Actual revenue (including transfers-in) was \$500,291 less than the amount budgeted, and expenditures (including transfers - out) were less than the amount budgeted by \$803,550.

Budgeted revenue was \$8,416,280 compared to actual revenue of \$7,915,989. Revenue budgets are based on projections using historic trend analysis. Actual amounts collected may vary significantly depending on changing domestic and global economic conditions and consumer spending habits.

A review of the financial statements will reveal that total taxes were \$110,518 in excess of the amount budgeted, intergovernmental revenue exceeded the amount budgeted by \$509,978, while impact fees were \$611,620 below budget.

Budgeted expenditures totaled \$8,681,992 compared to \$7,878,442 in actual expenditures, resulting in a positive variance of \$803,550.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2024, the City had \$15,500,756 in net capital assets as compared to \$15,555,507 in the prior year. This represents a net decrease of \$54,751 from the prior year.

	Capital Assets at September 30,					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land and rights	\$ 3,324,595	3,324,595	27,000	27,000	3,351,595	3,351,595
Construction in progress	-	262,204	-	-	-	262,204
Buildings and improvements	2,123,513	2,112,952	464,050	464,050	2,587,563	2,577,002
Infrastructure and improvements	4,948,913	4,906,806	18,139,867	18,139,867	23,088,780	23,046,673
Equipment and vehicles	4,052,029	3,173,551	1,381,635	1,284,778	5,433,664	4,458,329
Software	<u>103,622</u>	<u>989</u>	-	-	<u>103,622</u>	<u>989</u>
Total cost of assets	14,552,672	13,781,097	20,012,552	19,915,695	34,565,224	33,696,792
Less accumulated depreciation	<u>(7,275,308)</u>	<u>(6,842,416)</u>	<u>(11,789,160)</u>	<u>(11,298,869)</u>	<u>(19,064,468)</u>	<u>(18,141,285)</u>
Total	<u>\$ 7,277,364</u>	<u>6,938,681</u>	<u>8,223,392</u>	<u>8,616,826</u>	<u>15,500,756</u>	<u>15,555,507</u>

	Change in Capital Assets, net		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Additions/transfers in	\$ 771,575	122,068	893,643
Retirements/transfers out	-	(25,211)	(25,211)
Depreciation	(432,892)	(515,502)	(948,394)
Accumulated depreciation retirements	-	<u>25,211</u>	<u>25,211</u>
Change	<u>\$ 338,683</u>	<u>(393,434)</u>	<u>(54,751)</u>

CITY OF PORT RICHEY, FLORIDA
Management’s Discussion and Analysis, Continued

Debt Outstanding

As of September 30, 2024, the City had \$3,072,849 of outstanding debt as compared to \$2,947,994 as of September 30, 2023. This represents an increase of \$124,855 from the end of last year.

	Debt Outstanding at September 30,					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue bonds, series 2016	\$ -	-	1,645,000	1,775,000	1,645,000	1,775,000
Bond premium	-	-	25,623	29,801	25,623	29,801
Total bonds payable	-	-	1,670,623	1,804,801	1,670,623	1,804,801
Installment purchase agreements	-	-	361,775	453,274	361,775	453,274
Compensated absences	869,491	577,641	170,960	112,278	1,040,451	689,919
Total	<u>\$ 869,491</u>	<u>577,641</u>	<u>2,203,358</u>	<u>2,370,353</u>	<u>3,072,849</u>	<u>2,947,994</u>

Economic Factors

Some of the more significant issues for the year and beyond included:

- The State of Florida, by constitution, does not have a state personal income tax and, therefore, the state operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of other taxes (sales, gasoline, utilities services) and fees (franchise, business tax, and permits) for their governmental activities. There are a limited number of state-shared revenue and recurring and nonrecurring (one-time) grants from both the state and federal governments.
- The City will continue to operate within the operating constraints imposed by the annual budget and will provide and maintain the levels of service requested by its citizens with the minimal required tax assessments.

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 questions about the report or need additional financial information, contact the City’s Finance Department at City Hall at 6333 Ridge Road, Port Richey, Florida 34668, telephone (727) 816-1900.

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. The fund financial statements present financial information about major funds individually for the governmental and enterprise 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.

CITY OF PORT RICHEY, FLORIDA
Statement of Net Position
September 30, 2024

<u>Assets</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Current assets:			
Cash and equivalents - unrestricted	\$ 4,066,330	3,742,215	7,808,545
Accounts receivable	175,085	480,059	655,144
Due from other governments	131,928	-	131,928
Total current assets	<u>4,373,343</u>	<u>4,222,274</u>	<u>8,595,617</u>
Noncurrent assets:			
Cash and equivalents - restricted	7,080,241	1,791,108	8,871,349
Capital assets:			
Land and rights	3,324,595	27,000	3,351,595
Buildings and improvements	2,123,513	464,050	2,587,563
Infrastructure and improvements	4,948,913	18,139,867	23,088,780
Equipment and vehicles	4,052,029	1,381,635	5,433,664
Software	103,622	-	103,622
Accumulated depreciation	(7,275,308)	(11,789,160)	(19,064,468)
Unamortized debt costs - insurance	-	22,615	22,615
Total noncurrent assets	<u>14,357,605</u>	<u>10,037,115</u>	<u>24,394,720</u>
Total assets	<u>18,730,948</u>	<u>14,259,389</u>	<u>32,990,337</u>
<u>Deferred Outflows of Resources</u>			
Pensions	1,699,551	354,227	2,053,778
OPEB	46,537	19,652	66,189
Total deferred outflows of resources	<u>1,746,088</u>	<u>373,879</u>	<u>2,119,967</u>
Total assets and deferred outflows of resources	<u>20,477,036</u>	<u>14,633,268</u>	<u>35,110,304</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	783,347	112,815	896,162
Accrued liabilities	217,616	3,843	221,459
Customer deposits	-	217,981	217,981
Total OPEB liability - current portion	48,091	20,309	68,400
Revenue bonds payable - current portion	-	133,979	133,979
Installment purchase agreement - current portion	-	94,792	94,792
Total current liabilities	<u>1,049,054</u>	<u>583,719</u>	<u>1,632,773</u>
Noncurrent liabilities:			
Total OPEB liability	932,761	393,910	1,326,671
Net pension liabilities	5,345,934	1,114,221	6,460,155
Revenue bonds payable	-	1,536,644	1,536,644
Installment purchase agreements	-	266,983	266,983
Accrued compensated absences	869,491	170,960	1,040,451
Total noncurrent liabilities	<u>7,148,186</u>	<u>3,482,718</u>	<u>10,630,904</u>
Total liabilities	<u>8,197,240</u>	<u>4,066,437</u>	<u>12,263,677</u>
<u>Deferred Inflows of Resources</u>			
Unearned revenue	585,728	-	585,728
Pensions	551,638	114,974	666,612
Gain on refunding	-	1,734	1,734
Total deferred inflows of resources	<u>1,137,366</u>	<u>116,708</u>	<u>1,254,074</u>
<u>Net Position</u>			
Net investment in capital assets	7,166,855	6,211,875	13,378,730
Restricted:			
Building permits	176,153	-	176,153
Police benevolence	104,916	-	104,916
Police confiscation	81,408	-	81,408
Police training	36,995	-	36,995
Police \$5 fund	117,072	-	117,072
Capital projects - transportation	696,485	-	696,485
Capital projects - public safety	51,857	-	51,857
Capital projects - infrastructure	1,746,955	-	1,746,955
Community redevelopment	3,988,554	-	3,988,554
Water, sewer and stormwater improvements	-	1,607,453	1,607,453
Unrestricted (deficit)	(3,024,820)	2,630,795	(394,025)
Total net position	<u>\$ 11,142,430</u>	<u>10,450,123</u>	<u>21,592,553</u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA
Statement of Activities
Year ended September 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net Revenue (Expense) and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Grants and Contributions</u>	<u>Government Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:						
General government support	\$ 2,922,049	447,834	813,013	(1,661,202)	-	(1,661,202)
Public safety	4,202,838	1,356,657	-	(2,846,181)	-	(2,846,181)
Physical environment	1,160,427	-	-	(1,160,427)	-	(1,160,427)
Culture and recreation	203,957	-	-	(203,957)	-	(203,957)
Interest and fiscal charges on long-term debt	2,065	-	-	(2,065)	-	(2,065)
Total governmental activities	<u>8,491,336</u>	<u>1,804,491</u>	<u>813,013</u>	<u>(5,873,832)</u>	<u>-</u>	<u>(5,873,832)</u>
Business-type activities:						
Water and sewer utility	3,502,756	4,367,081	-	-	864,325	864,325
Stormwater utility	242,725	388,892	-	-	146,167	146,167
Total business-type activities	<u>3,745,481</u>	<u>4,755,973</u>	<u>-</u>	<u>-</u>	<u>1,010,492</u>	<u>1,010,492</u>
Total	<u>\$ 12,236,817</u>	<u>6,560,464</u>	<u>813,013</u>	<u>(5,873,832)</u>	<u>1,010,492</u>	<u>(4,863,340)</u>
General revenue:						
Taxes:						
Ad valorem				3,331,564	-	3,331,564
Franchise fees				391,034	-	391,034
Utility taxes				542,128	-	542,128
Communication service tax				230,428	-	230,428
Half-cent tax				268,477	-	268,477
Local option gas tax				179,852	-	179,852
Discretionary sales surtax - infrastructure				725,318	-	725,318
Other taxes				34,212	-	34,212
State revenue sharing				124,188	-	124,188
Impact fees				78,380	96,360	174,740
Investment income				536,956	241,452	778,408
Miscellaneous				100,862	95,099	195,961
Interfund transfers				551,198	(551,198)	-
Total general revenue				<u>7,094,597</u>	<u>(118,287)</u>	<u>6,976,310</u>
Change in net position				1,220,765	892,205	2,112,970
Net position at beginning of year				<u>9,921,665</u>	<u>9,557,918</u>	<u>19,479,583</u>
Net position at end of year				<u>\$ 11,142,430</u>	<u>10,450,123</u>	<u>21,592,553</u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA
Balance Sheet - Governmental Funds
September 30, 2024

	<u>General</u>	<u>Community Redevelopment</u>	<u>Capital Improvement</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and equivalents - unrestricted	\$ 4,066,330	-	-	4,066,330
Cash and equivalents - restricted	1,264,886	4,002,610	1,812,745	7,080,241
Accounts receivable	175,085	-	-	175,085
Due from other governments	87,209	-	44,719	131,928
Total assets	<u>\$ 5,593,510</u>	<u>4,002,610</u>	<u>1,857,464</u>	<u>11,453,584</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts payable	669,617	3,221	110,509	783,347
Accrued liabilities	206,781	10,835	-	217,616
Total liabilities	<u>876,398</u>	<u>14,056</u>	<u>110,509</u>	<u>1,000,963</u>
Deferred inflows of resources - unearned revenue	585,728	-	-	585,728
<u>Fund balances:</u>				
<u>Restricted:</u>				
Building permits	176,153	-	-	176,153
Police benevolence	104,916	-	-	104,916
Police confiscation	81,408	-	-	81,408
Police training	36,995	-	-	36,995
Police \$5 fund	117,072	-	-	117,072
Capital projects - transportation	696,485	-	-	696,485
Capital projects - public safety	51,857	-	-	51,857
Capital projects - infrastructure	-	-	1,746,955	1,746,955
Community redevelopment	-	3,988,554	-	3,988,554
Committed	25,000	-	-	25,000
Assigned	65,712	-	-	65,712
Unassigned	2,775,786	-	-	2,775,786
Total fund balance	<u>4,131,384</u>	<u>3,988,554</u>	<u>1,746,955</u>	<u>9,866,893</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,593,510</u>	<u>4,002,610</u>	<u>1,857,464</u>	<u>11,453,584</u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA
 Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Position
 September 30, 2024

Total Governmental Fund Balances		\$ 9,866,893
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$ 14,552,672	
Less accumulated depreciation	<u>(7,275,308)</u>	7,277,364
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.		
Total OPEB liability	(980,852)	
Net pensions liabilities	(5,345,934)	
Accrued compensated absences	<u>(869,491)</u>	(7,196,277)
Deferred inflows and outflows of resources related to pensions are not reported in the governmental funds but will be recognized in pension expense on a long-term basis and are therefore reported in the statement of net position.		
Deferred outflows of resources - pensions	1,699,551	
Deferred inflows of resources - pensions	<u>(551,638)</u>	1,147,913
Deferred outflows of resources related to total OPEB liability are not reported in the governmental funds, but will be recognized in OPEB expense on a long-term basis, and are therefore reported in the statement of net position.		
		<u>46,537</u>
Net Position of Governmental Activities		<u>\$ 11,142,430</u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended September 30, 2024

	<u>General</u>	<u>Community Redevelopment</u>	<u>Capital Improvement</u>	<u>Total Governmental Funds</u>
Revenue:				
Taxes	\$ 4,203,390	774,305	725,318	5,703,013
Licenses and permits	460,528	-	-	460,528
Intergovernmental revenue	818,153	-	119,048	937,201
Impact fees	78,380	-	-	78,380
Charges for services	26,445	-	-	26,445
Fines and forfeitures	1,317,518	-	-	1,317,518
Interest income	274,783	175,745	86,428	536,956
Miscellaneous	80,506	12,487	7,869	100,862
Total revenue	<u>7,259,703</u>	<u>962,537</u>	<u>938,663</u>	<u>9,160,903</u>
Expenditures:				
General government support	2,564,779	228,557	-	2,793,336
Public safety	3,653,941	160,870	179,106	3,993,917
Physical environment	948,591	-	-	948,591
Culture and recreation	43,204	74,175	-	117,379
Debt service:				
Principal	-	-	76,251	76,251
Interest	-	-	2,065	2,065
Capital outlay	-	-	750,583	750,583
Total expenditures	<u>7,210,515</u>	<u>463,602</u>	<u>1,008,005</u>	<u>8,682,122</u>
Excess (deficiency) of revenue over expenditures	<u>49,188</u>	<u>498,935</u>	<u>(69,342)</u>	<u>478,781</u>
Other financing sources (uses):				
Transfers in	656,286	667,927	-	1,324,213
Transfers out	<u>(667,927)</u>	<u>(105,088)</u>	<u>-</u>	<u>(773,015)</u>
Total other financing sources (uses)	<u>(11,641)</u>	<u>562,839</u>	<u>-</u>	<u>551,198</u>
Change in fund balance	37,547	1,061,774	(69,342)	1,029,979
Fund balance at beginning of year	<u>4,093,837</u>	<u>2,926,780</u>	<u>1,816,297</u>	<u>8,836,914</u>
Fund balance at end of year	<u>\$ 4,131,384</u>	<u>3,988,554</u>	<u>1,746,955</u>	<u>9,866,893</u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA
 Reconciliation of the Statement of Revenue, Expenditures and Changes in
 Fund Balances - Governmental Funds to the Statement of Activities
 Year ended September 30, 2024

Net change in fund balances - Total Governmental Funds		\$ 1,029,979
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlay	\$ 771,575	
Depreciation expense	<u>(432,892)</u>	338,683
Repayment of installment purchase debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		76,251
Some revenue (expenses) reported in the statement of activities do not result in the receipt (use) of current financial resources, and therefore, are not reported as revenue (expenditures) in		
Change in accrued compensated absences	(291,850)	
Change in total OPEB liability	215,978	
Change in pensions	<u>(148,276)</u>	<u>(224,148)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 1,220,765</u></u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2024

<u>Assets and Deferred Outflows of Resources</u>	Business-type Activities Enterprise Fund		
	Water and Sewer Utility	Stormwater Utility	Total
Current assets:			
Cash and equivalents - unrestricted	\$ 3,603,196	139,019	3,742,215
Accounts receivable	444,260	35,799	480,059
Total current assets	4,047,456	174,818	4,222,274
Noncurrent assets:			
Cash and equivalents - restricted	1,607,453	183,655	1,791,108
Capital assets:			
Land and rights	27,000	-	27,000
Buildings and improvements	464,050	-	464,050
Infrastructure and improvements	17,877,575	262,292	18,139,867
Equipment and vehicles	1,359,433	22,202	1,381,635
Accumulated depreciation	(11,574,558)	(214,602)	(11,789,160)
Unamortized debt costs - insurance	22,615	-	22,615
Total noncurrent assets	9,783,568	253,547	10,037,115
Total assets	13,831,024	428,365	14,259,389
Deferred outflows of resources:			
Pensions	298,058	56,169	354,227
OPEB	16,767	2,885	19,652
Total deferred outflows of resources	314,825	59,054	373,879
Total assets and deferred outflows of resources	\$ 14,145,849	487,419	14,633,268

(Continued)

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA
Statement of Net Position
Proprietary Funds, Continued

Liabilities, Deferred Inflows of Resources and Net Position	Business-type Activities Enterprise Fund		
	Water and Sewer Utility	Stormwater Utility	Total
Current liabilities:			
Accounts payable	\$ 112,144	671	112,815
Accrued liabilities	3,746	97	3,843
Customer deposits	217,981	-	217,981
Total OPEB liability - current portion	17,327	2,982	20,309
Revenue bonds payable - current portion	133,979	-	133,979
Installment purchase agreements - current portion	94,792	-	94,792
Total current liabilities	579,969	3,750	583,719
Noncurrent liabilities:			
Total OPEB liability	336,079	57,831	393,910
Net pension liabilities	937,542	176,679	1,114,221
Revenue bonds payable	1,536,644	-	1,536,644
Installment purchase agreements	266,983	-	266,983
Accrued compensated absences	135,810	35,150	170,960
Total noncurrent liabilities	3,213,058	269,660	3,482,718
Total liabilities	3,793,027	273,410	4,066,437
Deferred inflows of resources:			
Pensions	96,743	18,231	114,974
Gain on refunding	1,734	-	1,734
Total deferred inflows of resources	98,477	18,231	116,708
Net position:			
Net investment in capital assets	6,141,983	69,892	6,211,875
Restricted	1,607,453	-	1,607,453
Unrestricted	2,504,909	125,886	2,630,795
Total net position	10,254,345	195,778	10,450,123
Total liabilities, deferred inflows of resources and net position	\$ 14,145,849	487,419	14,633,268

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA
Statement of Revenue, Expenses and Changes in Net Position
Proprietary Funds
Year ended September 30, 2024

	Business-type Activities Enterprise Fund		
	Water and Sewer Utility	Stormwater Utility	Total
Operating revenue:			
Charges for services	\$ 4,367,081	388,892	4,755,973
Other	95,099	-	95,099
Total operating revenue	4,462,180	388,892	4,851,072
Operating expenses:			
Personal services	1,192,146	202,432	1,394,578
General and administrative	175,207	36,894	212,101
Water treatment and distribution	603,279	-	603,279
Wastewater collection and treatment	949,012	-	949,012
Depreciation	512,103	3,399	515,502
Total operating expenses	3,431,747	242,725	3,674,472
Operating gain	1,030,433	146,167	1,176,600
Nonoperating revenue (expenses):			
Interest income	225,120	16,332	241,452
Interest and fiscal charges	(71,009)	-	(71,009)
Interfund transfers out	(512,284)	(38,914)	(551,198)
Total nonoperating revenue (expenses)	(358,173)	(22,582)	(380,755)
Gain before capital contributions	672,260	123,585	795,845
Capital contributions - impact fees	81,452	14,908	96,360
Change in net position	753,712	138,493	892,205
Net position at beginning of year	9,500,633	57,285	9,557,918
Net position at end of year	\$ 10,254,345	195,778	10,450,123

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2024

	Business-type Activities Enterprise Fund		
	Water and Sewer Utility	Stormwater Utility	Total
Cash flows from operating activities:			
Receipts from customers	\$ 4,461,166	389,280	4,850,446
Payments for goods and services	(1,655,507)	(36,561)	(1,692,068)
Payments to employees	(1,300,940)	(248,132)	(1,549,072)
Net cash provided by operating activities	1,504,719	104,587	1,609,306
Cash flows from capital and related financing activities:			
Capital contributions	81,452	14,908	96,360
Principal paid on revenue bonds	(130,000)	-	(130,000)
Principal paid on installment purchase agreement	(91,499)	-	(91,499)
Acquisition and construction of capital assets	(122,068)	-	(122,068)
Interest and fiscal charges paid on indebtedness	(73,423)	-	(73,423)
Transfers to other funds	(512,284)	(38,914)	(551,198)
Net cash used in capital and related financing activities	(847,822)	(24,006)	(871,828)
Cash flows from investing activities - interest income	225,120	16,332	241,452
Change in cash and equivalents	882,017	96,913	978,930
Cash and equivalents at beginning of year	4,328,632	225,761	4,554,393
Cash and equivalents at end of year	\$ 5,210,649	322,674	5,533,323
Supplemental schedule of cash flow information - classification of cash and equivalents:			
Cash and equivalents - unrestricted	\$ 3,603,196	139,019	3,742,215
Cash and equivalents - restricted	1,607,453	183,655	1,791,108
	\$ 5,210,649	322,674	5,533,323

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA
Statement of Cash Flows
Proprietary Funds, Continued

	Business-type Activities		
	Enterprise Fund		
	<u>Water and Sewer Utility</u>	<u>Stormwater Utility</u>	<u>Total</u>
Reconciliation of operating gain to net cash provided by operating activities:			
Operating gain	\$ 1,030,433	146,167	1,176,600
Adjustments to reconcile operating gain to net cash provided by operating activities:			
Depreciation	512,103	3,399	515,502
Changes in:			
Accounts receivable	(28,791)	388	(28,403)
Prepaid expenses	9,818	-	9,818
Deferred outflows - pension	(24,013)	(3,597)	(27,610)
Deferred outflows - OPEB	785	1,299	2,084
Accounts payable	62,173	333	62,506
Accrued liabilities	(33,448)	(6,573)	(40,021)
Customer deposits	27,777	-	27,777
Total OPEB liability	(79,025)	(42,279)	(121,304)
Net pension liabilities	(53,010)	(13,344)	(66,354)
Compensated absences	44,386	12,306	56,692
Deferred inflows - pension	35,531	6,488	42,019
Net cash provided by operating activities	<u>\$ 1,504,719</u>	<u>104,587</u>	<u>1,609,306</u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA

Notes to Financial Statements

September 30, 2024

(1) Summary of Significant Accounting Policies

The City of Port Richey, Florida (the City) maintains its accounting records in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

(a) Reporting Entity

The City is a political subdivision of the State of Florida (the State), located in Pasco County in the southwest portion of the State. The City was incorporated in 1925 under the provisions of the Laws of Florida, Chapter 110334 and had operated under that charter until April 1994 when a new charter was adopted. The City is approximately four square miles in area. The City is a full service municipality providing its citizens with a full complement of municipal services. In addition, the City owns and operates a utility, which includes both a water production and distribution system and a sewage collection system.

The City follows the principles of GASB which establishes standards for defining and reporting on the "Financial Reporting Entity." The financial reporting entity includes the primary government, organizations for which the primary government is financially accountable and other organizations for which, if excluded, would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority to an organization's board and either displays the ability to impose its will on that organization, the possibility that the organization will impose or provide a financial burden or benefit to the primary government, or management of the primary government has operational responsibility for the component unit and manages the component unit in essentially the same manner in which it manages its own programs or departments. The City has determined that the Community Redevelopment Agency (CRA) is the only organization that meets these requirements, and therefore, has appropriately blended the component unit in the financial statements as a special revenue fund. Although legally separate, the City Council serves as the CRA Board. Separate financial statements for the CRA are not presently prepared. The CRA was created on January 8, 2002, pursuant to Chapter 163.356, Florida Statutes, City Resolutions 02-01, 02-02, and 02-03.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Governmental Accounting Standards Board Statement No. 34 - "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"

The City presents its annual comprehensive financial report in accordance with the provisions of GASB Statement No. 34 - "Basic Financial Statements - and - Management's Discussion and Analysis - for State and Local Governments." This standard establishes the financial reporting requirements for state and local governments. The Statement establishes specific standards for basic financial statements, management's discussion and analysis (MD&A), and certain required supplementary information.

As part of reporting pursuant to GASB Statement No. 34, there is a reporting requirement regarding infrastructure; that is roads, sidewalks, curbing, and drainage improvements, etc. All major general infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements, in fiscal years ending after June 30, 1980, are required to be retroactively reported. All newly acquired or improved infrastructure assets must be reported in accordance with GASB Statement No. 34. The City has included infrastructure assets acquired prior to June 30, 1980 that still have remaining useful lives.

The basic financial statements include both government-wide and fund financial statements. The government-wide statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables and long-term liabilities. Governmental activities include the General Fund, the Special Revenue Fund-Community Redevelopment, and the Capital Improvement Fund. Business-type activities include the Water and Sewer Utility Enterprise Fund and the Stormwater Utility Enterprise Fund.

The government-wide Statement of Activities reports the gross and net cost for the various functional categories of the City that are otherwise supported by general government revenues. The expenses for each functional category are reduced by program revenue to ascertain the net costs for that function. Program revenue is defined as charges for services, operating grants, and capital grants 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 grants and capital grants consist of revenue received from other governments, organizations, or individuals that are specifically attributable to a program and are restricted for either operating expenditures/expenses or capital expenditures/expenses associated with a specific program.

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

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Governmental Accounting Standards Board Statement No. 34 - "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," Continued

The fund financial statements emphasize the major funds in both the governmental activities and business-type activities, and nonmajor funds are summarized into a single column. The City has elected to report the Stormwater Utility Enterprise Fund as a major fund in the fund financial statements. As a result, there are no nonmajor funds to report in the fund financial statements.

(c) Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund statements 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., revenue and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The measurement focus is the determination of financial position and sources and uses of resources, rather than net income determination.

The governmental activities and proprietary fund statements are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net position. The statement of activities presents increases (e.g., revenue) and decreases (e.g., expenses) in net position. The measurement focus of governmental activities and the proprietary funds is determination of net income, financial position, and cash flows.

(d) Fund Accounting

The City organizes its accounting system on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts. The various funds are grouped in the financial statements as follows:

Governmental Fund Types

- General - The general fund is used to account for all activities of general government not accounted for in another fund. The general fund is always reported as a major fund in the governmental fund financial statements.
- Community Redevelopment Fund - This special revenue fund is used to account for specific revenue sources (other than major capital projects or special assessments) that are restricted by law or administrative action to expenditure for specific purposes. The Community Redevelopment Fund is used to account for the proceeds of funding and the associated costs and activities of the Community Redevelopment Agency. This fund is classified as a major fund in the governmental fund financial statements.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Fund Accounting, Continued

- Capital Improvement Fund - This fund is used to account for the expenditure of funds for the construction, renovation, expansion, and major improvement of various City facilities, as well as the acquisition of land and other large nonrecurring projects. The capital improvements and acquisitions are funded by the Discretionary Sales Surtax - Infrastructure funding received by the City and restricted for infrastructure improvements or vehicles with a life expectancy of at least five years, as well as other funds received by the City. This fund is classified as a major fund in the governmental fund financial statements.

Proprietary Fund Types - The City's Proprietary Fund types consist of the following:

- Enterprise Funds - These funds account for operations that are financed and operated in a manner similar to the private business sector, where the intent of the governing body is that the costs (including depreciation) to provide certain goods and services to the general public be financed or recovered primarily through user charges or where the governing body has deemed that periodic determination of net income is appropriate for purposes of monitoring capital maintenance, accountability or other purposes. The City has two Enterprise Funds that are presented as major proprietary funds.
- Water and Sewer Utility Fund - This fund is used to account for water production activities and the distribution of water and provision of sewage collection to residents and businesses located in the City and other users located in unincorporated areas of Pasco County. All costs are financed through charges to utility customers.
- Stormwater Utility Fund - This fund is used to account for stormwater management activities within the City. All costs are financed through charges to utility customers.

(e) Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental funds in the fund financial statements are presented on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available (susceptible to accrual). Revenue is generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year-end to pay liabilities of the current period. For this purpose, revenue is considered to be available if they are collected within 60 days of year-end. Revenue that is susceptible to accrual include utility taxes, court fines, and intergovernmental grants. Expenditures are recorded at the time the related fund liabilities are incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Basis of Accounting, Continued

The government-wide financial statements and proprietary fund financial statements are presented on an accrual basis of accounting. Under the accrual basis, revenue is recognized in the period when earned and expenses are recognized in the period when incurred.

(f) Budget and Budgetary Accounting

Annual appropriated budgets are legally adopted on a basis consistent with GAAP for the governmental funds. The Water and Sewer Utility Enterprise Fund budget is adopted on a basis consistent with GAAP, except that no provision is made for amortization and that capital outlay and debt principal payments are budgeted. These funds are controlled on a fund and departmental level. The department heads are authorized to transfer budget amounts within departments; however, any revision that alters the total expenditures of any department must be approved by the City Manager. Unencumbered appropriations expire at year-end. Budget amendments that affect revenue or increase the total amount of individual fund expenditures must be approved by the City Council.

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

- (1) By approximately July 1, the City Manager and Finance Director submit to the City Council a proposed budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage rate.
- (2) Public hearings are conducted in August and September to obtain taxpayer comments on the proposed budget and property tax millage rate.
- (3) The budget and property tax millage rate is approved by the City Council in September and adopted as a budget resolution. This budget resolution is adopted at the departmental line item level.
- (4) The budget is reviewed on an ongoing basis and any unusual and unforeseen changes are incorporated into the budget on a fund level by a modifying resolution.
- (5) Annual budgets were adopted for the following funds: General, Community Redevelopment, Capital Improvement, Water and Sewer Utility Fund, and Stormwater Utility Fund. The budget serves as legal authorization for all expenditures. Budgeted expenditures may not legally exceed appropriations on an individual fund basis for the General, Community Redevelopment, Capital Improvement, Water and Sewer Utility Fund, and Stormwater Utility Fund. Total budget appropriations were not amended during the year.
- (6) All appropriations lapse at the end of the fiscal year. Encumbrances outstanding at year-end are re-appropriated and charged against the ensuing year's budget and thus are not reflected in budget to actual presentations.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Property Taxes

Under Florida law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pasco County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for fiscal year ending September 30, 2024 was 6.53.

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

All property is reassessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of 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 Pasco County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by Pasco County.

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

(h) Assets, Liabilities, and Fund Equity

- Cash and cash equivalents - The City uses a consolidated cash pool to account for the operating cash account. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield that are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds. Other money market accounts, savings accounts, and investments are segregated by individual fund, as applicable.

The City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Assets, Liabilities, and Fund Equity, Continued

- Capital Assets - Capital assets, which include land, buildings, improvements, equipment, vehicles, and infrastructure assets, are reported in the applicable government or business-type activity in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$2,500 or more and an estimated useful life in excess of one year. These assets are capitalized at historical cost, or estimated historical cost if actual cost information is not available. Donated fixed assets are capitalized at their fair market value on the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of the asset are also capitalized.

Depreciation, which is computed on a straight-line basis, is provided for in amounts sufficient to charge the cost of depreciable assets to operations over their estimated useful lives. Depreciation is not provided for capital projects in process. The estimated useful lives of the assets are as follows:

<u>Category</u>	<u>Useful Life</u>
Building and Improvements	10 to 50 Years
Infrastructure - Roadways	20 Years
Equipment and Vehicles	3 to 20 Years
Water and Sewer System	15 to 60 Years

- Accrued Compensated Absences - City employees are granted vacation, sick leave, and earn compensatory time in varying amounts. In the event of the termination or upon retirement, an employee is entitled to payment for accumulated vacation, sick leave, and unused compensatory time.

Payment of leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, the City believes that sufficient resources will be made available for the payments of leave when such payments become due.

- Postretirement Health and Life Insurance Benefits - The City provides postemployment health insurance benefits to employees upon completion of 25 years of continuous service or 20 years of continuous service upon reaching age 60. These benefits are discontinued upon the employee reaching age 65. The City does not provide any postretirement life insurance benefits.
- Net Position - The government-wide and business-type fund financial statements utilize a net position presentation. Net position is presented in three components - net investment in capital assets, restricted, and unrestricted.

(1) Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Assets, Liabilities, and Fund Equity, Continued

- (2) Restricted - This component consists of the portion of net position that have constraints placed on them either externally by third-parties (creditors, grantors, and contributors) or by law through constitutional provisions of enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use of these funds.
 - (3) Unrestricted - This component of net position consists of that portion that does not meet the definition of “net investment in capital assets” or “restricted .”
- Fund Balance Classification - The City reports fund balances in accordance with the provisions of GASB Statement No. 54 - “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB Statement No. 54 provides that governmental fund financial statements will present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:
 - (1) Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form, (b) are legally or contractually required to be maintained intact, or (c) long-term amounts of receivables from other funds for which the proceeds from the collection of the receivable would not otherwise be restricted. The City has classified inventories, prepaid items, and long-term receivables due from other funds for which the proceeds from the collection of the receivable would not otherwise be restricted as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current year.
 - (2) Restricted - This classification includes amounts for which constraints have been placed on the use of the resources through either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
 - (3) Committed - This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations (encumbrances) to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Assets, Liabilities, and Fund Equity, Continued

- (4) Assigned - This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- (5) Unassigned - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

The City would typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Fund Balance Restrictions - Governmental Fund restrictions are used to indicate that a portion of the fund balance is legally segregated for a specific future use.

- (1) Restricted for Police - Indicates the unexpended portion of funds donated to the "Johnny Cash Reserve" that have been restricted for future police benevolence purposes, as well as unexpended portion of citations that must be spent on police confiscation and training activities.
- (2) Restricted for Capital Projects - Transportation - Indicates a portion of the fund balance that has been legally segregated for future funding of transportation related capital improvements.
- (3) Restricted for Capital Projects - Public Safety - Indicates a portion of the fund balance that has been legally segregated for future funding of police and fire capital improvement facilities.
- (4) Restricted for Capital Projects - Infrastructure - Indicates a portion of the fund balance that has been legally segregated for future funding of infrastructure improvements including police, fire and other vehicles and the repayment of infrastructure related indebtedness.
- (5) Restricted for Community Redevelopment - Indicates the unexpended portion of funds restricted for use by the Community Redevelopment Agency.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Assets, Liabilities, and Fund Equity, Continued

Business-Type Activities/Proprietary Funds

(1) Restricted for Water, Sewer, and Stormwater Impact Fees - Indicates the unexpended portion of water, sewer, and stormwater impact fees that have been restricted for future improvements to the infrastructure systems.

Fund Balance Committed

Governmental Funds that have been committed by action of the City Council that are to be used in the future for a specific purpose.

(1) Committed for Parkland Improvements - Indicates the unexpended portion of funds committed by City Council for permanent improvements to Nick's Park.

(i) Bond Premium/Issuance Costs

In the governmental funds, bond premiums and issuance costs are recognized as current period other financing sources and current period expenditures, respectively. In the proprietary funds and the government-wide financial statements, bond premiums and issuance costs pertaining to repayment insurance costs are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Bond premiums pertaining to existing debt are recorded as a part of long-term debt. Bond premiums on refunded debt are recorded as deferred inflows of resources and are reported as deferred amount on refunding. Bond issuance costs pertaining to repayment insurance are reported as unamortized debt costs.

For current and advance bond refundings that result in defeasance of old debt, the excess of the reacquisition price over the net carrying amount of the old debt is presented as a deferred outflows of resources and is amortized as a charge to operations using the effective interest method.

(j) Deferred Inflows of Resources

In the governmental funds and government-wide statements, the amount of business tax certificates fees collected in advance of the October 1 due date are recorded as a deferred inflow of resources - amount received in advance of time requirement and will be recognized as revenue in the fiscal year the fees are due.

(k) Deferred Outflows of Resources Related to Other Postemployment Benefits (OPEB)

Deferred outflows of resources related to contributions to the other postemployment benefits (OPEB) plan from the employer subsequent to the measurement date of the total OPEB liability and before the end of the reporting period are reported as a deferred outflow of resources related to OPEB.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Deferred Inflows of Resources and Deferred Outflows of Resources Related to Pensions

Deferred inflows of resources and deferred outflows of resources related to pension plans that are derived from the difference between projected and actual earnings on the respective plan investments are amortized to pension expense over a closed five year period. Deferred inflows of resources and deferred outflows of resources related to pensions that are derived from differences between expected and actual experience with regard to economic or demographic factors (difference between expected and actual experience) in the measurement of the respective pension plan's total pension liability are amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the respective pension plan (active and inactive employees) determined as of the beginning of the measurement period. Contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions. This contribution is included as an increase in the respective pension plan fiduciary net position in the subsequent fiscal year.

(m) Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as interfund advances for both receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are deemed to be at market or near market rates and are treated as revenues and expenditures/expenses and are not eliminated in the consolidation of the government-wide financial statements. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

(n) Use of Estimates

The presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(o) New GASB Pronouncements

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 101 - Compensated Absences. Effective for fiscal years beginning after December 15, 2023.

Statement No. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) New GASB Pronouncements, Continued

Statement No. 103 - Financial Reporting Models. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

Statement No. 105 - Subsequent Events. Effective for fiscal years beginning after June 15, 2026.

(2) Cash, Equivalents and Investments

(a) Pooled Cash

The City maintains a cash pool that is available for all funds. Amounts reported as cash equivalents are funds deposited in local government investment pools and a bank savings account. These cash funds may be withdrawn by the City upon demand.

(b) Deposits

Florida Statutes and City policy require that all City demand accounts be in financial institutions that pledge collateral with the State Treasurer pursuant to Chapter 280, Florida Statutes. The City is required to verify that monies are on deposit with “qualified public depositories” as defined in Florida Statutes Section 280.02. Florida Statutes require that all qualified public depositories provide collateral each month equal to at least 50% of the public funds on deposit with the institution that are in excess of deposit insurance amounts.

The State Treasurer may assess other qualified public depositories for a pro rata share of any loss suffered by a public depositor in excess of its depository’s collateral. Since the City uses only authorized public depositories, all funds, including time deposits, deposited with financial institutions are in compliance with the City’s policies.

(c) Qualifying Investment Pools

The City’s investment policy follows Florida Statutes Section 218.415(17) which authorizes the City to invest in the Local Government Surplus Funds Trust Fund; SEC registered money market funds with the highest credit quality rating, interest bearing time deposits or savings accounts in qualified public depositories, direct obligations of the United States Treasury, and federal agencies and their instrumentalities.

During the fiscal year ending September 30, 2024, the City maintained balances in two local government investment pools (LGIPs). According to the City’s investment policy, Florida LGIPs have no maximum holding limits in relation to the City’s total cash and investment portfolio, and no more than 70% may invested in any individual LGIP.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(2) Cash, Equivalents and Investments, Continued

(c) Qualifying Investment Pools, Continued

Below is a description of the City's LGIP investment investments by issuer:

- The Florida Fixed Income Trust Cash Pool (FLFIT) is a high-quality money market alternative for local government investors. FLFIT is a great compliment to other money market options and provides safety of principal, liquidity and return. Appropriate for short term cash portfolios, the pool is managed to provide minimal volatility of net asset value and positive holding period returns for 30 days or greater. The adviser seeks to accomplish this objective by maintaining a portfolio of high quality short-duration fixed-income instruments. FLFIT is a short-term investment product, which is rated AA Af/S1 by Fitch Ratings. The pool is designed to add diversification with multiple asset classes and a competitive yield to other cash alternatives. Providing next day liquidity to participants, the pool is managed as a stable net asset product but does have a floating net asset value, with the investment objective of maintaining a \$1.00 per share NAV. Next day liquidity is for transactions entered by 12:30 p.m. EST.
- The Florida Cooperative Liquid Assets Securities System Trust (FLCLASS) is a common law trust established, created and authorized by an Interlocal Agreement by and among participating Florida public agencies. FLCLASS is an authorized investment pool under Section 218.415(16)(a), Florida Statutes, and was established for participating Florida agencies on April 1, 2015 under the Interlocal Agreement and commenced operations on July 15, 2015 (inception). FLCLASS is available for investment by any unit of local government within the state of Florida. The purpose of FLCLASS is to enable such units to cooperate in the investment of their available funds. FLCLASS operates like a money market mutual fund with each share valued at \$1.00.

If a participant has an investment in a qualifying external investment pool, that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(2) Cash, Equivalents and Investments, Continued

(c) Qualifying Investment Pools, Continued

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City’s daily access to 100% of its account value.

A reconciliation of the amount of cash, equivalents and investments to the statement of net position as of September 30, 2024, is as follows:

Petty cash	\$ 1,210
Bank deposits	3,849,137
Local government investment pools	<u>12,829,547</u>
Total	\$ <u>16,679,894</u>
As reported in statement of net position:	
Cash and equivalents - unrestricted	7,808,545
Cash and equivalents - restricted	<u>8,871,349</u>
Total	\$ <u>16,679,894</u>

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(3) Receivables

Receivables and related allowances for uncollectible accounts at September 30, 2024 were as follows:

	<u>Accounts Receivable</u>	<u>Allowances for Uncollectibles</u>	<u>Total</u>
Governmental funds	\$ 175,085	-	175,085
Enterprise funds	<u>536,856</u>	<u>(56,797)</u>	<u>480,059</u>
Total	\$ <u>711,941</u>	<u>(56,797)</u>	<u>655,144</u>

Governmental accounts receivable consist primarily of amounts earned but not collected from the Florida Department of Revenue for various taxes and other shared revenues, such as communication services tax, discretionary sales surtax, and motor fuel tax.

Enterprise accounts receivable consist of revenues earned for services provided or fees assessed to individuals. Examples include water and wastewater utility services and stormwater fees assessed to individual customers.

(4) Capital Assets

Capital asset activity for the fiscal year ended September 30, 2024 was as follows:

	<u>Beginning Balance October 1, 2023</u>	<u>Additions and Transfers</u>	<u>Deletions and Transfers</u>	<u>Ending Balance September 30, 2024</u>
Governmental Activities:				
Nondepreciable assets:				
Land and rights	\$ 3,324,595	-	-	3,324,595
Construction in progress	262,204	-	(262,204)	-
Depreciable assets:				
Building and improvements	2,112,952	10,561	-	2,123,513
Infrastructure and improvements	4,906,806	42,107	-	4,948,913
Equipment and vehicles	3,173,551	878,478	-	4,052,029
Software	<u>989</u>	<u>102,633</u>	<u>-</u>	<u>103,622</u>
Total at historical cost	<u>13,781,097</u>	<u>1,033,779</u>	<u>(262,204)</u>	<u>14,552,672</u>
Less accumulated depreciation for:				
Building and improvements	1,126,035	65,189	-	1,191,224
Infrastructure and improvements	4,063,944	53,294	-	4,117,238
Equipment and vehicles	1,649,825	292,504	-	1,942,329
Software	<u>2,612</u>	<u>21,905</u>	<u>-</u>	<u>24,517</u>
Total accumulated depreciation	<u>6,842,416</u>	<u>432,892</u>	<u>-</u>	<u>7,275,308</u>
Capital assets, net	<u>\$ 6,938,681</u>	<u>600,887</u>	<u>(262,204)</u>	<u>7,277,364</u>

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(4) Capital Assets, Continued

Depreciation expense was charged to the functions of the City as follows:

General government support	\$ 86,578
Public safety	108,223
Physical environment	151,513
Culture and recreation	<u>86,578</u>
Total	\$ <u>432,892</u>

	Beginning Balance <u>October 1, 2023</u>	Additions and <u>Transfers</u>	Deletions and <u>Transfers</u>	Ending Balance <u>September 30, 2024</u>
Business-type Activities:				
Nondepreciable assets - land and rights	\$ 27,000	-	-	27,000
Depreciable assets:				
Building and improvements	464,050	-	-	464,050
Infrastructure and improvements	18,139,867	-	-	18,139,867
Equipment and vehicles	<u>1,284,778</u>	<u>122,068</u>	<u>(25,211)</u>	<u>1,381,635</u>
Total at historical cost	<u>19,915,695</u>	<u>122,068</u>	<u>(25,211)</u>	<u>20,012,552</u>
Less accumulated depreciation for:				
Building and improvements	303,476	10,231	-	313,707
Infrastructure and improvements	10,641,548	420,334	-	11,061,882
Equipment and vehicles	<u>353,845</u>	<u>84,937</u>	<u>(25,211)</u>	<u>413,571</u>
Total accumulated depreciation	<u>11,298,869</u>	<u>515,502</u>	<u>(25,211)</u>	<u>11,789,160</u>
Capital assets, net	<u>\$ 8,616,826</u>	<u>(393,434)</u>	<u>-</u>	<u>8,223,392</u>

Depreciation expense of \$512,103 and \$3,399 was charged to the Water and Sewer Fund and Stormwater Fund, respectively.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(5) Long-Term Debt

Long-term debt activity for the fiscal year ended September 30, 2024 was as follows:

	Beginning Balance <u>October 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance <u>September 30, 2024</u>	Amounts Due Within <u>One Year</u>
Governmental Activities - compensated absences, net	\$ 577,641	291,850	-	869,491	-
	Beginning Balance <u>October 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance <u>September 30, 2024</u>	Amounts Due Within <u>One Year</u>
Business-type Activities:					
Direct borrowing:					
Revenue bonds, series 2016	\$ 1,775,000	-	(130,000)	1,645,000	130,000
Bond premium	29,801	-	(4,178)	25,623	3,979
Installment purchase debt	453,274	-	(91,499)	361,775	94,792
Total direct borrowing	2,258,075	-	(225,677)	2,032,398	228,771
Other liabilities - compensated absences, net	112,278	58,682	-	170,960	-
Total long-term liabilities - business-type activities	<u>\$ 2,370,353</u>	<u>58,682</u>	<u>(225,677)</u>	<u>2,203,358</u>	<u>228,771</u>

Long-term debt for the governmental activities at September 30, 2024:

Effective May 1, 2023, the City entered into an installment purchase agreement with NCL Governmental Equipment for the acquisition, purchase, and financing of a backhoe loader. The aggregate principal component of payments shall not exceed \$169,498, with the first payment due June 15, 2023 in the amount of \$38,915, which includes interest rate of 7.035%. Rent payments are due annually, June 15 and the lease is set to mature June 15, 2027.

Revenue Bonds, Series 2016 - Revenue Bonds in the amount of \$2,550,000 were issued to advance refund the Revenue Bonds, Series 2005D. Please see the additional disclosure on the refunding provided below. The outstanding bonds mature in various amounts annually, ranging from \$100,000 to \$170,000 through October 1, 2035. Interest accrues on the bonds at rates ranging from 2.0% to 5.0% and is payable semi-annually on April 1 and October 1. The City has covenanted to appropriate in its annual budget from non - ad valorem revenues, amounts sufficient to pay annual principal and interest installments on the bonds.

\$ 1,645,000

Installment Purchase Agreement - One sewer cleaner truck under a installment purchase agreement within the business-type activities. The installment purchase agreement matures in January 2028. The installment purchase agreement generally provides that the City pay the taxes, insurance and maintenance expenses.

259,715

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(5) Long-Term Debt, Continued

<u>Installment Purchase Agreement</u> - One backhoe loader under a installment purchase agreement within the business-type activities. The installment purchase agreement matures in June 2027. The installment purchase agreement generally provides that the City pay the taxes, insurance and maintenance expenses.	\$ 102,060
<u>Accrued Compensated Absences</u> - Consisting of the vested portion of accumulated vacation and sick pay benefits due employees.	<u>170,960</u>
Total long-term debt - business-type activities	\$ <u>2,177,735</u>

Advance refunding of Revenue Bonds, Series 2005D - On September 29, 2016 the City issued \$3,055,000 in Revenue Bonds, Series 2016 to advance refund the Revenue Bonds, Series 2005C (governmental activities long-term debt) in the amount of \$500,000 and Revenue Bonds, Series 2005D (business-type activities long-term debt) in the amount of \$2,615,000. The advance refunding of the Series 2005D Revenue Bonds is discussed below.

Proceeds totaling \$2,539,567 of the Series 2016 bonds, including a premium of \$66,312, less the bond issuance costs of \$76,745, plus \$144,100 of the City's funds, were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded Series 2005D bonds. As a result, the \$2,615,000 of 2005D Revenue bonds were considered to be defeased and the liability for those bonds was removed from the accompanying government-wide statement of net position. The acquisition price of the 2005D bonds was the same amount as the \$2,615,000 carrying amount of the bonds. The defeased bonds were paid off on November 1, 2016 from the amount on deposit in the escrowed sinking fund.

The remaining combined balance to be amortized as of September 30, 2024 for the 2005D and 2016 Series Revenue Bonds unamortized debt issuance costs is \$1,734. This amount is reported in the accompanying Statement of Net Position as unamortized debt costs. The remaining bond premium from the Series 2016 Revenue Bonds as of September 30, 2024 of \$25,623 is reported in the accompanying statement of net position as a part of long-term debt - revenue bonds payable. The debt issuance costs, and bond premium are amortized into operations using the effective-interest method.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(5) Long-Term Debt, Continued

The annual long-term debt repayment schedule for business-type activities as of September 30, 2024 is as follows:

<u>Revenue Bonds, Series 2016</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending September 30,			
2025	\$ 130,000	52,625	182,625
2026	130,000	49,700	179,700
2027	135,000	46,775	181,775
2028	135,000	43,400	178,400
2029	145,000	39,350	184,350
2030 - 2034	800,000	102,000	902,000
2035	<u>170,000</u>	<u>5,100</u>	<u>175,100</u>
Total	\$ <u>1,645,000</u>	<u>338,500</u>	<u>1,983,950</u>
 <u>Installment purchase agreements</u>	 <u>Principal</u>	 <u>Interest</u>	 <u>Total</u>
Year ending September 30,			
2025	\$ 94,792	12,253	107,045
2026	98,256	8,789	107,045
2027	101,902	5,143	107,045
2028	<u>66,825</u>	<u>1,305</u>	<u>68,130</u>
Total	\$ <u>361,775</u>	<u>27,490</u>	<u>389,265</u>

(6) Employee Retirement Systems

All City employees participate in the Florida Retirement System (FRS) Pension Plan which includes the Retiree Health Insurance Subsidy (HIS) Program. The FRS Pension Plan and HIS Program are cost-sharing, multiple-employer, defined benefit public employee retirement systems (PERS).

FRS Pension Plan

Plan Description - The City contributes to FRS System, a cost-sharing multiple-employer public employee retirement system (PERS) defined benefit pension plan controlled by the State Legislature and administered by the Florida Department of Management Services, Division of Retirement. The System provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to plan members and beneficiaries. Chapter 121 of the Florida Statutes assigns the authority to establish and amend benefit provisions to the state of Florida Department of Management Services. The Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to the Department of Management Services, Division of Retirement - Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315- 9000 or by calling 850-488-5706 or online at the Florida Retirement System Website: www.dms.myflorida.com/workforce_operations/retirement/publications.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(6) Employee Retirement Systems, Continued

Funding Policy - Effective July 1, 2011, the FRS Pension Plan requires contributions from covered members at a rate of 3%. The City is required by State Statute to contribute, on a monthly basis, an actuarially determined rate. The rates for the period July 1, 2023 and continuing through June 30, 2024, based on employees' gross earnings are 13.57% for regular employees, 34.52% for senior management, and 32.67% for special risk (fire and police) service classes. The employer contribution rates for all classes of employees for both the July 2023 and July 1, 2024 effective dates include the HIS Program employer contribution rate of 2.00%. The City's contributions to the FRS Pension Plan for the fiscal years ended September 30, 2024, 2023 and 2022, were \$745,653, \$597,174 and \$472,000, respectively, and were equal to the required contributions for each year.

Deferred Retirement Option Program - The FRS Deferred Retirement Option Program (DROP) is a defined contribution plan and is available to a member when the member first reaches eligibility for normal retirement. The Plan is controlled by the State Legislature and administered by the Florida Department of Management Services, Division of Retirement.

Chapter 121 of the Florida Statutes assigns the authority to establish and amend benefit provisions to the state of Florida Department of Management Services. DROP allows a member to retire while continuing employment up to 60 months.

During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn compounded monthly interest equivalent to an effective annual rate of 1.3%. The member must cease employment after a maximum of 60 months, must satisfy the termination requirements for retirement, and is subject to reemployment restrictions thereafter. The member's DROP accumulation may be paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. During the DROP eligibility period, the City is required to make contributions to FRS. The current rate, effective July 1, 2023 and continuing through June 30, 2024, based upon employees' gross earnings is 21.13%. The rate for the period July 1, 2022 to June 30, 2023 was 18.60%.

HIS Program - The HIS Program (HIS) is a cost-sharing multiple-employer public employee retirement system (PERS) defined benefit pension plan controlled by the State Legislature and administered by the Florida Department of Management Services, Division of Retirement. The HIS Program is administered in accordance with section 112.363, Florida Statutes. The Program provides a monthly payment benefit to retirees of the Florida Retirement System to assist them in paying their health insurance costs, including Medicare. For the fiscal year ending June 30, 2023 eligible retirees received a monthly HIS benefit equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month. To be eligible to receive the HIS benefit a retiree must provide proof of eligible health insurance coverage.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(6) Employee Retirement Systems, Continued

Funding Policy - The City is required, by State Statute, to contribute on a monthly basis at a rate established by Florida Department of Management Services, Division of Retirement. The current rate, effective July 1, 2023 and continuing through June 30, 2024, is 2.00%. The City's contributions to the HIS Program for the fiscal years ended September 30, 2024, 2023 and 2022 were \$77,104, \$57,664 and \$50,923, respectively, and were equal to the required contributions for each year.

Pension Liabilities, Pension Expense and Deferred Outflows (Inflows) of Resources Related to Pensions - At September 30, 2024, the City reported a total net pension liability of \$6,460,155 comprised of \$5,093,983 for the FRS Plan component and \$1,366,172 for the HIS Plan component for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024 for the FRS Plan and for the HIS Plan. The City's proportionate share at June 30, 2024 for the FRS Plan component was 0.0136795%. The City's proportionate share at June 30, 2024 for the HIS Plan component was 0.0091072%. The City's proportionate share of the FRS and HIS Plan components changed by 0.0012659 and 0.0003412, respectively. For the year ended September 30, 2024, the City recognized pension expense of \$846,112 and \$80,190 for the FRS and HIS Plan components, respectively. Deferred Outflows and Inflows of resources related to pensions are from the following sources:

<u>FRS Plan Component</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 514,629	-
Changes of assumptions	698,177	-
Net difference between projected and actual investment earnings on investments	-	338,573
Changes in proportion and differences between the City's contributions and proportionate share of contributions	505,347	143,628
Contributions subsequent to the measurement date	<u>163,298</u>	<u>-</u>
Total	\$ <u>1,881,451</u>	<u>482,201</u>
<u>HIS Plan Component</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 13,191	2,623
Changes of assumptions	24,178	161,737
Net difference between projected and actual investment earnings on investments	-	494
Changes in proportion and differences between the City's contributions and proportionate share of contributions	117,297	19,557
Contributions subsequent to the measurement date	<u>17,661</u>	<u>-</u>
Total	\$ <u>172,327</u>	<u>184,411</u>

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(6) Employee Retirement Systems, Continued

The deferred outflows of resources related to employer contributions made subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending September 30, 2025. Other amounts related to deferred outflows and inflows of resources will be recognized as pension expense as follows:

<u>Year ending September 30,</u>	<u>FRS Component</u>	<u>HIS Component</u>
2025	\$ 117,451	27,073
2026	1,080,430	1,567
2027	111,303	(663)
2028	(136,172)	(40,901)
2029	67,495	(9,807)
Thereafter	<u>(4,555)</u>	<u>(7,014)</u>
Total	\$ <u>1,235,952</u>	<u>(29,745)</u>

Actuarial Assumptions - The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions:

	<u>FRS Component</u>	<u>HIS Component</u>
Valuation Date	July 1, 2024	July 1, 2024
Measurement Date	June 30, 2024	June 30, 2024
Inflation	2.40%	2.40%
Salary Increases	3.50%, average, includes inflation	3.50%, average, includes inflation
Investment Rate of Return	6.70%, net of expense, includes inflation	3.93%, Municipal Bond Rate
Mortality Tables	PUB-2010	PUB-2010
Discount Rate	6.70%	3.93%

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the City's proportionate share of the net pension liability calculated at the respective discount rates and the proportionate share using a rate 1% less than and 1% more than the current rate.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(6) Employee Retirement Systems, Continued

	1% Decrease	Current Assumption	1% Increase
<u>FRS Component</u>	<u>(5.70%)</u>	<u>(6.70%)</u>	<u>(7.70%)</u>
City's proportionate share of the net pension liability	\$ <u>8,960,138</u>	<u>5,093,983</u>	<u>1,855,258</u>
<u>HIS Component</u>	<u>(2.93%)</u>	<u>(3.93%)</u>	<u>(4.93%)</u>
City's proportionate share of the net pension liability	\$ <u>1,555,212</u>	<u>1,366,172</u>	<u>1,209,239</u>

(7) Other Postemployment Benefits Plan

GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (OPEB) provides for the determination and disclosure of the Total OPEB Liability and the annual cost of providing other postemployment benefits. The City provides other postemployment benefits in the form of the Retiree Health Care Plan.

Plan Description - The City's Plan is a single-employer defined benefit postemployment health care plan, whereby retired employees are eligible for City-paid benefits through the City's health care, dental and life insurance providers. In accordance with Section 112.0801 of the Florida Statutes, because the City provides a medical, dental and vision plan to active employees of the City and their eligible dependents, the City is required to provide retirees with the opportunity to participate in this Plan. The Plan is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for the Plan. All approved benefits are paid from the general assets of the City when due.

Employees Covered by Benefit Terms - To be eligible to participate in the Plan, General employees must have completed 25 years of continuous service or 20 years of continuous service and 60 years of age. Police and Fire employees are eligible to participate in the Plan if they retire at age 55 with 20 years of service or at any age with 25 years of service. At September 30, 2023, the valuation date, the following employees were covered by the benefit terms:

Retirees, beneficiaries and disabled members	3
Active plan members	<u>58</u>
Total	<u>61</u>

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(7) Other Postemployment Benefits Plan, Continued

Total OPEB Liability

The City's total OPEB liability of \$1,395,071 was measured as of September 30, 2023 and was determined by an actuarial valuation as of September 30, 2023.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

Benefits Provided - The retired employees (including their eligible spouse and dependents) that are eligible to participate in the Plan are entitled to the same insurance coverage as is afforded regular employees at the same City and employee contribution rates that are in effect. Currently, the City pays 100% of the employee's portion of medical, dental and life insurance coverage. Dependent coverage is available for eligible participants but 100% of the cost of their respective health care, dental and life insurance premiums would be the responsibility of plan participant. Upon attainment of age 65 all entitlement to City paid health insurance benefits will cease as Medicare is assumed to become primary.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of September 30, 2023 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.87%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	51

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Scale MP-2019.

Discount rate - Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.87%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by the S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

OPEB expense - For the year ended September 30, 2024, the City recognized OPEB expense of (\$269,009).

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(7) Other Postemployment Benefits Plan, Continued

Change in Total OPEB Liability:

	<u>Total OPEB Liability</u>
Year ended September 30, 2023	\$ <u>1,734,480</u>
Changes for the year:	
Service cost	81,115
Interest	84,992
Differences between expected and actual experience	(89,801)
Changes of assumptions	(347,315)
Benefit payments	<u>(68,400)</u>
Net change	<u>(339,409)</u>
Year ended September 30, 2024	\$ <u>1,395,071</u>

Changes in assumptions reflect a change in the discount rate from 4.77% for the reporting period ending September 30, 2023, to 4.87% for the reporting period ending September 30, 2024.

Sensitivity if the Total OPEB Liability to changes in the discount rate - the following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate.

	1% Decrease (3.87%)	Current Discount Rate (4.87%)	1% Increase (5.87%)
Total OPEB Liability	\$ <u>1,588,050</u>	<u>1,395,071</u>	<u>1,233,683</u>

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ <u>1,227,201</u>	<u>1,395,071</u>	<u>1,596,380</u>

Deferred Outflows of Resources Related to OPEB

The deferred outflows of resources are related to employer contributions subsequent to the measurement date of \$66,189 which will be recognized as an adjustment to the Total OPEB Liability for the year ending September 30, 2025 measurement date.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(8) Deferred Compensation Plan

The City offers an optional deferred compensation plan, created in accordance with Internal Revenue Code Section 457, to all employees in addition to the pension plan. The City is not the trustee of the deferred compensation plan. Therefore, under the provisions of Internal Revenue Code Section Deferred Compensation Plans and GASB Statement No. 32, Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans, the assets and liabilities of the plan are not to be reported within the City’s financial statements as of September 30, 2024.

(9) Other Employee Benefits

The City has a “Cafeteria” plan created in accordance with Internal Revenue Code Section 125. The plan provides employees with an opportunity to select several benefits alternatives, many of which are offered on a pre-tax basis.

(10) Interfund Transactions

Interfund transfers consist of the following for the year ended September 30, 2024. The General Fund transfer to the Community Redevelopment Fund was for operating purposes and consists of the Tax Increment Funding pertaining to the Community Redevelopment district.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 656,286	667,927
Community Redevelopment Fund	667,927	105,088
Water and Sewer Utility Fund	-	512,284
Stormwater Utility Fund	-	38,914
Total	\$ <u>1,324,213</u>	<u>1,324,213</u>

(11) 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 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. In addition, no settlements have exceeded the City’s insurance coverage in the last three years.

CITY OF PORT RICHEY, FLORIDA
Notes to Financial Statements, Continued

(12) Subsequent Events

The City has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION OTHER
THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Required supplementary information includes a budgetary comparison schedule for the general fund and the major special revenue fund as well as schedules of pension and other postemployment benefits disclosures.

CITY OF PORT RICHEY, FLORIDA
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenue:				
Taxes	\$ 4,092,872	4,092,872	4,203,390	110,518
Licenses and permits	409,300	409,300	460,528	51,228
Intergovernmental charges	308,175	308,175	818,153	509,978
Impact fees	690,000	690,000	78,380	(611,620)
Charges for services	36,840	36,840	26,445	(10,395)
Fines and forfeitures	1,780,884	1,780,884	1,317,518	(463,366)
Interest	120,000	120,000	274,783	154,783
Miscellaneous	<u>205,800</u>	<u>205,800</u>	<u>80,506</u>	<u>(125,294)</u>
Total revenue	<u>7,643,871</u>	<u>7,643,871</u>	<u>7,259,703</u>	<u>(384,168)</u>
Expenditures:				
General government support	2,736,553	2,736,553	2,564,779	171,774
Public safety	3,996,798	3,996,798	3,653,941	342,857
Physical environment	1,011,238	1,011,238	948,591	62,647
Culture and recreation	50,000	50,000	43,204	6,796
Contingencies	<u>215,712</u>	<u>215,712</u>	<u>-</u>	<u>215,712</u>
Total expenditures	<u>8,010,301</u>	<u>8,010,301</u>	<u>7,210,515</u>	<u>799,786</u>
Excess (deficiency) of revenue over expenditures	<u>(366,430)</u>	<u>(366,430)</u>	<u>49,188</u>	<u>415,618</u>
Other financing sources (uses):				
Transfers in	772,409	772,409	656,286	(116,123)
Transfers out	<u>(671,691)</u>	<u>(671,691)</u>	<u>(667,927)</u>	<u>3,764</u>
Total other financing sources (uses)	<u>100,718</u>	<u>100,718</u>	<u>(11,641)</u>	<u>(112,359)</u>
Change in fund balance	<u>\$ (265,712)</u>	<u>(265,712)</u>	37,547	<u>303,259</u>
Fund balance at beginning of year			<u>4,093,837</u>	
Fund balance at end of year			<u>\$ 4,131,384</u>	

CITY OF PORT RICHEY, FLORIDA
Required Supplementary Information
Budgetary Comparison Schedule - Special Revenue Fund
Community Redevelopment
Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenue:				
Taxes	\$ 782,536	782,536	774,305	(8,231)
Intergovernmental revenue	1	1	-	(1)
Interest	80,000	80,000	175,745	95,745
Miscellaneous	-	-	12,487	12,487
Total revenue	<u>862,537</u>	<u>862,537</u>	<u>962,537</u>	<u>100,000</u>
Expenditures:				
General government support	320,609	320,609	228,557	92,052
Public safety	-	-	160,870	(160,870)
Physical environment	3,782,922	3,782,922	-	3,782,922
Culture and recreation	100,000	100,000	74,175	25,825
Contingencies	120,000	120,000	-	120,000
Total expenditures	<u>4,323,531</u>	<u>4,323,531</u>	<u>463,602</u>	<u>3,859,929</u>
Excess (deficiency) of revenue over expenditures	<u>(3,460,994)</u>	<u>(3,460,994)</u>	<u>498,935</u>	<u>3,959,929</u>
Other financing sources (uses):				
Transfers in	671,691	671,691	667,927	(3,764)
Transfers out	(126,009)	(126,009)	(105,088)	20,921
Total other financing sources (uses)	<u>545,682</u>	<u>545,682</u>	<u>562,839</u>	<u>17,157</u>
Change in fund balance	<u>\$(2,915,312)</u>	<u>(2,915,312)</u>	1,061,774	<u>3,977,086</u>
Fund balance at beginning of year			<u>2,926,780</u>	
Fund balance at end of year			<u>\$ 3,988,554</u>	

CITY OF PORT RICHEY, FLORIDA
 Required Supplementary Information
 Schedule of City's Proportionate Share of the Net Pension Liability
 September 30, 2024

FRS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.0136795%	0.0124136%	0.0110612%	0.0106605%	0.0121524%	0.0116040%	0.0119657%	0.0114610%	0.0124431%	0.0115217%
City's proportionate share of the net pension liability	\$ 5,093,983	4,946,429	4,115,642	805,283	5,267,040	3,996,251	3,604,146	3,390,097	3,141,886	1,488,189
City's covered payroll	\$ 4,064,504	3,489,770	3,227,536	2,962,940	2,896,373	2,462,579	2,712,763	2,492,370	2,526,408	2,448,673
City's proportionate share of the net pension liability as a percentage of its covered payroll	125.3%	141.7%	127.5%	27.2%	181.8%	162.3%	132.9%	136.0%	124.4%	60.8%
Plan fiduciary net position as a percentage of the total pension liability	83.7%	82.4%	82.9%	96.4%	78.9%	82.6%	84.3%	83.9%	84.9%	92.0%

HIS

City's proportion of the net pension liability	0.0091072%	0.0087660%	0.0084158%	0.0078127%	0.0081704%	0.0080369%	0.0083057%	0.0077411%	0.0082267%	0.0082004%
City's proportionate share of the net pension liability	\$ 1,366,172	1,392,160	891,372	958,312	997,604	899,247	879,085	827,717	958,790	836,717
City's covered payroll	\$ 4,064,504	3,489,770	3,227,536	2,962,940	2,896,373	2,756,977	2,693,568	2,492,370	2,526,408	2,448,673
City's proportionate share of the net pension liability as a percentage of its covered payroll	33.6%	39.9%	27.6%	32.3%	34.4%	32.6%	32.6%	33.2%	38.0%	34.2%
Plan fiduciary net position as a percentage of the total pension liability	4.8%	4.1%	4.8%	3.6%	3.0%	2.6%	2.2%	1.6%	1.0%	0.5%

CITY OF PORT RICHEY, FLORIDA
Required Supplementary Information
Schedule of City's Pension Contributions
September 30, 2024

	FRS									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 745,653	597,174	472,000	406,120	405,965	366,200	264,454	324,830	326,466	326,466
Contributions in relation to the contractually required contribution	<u>745,653</u>	<u>597,174</u>	<u>472,000</u>	<u>406,120</u>	<u>405,965</u>	<u>366,200</u>	<u>264,454</u>	<u>324,830</u>	<u>326,466</u>	<u>326,466</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	\$ 4,064,504	3,489,770	3,227,536	2,962,940	2,899,440	2,419,169	2,693,568	2,574,241	2,566,439	2,566,439
Contributions as a percentage of covered payroll	18.35%	17.11%	14.62%	13.71%	14.00%	15.14%	9.82%	12.62%	12.72%	12.72%
	HIS									
Contractually required contribution	\$ 77,104	57,664	50,923	47,082	47,053	44,404	44,713	42,732	42,603	42,603
Contributions in relation to the contractually required contribution	<u>77,104</u>	<u>57,664</u>	<u>50,923</u>	<u>47,082</u>	<u>47,053</u>	<u>44,404</u>	<u>44,713</u>	<u>42,732</u>	<u>42,603</u>	<u>42,603</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	\$ 4,064,504	3,489,770	3,227,536	2,962,940	2,899,440	2,751,029	2,693,568	2,574,241	2,566,439	2,566,439
Contributions as a percentage of covered payroll	1.90%	1.65%	1.58%	1.59%	1.62%	1.61%	1.66%	1.66%	1.66%	1.66%

CITY OF PORT RICHEY, FLORIDA
Required Supplementary Information
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Year ended September 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability							
Service cost	\$ 81,115	124,964	116,155	85,197	79,053	85,963	94,224
Interest	84,992	57,810	53,849	69,045	63,647	55,991	48,041
Differences between expected and actual experience	(89,801)	-	154,216	-	61,460	-	-
Changes of assumptions	(347,315)	(670,296)	(407,143)	463,069	241,424	(118,976)	(136,695)
Benefit payments	<u>(68,400)</u>	<u>(63,628)</u>	<u>(62,861)</u>	<u>(58,475)</u>	<u>(32,918)</u>	<u>(30,345)</u>	<u>(27,903)</u>
Net change in total OPEB liability	(339,409)	(551,150)	(145,784)	558,836	412,666	(7,367)	(22,333)
Total OPEB liability - beginning	<u>1,734,480</u>	<u>2,285,630</u>	<u>2,431,414</u>	<u>1,872,578</u>	<u>1,459,912</u>	<u>1,467,279</u>	<u>1,489,612</u>
Total OPEB liability - ending	<u>\$ 1,395,071</u>	<u>1,734,480</u>	<u>2,285,630</u>	<u>2,431,414</u>	<u>1,872,578</u>	<u>1,459,912</u>	<u>1,467,279</u>
Covered payroll	\$ 3,818,333	2,654,330	2,589,590	2,416,053	2,357,125	2,522,862	2,461,329
Total OPEB liability as a percentage of covered payroll	36.54%	65.35%	88.26%	100.64%	79.44%	57.87%	59.61%

Notes to schedule:

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

<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
4.87%	4.77%	2.43%	2.14%	3.58%	4.18%	3.64%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

OTHER SUPPLEMENTARY SCHEDULE

These schedules are presented to provide greater detailed information than reported in the preceding financial statements. These schedules are not necessary for fair presentation in conformity with Generally Accepted Accounting Principles.

CITY OF PORT RICHEY, FLORIDA
Other Supplementary Information
Budgetary Comparison Schedule - Capital Improvement Fund
Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable <u>(Unfavorable)</u>
Revenue:				
Taxes	\$ 727,540	727,540	725,318	(2,222)
Intergovernmental revenue	176,047	176,047	119,048	(56,999)
Interest	45,000	45,000	86,428	41,428
Miscellaneous	-	-	7,869	7,869
Total revenue	<u>948,587</u>	<u>948,587</u>	<u>938,663</u>	<u>(9,924)</u>
Expenditures:				
General government support	112,000	112,000	-	112,000
Public safety	1,081,693	1,081,693	179,106	902,587
Physical environment	175,500	175,500	-	175,500
Debt service:				
Principal	-	-	76,251	(76,251)
Interest	-	-	2,065	(2,065)
Capital outlay	-	-	750,583	(750,583)
Contingencies	400,000	400,000	-	400,000
Total expenditures	<u>1,769,193</u>	<u>1,769,193</u>	<u>1,008,005</u>	<u>761,188</u>
Change in fund balance	<u>\$ (820,606)</u>	<u>(820,606)</u>	(69,342)	<u>(771,112)</u>
Fund balance at beginning of year			<u>1,816,297</u>	
Fund balance at end of year			<u>\$ 1,746,955</u>	

STATISTICAL SECTION

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

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

The City has no general bonded debt outstanding.

The City does not have any debt outstanding for which revenues have been pledged. As a result, there is no requirement to present a Schedule of Pledged Revenue Coverage.

CITY OF PORT RICHEY, FLORIDA
Net Position by Component
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities:										
Net investment in capital assets	\$ 7,166,855	6,938,681	7,078,981	7,217,432	6,436,744	6,290,467	7,948,145	7,578,819	7,431,860	7,430,706
Restricted	7,000,395	5,869,338	4,413,984	3,489,699	3,843,346	2,918,272	2,112,381	2,147,879	2,286,967	2,103,829
Unrestricted	<u>(3,024,820)</u>	<u>(2,886,354)</u>	<u>(3,047,552)</u>	<u>(3,900,232)</u>	<u>(4,672,310)</u>	<u>(3,558,227)</u>	<u>(3,217,407)</u>	<u>(1,586,050)</u>	<u>(2,080,596)</u>	<u>(1,759,331)</u>
Total governmental activities net position	<u>\$11,142,430</u>	<u>9,921,665</u>	<u>8,445,413</u>	<u>6,806,899</u>	<u>5,607,780</u>	<u>5,650,512</u>	<u>6,843,119</u>	<u>8,140,648</u>	<u>7,638,231</u>	<u>7,775,204</u>
Business-type activities:										
Net investment in capital assets	\$ 6,211,875	6,381,396	6,581,947	6,804,887	6,965,394	7,161,128	7,556,109	7,779,484	8,141,408	8,333,348
Restricted	1,607,453	1,470,579	1,354,051	1,200,368	1,164,915	907,096	559,608	662,504	810	60,712
Unrestricted	<u>2,630,795</u>	<u>1,705,943</u>	<u>2,060,472</u>	<u>1,794,506</u>	<u>1,171,468</u>	<u>1,269,476</u>	<u>1,492,265</u>	<u>1,285,144</u>	<u>861,979</u>	<u>475,489</u>
Total business-type activities net position	<u>\$10,450,123</u>	<u>9,557,918</u>	<u>9,996,470</u>	<u>9,799,761</u>	<u>9,301,777</u>	<u>9,337,700</u>	<u>9,607,982</u>	<u>9,727,132</u>	<u>9,004,197</u>	<u>8,869,549</u>
Primary government:										
Net investment in capital assets	\$13,378,730	13,320,077	13,660,928	14,022,319	13,402,138	13,451,595	15,504,254	15,358,303	15,573,268	15,764,054
Restricted	8,607,848	7,163,764	5,768,035	4,690,067	5,008,261	3,825,368	2,671,989	2,810,383	2,287,777	2,164,541
Unrestricted	<u>(394,025)</u>	<u>(1,004,258)</u>	<u>(987,080)</u>	<u>(2,105,726)</u>	<u>(3,500,842)</u>	<u>(2,288,751)</u>	<u>(1,725,142)</u>	<u>(300,906)</u>	<u>(1,218,617)</u>	<u>(1,283,842)</u>
Total governmental activities net position	<u>\$21,592,553</u>	<u>19,479,583</u>	<u>18,441,883</u>	<u>16,606,660</u>	<u>14,909,557</u>	<u>14,988,212</u>	<u>16,451,101</u>	<u>17,867,780</u>	<u>16,642,428</u>	<u>16,644,753</u>

The negative unrestricted net position amount for the governmental activities is a result of implementing GASB Statement No. 68 in 2015 and GASB Statement No. 75 in 2018.

CITY OF PORT RICHEY, FLORIDA
Changes in Net Position
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General revenue and other changes in net position:										
Governmental Activities:										
Taxes:										
Ad valorem	\$ 3,331,564	2,960,202	2,856,903	2,892,873	2,424,945	2,257,211	2,027,984	1,944,855	1,843,791	1,710,641
Franchise fees	391,034	407,398	390,331	346,399	341,645	346,772	317,873	294,965	302,133	304,574
Utility taxes	542,128	564,834	526,777	489,936	478,239	457,661	417,278	392,946	392,298	364,249
Communication service tax	230,428	195,383	166,260	184,990	185,126	169,352	176,472	181,964	145,681	137,442
Half-cent tax	268,477	273,791	224,326	232,829	212,828	200,039	177,277	168,869	163,992	154,080
Local option gas tax	179,852	180,795	147,375	169,985	136,616	95,714	78,966	69,412	66,713	62,299
Discretionary sales surtax - infrastructure	725,318	705,193	551,767	576,617	520,615	512,756	425,647	401,332	386,170	353,551
Other taxes	34,212	61,169	59,090	64,664	73,876	69,773	29,917	34,549	36,286	28,506
State revenue sharing	124,188	195,079	127,138	153,703	103,340	103,704	102,840	102,044	101,277	101,057
Impact fees	78,380	35,176	17,556	5,444	36,845	43,732	27,177	93,257	62,015	-
Investment income	536,956	393,408	35,724	5,625	39,224	22,873	13,806	2,989	298	4,235
Miscellaneous	100,862	14,978	52,291	51,965	32,317	26,578	79,577	43,949	53,871	22,440
Loss on sale of capital assets	-	-	-	-	(1,849)	(3,713)	-	-	-	-
Transfers	551,198	615,170	589,870	-	-	-	-	-	-	-
Total governmental activities	<u>7,094,597</u>	<u>6,602,576</u>	<u>5,745,408</u>	<u>5,175,030</u>	<u>4,583,767</u>	<u>4,302,452</u>	<u>3,874,814</u>	<u>3,731,131</u>	<u>3,554,525</u>	<u>3,243,074</u>
Business-type Activities:										
Impact fees	96,360	294,694	218,857	50,177	249,340	309,320	49,137	715,659	11,760	82,750
Investment income	241,452	185,634	20,863	3,956	32,635	6,717	-	7,983	-	-
Miscellaneous	95,099	33,327	85,439	29,906	18,139	11,098	5,776	-	-	-
Transfers	(551,198)	(615,170)	(589,870)	-	-	-	-	-	-	-
Total business-type activities	<u>(118,287)</u>	<u>(101,515)</u>	<u>(264,711)</u>	<u>84,039</u>	<u>300,114</u>	<u>327,135</u>	<u>54,913</u>	<u>723,642</u>	<u>11,760</u>	<u>82,750</u>
Total primary government	<u>\$ 6,976,310</u>	<u>6,501,061</u>	<u>5,480,697</u>	<u>5,259,069</u>	<u>4,883,881</u>	<u>4,629,587</u>	<u>3,929,727</u>	<u>4,454,773</u>	<u>3,566,285</u>	<u>3,325,824</u>
Change in net position:										
Governmental activities	1,220,765	1,476,252	1,638,514	1,199,119	(42,732)	615,293	(254,989)	502,417	(136,973)	(427,356)
Business-type activities	892,205	(438,552)	196,709	497,984	(35,923)	(270,282)	141,011	722,935	134,648	249,690
Total primary government	<u>\$ 2,112,970</u>	<u>1,037,700</u>	<u>1,835,223</u>	<u>1,697,103</u>	<u>(78,655)</u>	<u>345,011</u>	<u>(113,978)</u>	<u>1,225,352</u>	<u>(2,325)</u>	<u>(177,666)</u>

CITY OF PORT RICHEY, FLORIDA
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:										
Nonspendable	\$ -	22,644	12,232	8,024	3,500	25,177	31,811	25,911	19,126	18,259
Restricted	1,264,886	1,204,577	938,327	878,420	837,502	838,802	814,186	829,768	868,143	1,003,701
Committed	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	-
Assigned	65,712	65,712	49,425	-	-	-	-	-	-	-
Unassigned	<u>2,775,786</u>	<u>2,775,904</u>	<u>2,347,930</u>	<u>1,717,922</u>	<u>1,021,107</u>	<u>986,905</u>	<u>1,201,812</u>	<u>1,524,174</u>	<u>1,119,427</u>	<u>1,152,156</u>
Total general fund	<u>\$4,131,384</u>	<u>4,093,837</u>	<u>3,372,914</u>	<u>2,629,366</u>	<u>1,887,109</u>	<u>1,875,884</u>	<u>2,072,809</u>	<u>2,404,853</u>	<u>2,031,696</u>	<u>2,174,116</u>
All Other Governmental Funds:										
Nonspendable	-	78,316	78,316	78,316	-	2,826	-	-	-	-
Restricted	<u>5,735,509</u>	<u>4,664,761</u>	<u>3,475,657</u>	<u>2,611,279</u>	<u>3,005,844</u>	<u>2,082,296</u>	<u>1,302,314</u>	<u>1,318,111</u>	<u>1,095,361</u>	<u>837,026</u>
Total all other governmental funds	<u>\$5,735,509</u>	<u>4,743,077</u>	<u>3,553,973</u>	<u>2,689,595</u>	<u>3,005,844</u>	<u>2,085,122</u>	<u>1,302,314</u>	<u>1,318,111</u>	<u>1,095,361</u>	<u>837,026</u>

CITY OF PORT RICHEY, FLORIDA
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenue:										
Taxes	\$ 5,703,013	5,348,765	4,922,829	4,958,293	4,373,890	4,109,278	2,939,607	2,814,730	2,683,903	2,516,906
Licenses and permits	460,528	445,863	435,199	303,629	334,615	308,393	260,896	567,724	218,668	229,989
Intergovernmental revenue	937,201	516,254	127,138	153,703	512,248	127,055	873,314	815,309	754,438	718,806
Impact fees	78,380	35,176	17,556	5,444	36,845	43,732	27,177	93,257	62,015	-
Charges for services	26,445	24,828	23,452	21,647	22,871	20,442	358,985	358,642	361,916	358,860
Fines and forfeitures	1,317,518	1,930,497	2,108,818	1,984,872	1,379,430	1,317,820	1,054,378	1,158,287	1,183,927	646,416
Interest	536,956	393,408	35,724	5,625	39,224	22,873	13,806	2,990	298	4,235
Miscellaneous	100,862	14,978	52,291	51,965	32,317	65,186	74,512	37,732	52,046	20,198
Total revenue	<u>9,160,903</u>	<u>8,709,769</u>	<u>7,723,007</u>	<u>7,485,178</u>	<u>6,731,440</u>	<u>6,014,779</u>	<u>5,602,675</u>	<u>5,848,671</u>	<u>5,317,211</u>	<u>4,495,410</u>
Expenditures:										
General government support	2,793,336	2,829,027	2,435,824	2,439,338	1,822,982	1,548,137	1,604,588	1,644,059	1,799,171	1,627,106
Public safety	3,993,917	3,340,533	3,446,599	3,133,360	2,923,014	2,647,662	2,678,722	2,534,702	2,447,476	2,459,087
Physical environment	948,591	711,527	305,478	290,736	336,910	370,322	545,645	486,685	468,153	444,829
Human services	-	-	-	-	-	-	30,949	24,478	21,766	19,877
Culture and recreation	117,379	155,730	270,194	137,051	133,066	304,258	-	-	-	-
Debt service:										
Principal	76,251	74,240	72,283	30,806	164,863	153,949	153,062	251,006	180,203	167,514
Interest	2,065	4,075	6,033	973	11,189	13,699	18,333	24,253	37,182	46,090
Capital outlay	750,583	299,780	168,540	1,249,680	404,643	393,695	919,217	287,581	256,755	248,757
Total expenditures	<u>8,682,122</u>	<u>7,414,912</u>	<u>6,704,951</u>	<u>7,281,944</u>	<u>5,796,667</u>	<u>5,431,722</u>	<u>5,950,516</u>	<u>5,252,764</u>	<u>5,210,706</u>	<u>5,013,260</u>
Excess (deficiency) of revenue over expenditures	<u>478,781</u>	<u>1,294,857</u>	<u>1,018,056</u>	<u>203,234</u>	<u>934,773</u>	<u>583,057</u>	<u>(347,841)</u>	<u>595,907</u>	<u>106,505</u>	<u>(517,850)</u>
Other financing sources (uses):										
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	7,629	-
Proceeds from installment purchase debt obligations	-	-	-	222,774	-	-	-	-	-	-
Proceeds from issuance of refunding bonds	-	-	-	-	-	-	-	-	518,104	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(500,000)	-
Bond issuance costs	-	-	-	-	-	-	-	-	(16,323)	-
Transfers out, net	551,198	615,170	589,870	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>551,198</u>	<u>615,170</u>	<u>589,870</u>	<u>222,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,410</u>	<u>-</u>
Change in fund balances	1,029,979	1,910,027	1,607,926	426,008	934,773	583,057	(347,841)	595,907	115,915	(517,850)
Fund balances at beginning of year	<u>8,836,914</u>	<u>6,926,887</u>	<u>5,318,961</u>	<u>4,892,953</u>	<u>3,958,180</u>	<u>3,375,123</u>	<u>3,722,964</u>	<u>3,127,057</u>	<u>3,011,142</u>	<u>3,528,992</u>
Fund balances at end of year	<u>\$ 9,866,893</u>	<u>8,836,914</u>	<u>6,926,887</u>	<u>5,318,961</u>	<u>4,892,953</u>	<u>3,958,180</u>	<u>3,375,123</u>	<u>3,722,964</u>	<u>3,127,057</u>	<u>3,011,142</u>
Debt service as a percentage of noncapital expenditures	1.0%	1.1%	1.2%	0.5%	3.3%	3.3%	3.4%	5.5%	4.4%	4.5%

CITY OF PORT RICHEY, FLORIDA
 Program Revenue by Function/Program
 Last Ten Fiscal Years

Function/Programs	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:										
Charges for services:										
General government support	\$ 447,834	445,992	435,199	303,379	52,907	42,588	421,766	411,295	423,924	420,757
Public safety	1,356,657	1,955,196	2,132,270	2,006,769	1,616,566	1,525,806	1,054,378	1,158,287	1,183,927	646,416
Protective inspectors	-	-	-	-	67,443	78,261	198,115	515,071	156,660	168,093
Total charges for services	<u>1,804,491</u>	<u>2,401,188</u>	<u>2,567,469</u>	<u>2,310,148</u>	<u>1,736,916</u>	<u>1,646,655</u>	<u>1,674,259</u>	<u>2,084,653</u>	<u>1,764,511</u>	<u>1,235,266</u>
Operating grants and contributions:										
General government support	813,013	321,175	-	-	-	-	-	-	-	-
Physical environment	-	-	-	-	79,712	190,407	34,466	39,104	-	-
Culture and recreation	-	-	-	-	-	23,351	-	-	-	-
Total operating grants and contributions	<u>813,013</u>	<u>321,175</u>	<u>-</u>	<u>-</u>	<u>79,712</u>	<u>213,758</u>	<u>34,466</u>	<u>39,104</u>	<u>-</u>	<u>-</u>
Capital grants and contributions:										
Public safety	-	-	-	-	-	38,608	-	-	-	19,313
Physical environment	-	-	-	-	138,789	-	-	-	-	-
Public works	-	-	-	-	-	-	24,200	-	-	-
Total grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,789</u>	<u>38,608</u>	<u>24,200</u>	<u>-</u>	<u>-</u>	<u>19,313</u>
Total governmental activities	<u>2,617,504</u>	<u>2,722,363</u>	<u>2,567,469</u>	<u>2,310,148</u>	<u>1,955,417</u>	<u>1,899,021</u>	<u>1,732,925</u>	<u>2,123,757</u>	<u>1,764,511</u>	<u>1,254,579</u>
Business-type activities:										
Charges for services:										
Water and sewer	4,367,081	3,906,478	3,954,346	3,738,007	3,293,113	3,402,942	3,449,932	3,476,326	3,254,263	3,092,095
Stormwater utility	388,892	278,270	130,206	129,450	126,999	125,237	125,301	123,279	121,098	119,878
Total grants and contributions	<u>4,755,973</u>	<u>4,184,748</u>	<u>4,084,552</u>	<u>3,867,457</u>	<u>3,420,112</u>	<u>3,528,179</u>	<u>3,575,233</u>	<u>3,599,605</u>	<u>3,375,361</u>	<u>3,211,973</u>
Capital grants and contributions - water and sewer	-	-	-	-	-	-	-	-	-	125,112
Total business-type activities	<u>4,755,973</u>	<u>4,184,748</u>	<u>4,084,552</u>	<u>3,867,457</u>	<u>3,420,112</u>	<u>3,528,179</u>	<u>3,575,233</u>	<u>3,599,605</u>	<u>3,375,361</u>	<u>3,337,085</u>
Total primary government revenue	<u>\$ 7,373,477</u>	<u>6,907,111</u>	<u>6,652,021</u>	<u>6,177,605</u>	<u>5,375,529</u>	<u>5,427,200</u>	<u>5,308,158</u>	<u>5,723,362</u>	<u>5,139,872</u>	<u>4,591,664</u>

CITY OF PORT RICHEY, FLORIDA
 Tax Revenue by Source - General Fund
 Last Ten Fiscal Years

Fiscal Year Ended <u>September 30,</u>	<u>Ad Valorem</u>	Franchise <u>Fees</u>	Utility <u>Tax</u>	Communications <u>Service Tax</u>	<u>Total</u>
2024	\$2,557,259	391,034	542,128	230,428	3,720,849
2023	2,280,887	407,398	564,834	195,383	3,448,502
2022	2,085,247	390,331	526,777	166,260	3,168,615
2021	2,058,009	346,399	489,936	184,990	3,079,334
2020	1,684,832	341,645	478,239	185,126	2,689,842
2019	1,600,120	346,772	457,661	169,352	2,573,905
2018	1,477,808	317,873	417,278	176,472	2,389,431
2017	1,453,167	294,965	392,946	181,964	2,323,042
2016	1,397,320	302,133	392,298	145,681	2,237,432
2015	1,303,568	304,574	364,249	137,442	2,109,833

CITY OF PORT RICHEY, FLORIDA
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

<u>Fiscal Year Ended September 30,</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Less Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2024	\$ 477,023,803	28,980,777	506,004,580	59,563,733	446,440,847	6.5300
2023	434,360,766	27,546,135	461,906,901	57,825,920	404,080,981	6.3500
2022	398,520,148	27,161,011	425,681,159	54,330,888	371,350,271	6.4000
2021	290,396,358	21,514,209	311,910,567	50,857,585	261,052,982	6.7847
2020	277,893,769	21,086,917	298,980,686	49,795,835	249,184,851	5.7847
2019	262,993,747	18,468,436	281,462,183	41,220,723	240,241,460	5.8293
2018	287,379,650	23,027,158	310,406,808	38,874,327	271,532,481	5.7518
2017	283,212,534	24,394,607	307,607,141	39,029,794	268,577,347	5.7557
2016	275,218,903	23,705,191	298,924,094	42,716,242	256,207,852	5.7666
2015	267,225,271	23,015,775	290,241,046	46,402,689	243,838,357	5.4348

Note:

The detailed breakdown of the assessed value of real residential property, commercial property, government property, institutional property, and other real property was not available.

Source:

Pasco County Property Appraiser

CITY OF PORT RICHEY, FLORIDA
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

Fiscal Year	City	Pasco County					Pasco County School Board					Other Taxing Districts				Total
		Operating	Library Bond	Parks Bond	Municipal County-Operating	Total County-Operating	School Board Operating	Capital Outlay	School Bond	West Pasco Bond	Total School Board	SW Fla. Wtr. Management District	Florida Coastal River Basin	Mosquito Control	Total Other	
2024	6.5300	7.6076	0.0107	0.0231	2.3000	9.9414	4.9490	1.5000	0.0000	0.0000	6.4490	0.2043	0.0000	0.2545	0.4588	23.3792
2023	6.3500	7.6076	0.0123	0.0229	1.8036	9.4464	4.0160	1.5000	0.0000	0.0000	5.5160	0.2260	0.0000	0.2545	0.4805	21.7929
2022	6.4000	7.6076	0.0180	0.0134	1.8036	9.4426	4.3100	1.5000	0.0000	0.0000	5.8100	0.2535	0.0000	0.2545	0.5080	22.1606
2021	6.7847	7.6076	0.0161	0.0155	1.8036	9.4428	4.4220	1.5000	0.0000	0.0000	5.9220	0.2669	0.0000	0.2545	0.5214	22.6709
2020	5.7847	7.6076	0.0096	0.0100	1.8036	9.4308	4.6010	1.5000	0.0000	0.0000	6.1010	0.2801	0.0000	0.2646	0.5447	21.8612
2019	5.8293	7.6076	0.0000	0.0000	1.8036	9.4112	4.7790	1.5000	0.0000	0.0000	6.2790	0.2955	0.0000	0.2034	0.4989	22.0184
2018	5.7518	7.6076	0.0000	0.0000	1.8036	9.4112	5.0650	1.5000	0.0000	0.0000	6.5650	0.3131	0.0000	0.2154	0.5285	22.2565
2017	5.7557	7.6076	0.0000	0.0000	1.8036	9.4112	5.2770	1.5000	0.0000	0.0000	6.7770	0.3317	0.0000	0.2254	0.5571	22.5010
2016	5.7666	7.3441	0.0000	0.0000	1.7165	9.0606	5.6490	1.5000	0.0000	0.0000	7.1490	0.3658	0.0000	0.2400	0.6058	22.5820
2015	5.4348	7.3441	0.0000	0.0000	1.7165	9.0606	5.7857	1.5000	0.0000	0.0000	7.2857	0.3818	0.0000	0.1620	0.5438	22.3249

Source:

Pasco County Property Appraiser

CITY OF PORT RICHEY, FLORIDA
Principal Property Tax Payors
Last Ten Fiscal Years

	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Avila Bay 110 LLC	\$ 19,044,161	1	4.27%	11,118,274	1	4.56%
Wal-Mart Stores	11,031,071	2	2.47%	6,668,943	2	2.73%
Port Richey Automotive	9,088,736	3	2.04%	5,800,989	3	2.38%
NHC-FL 133 LLC	8,902,750	4	1.99%	3,096,446	4	1.27%
Cappo Management XXV Inc.	6,735,280	5	1.51%	-		0.00%
Duke Energy Florida	5,959,490	6	1.33%	-		0.00%
New Florida Team Corp	3,762,563	7	0.84%	-		0.00%
KI-BMS Port Richey	2,616,219	9	0.59%	-		0.00%
Abigail Court LTD	3,245,032	8	0.73%	-		0.00%
Widell Wayne and Trust Widell Wayne	2,596,561	10	0.58%	-		0.00%
Pine Hill Warehouse Center INC	2,558,470	11	0.57%	-		0.00%
Haverty Furniture Companies Inc.	2,313,294	12	0.52%	-		0.00%
Felt Leroy & Meri	2,293,175	13	0.51%	-		0.00%
Imperial Industrial Park	2,140,401	14	0.48%	-		0.00%
Vacca Billy A & Santarsiero Anthony	2,136,128	15	0.48%	-		0.00%
Singh Lakhbir & Mumtaz	2,031,622	16	0.46%	2,485,506	5	1.02%
Washington Professional Center LLC	2,019,176	17	0.45%	1,669,256	6	0.68%
WAWA	1,968,593	18	0.44%	-		0.00%
Total Principal Taxpayers	90,442,722		20.26%	30,839,414		12.64%
All Other Taxpayers	355,998,125		79.74%	212,998,943		87.36%
Total	\$ 446,440,847		100.00%	243,838,357		100.00%

CITY OF PORT RICHEY, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended <u>September 30,</u>	Taxes Levies for the <u>Fiscal Year</u>	Collected Within the <u>First Year of the Levy</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>
2024	\$2,503,471	2,439,742	97.45%
2023	2,321,486	2,280,887	98.25%
2022	2,136,821	2,085,246	97.59%
2021	2,062,286	2,058,009	99.79%
2020	1,724,049	1,684,832	97.73%
2019	1,640,728	1,600,120	97.53%
2018	1,503,535	1,477,808	98.29%
2017	1,478,641	1,453,167	98.28%
2016	1,438,891	1,397,320	97.11%
2015	1,325,624	1,303,568	98.34%

Note:

Subsequent year collections are minimal, therefore only total tax collected within the fiscal year is presented.

Source:

Pasco County Property Appraiser

CITY OF PORT RICHEY, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds Series 2000C	Revenue Bonds Series 2016	Revenue Note Series 2010	Installment Purchase Agreements	Business-type Activities			Total	Percentage of Personal Income	Per Capita
					Revenue Bonds Series 2005D	Revenue Bonds Series 2016	Installment Purchase Agreements			
2024	-	-	-	-	-	1,645,000	361,775	2,006,775	N/A	552
2023	-	-	-	-	-	1,775,000	453,274	2,228,274	N/A	772
2022	-	-	-	76,251	-	1,895,000	382,229	2,353,480	N/A	772
2021	-	-	-	150,491	-	2,010,000	-	2,160,491	N/A	775
2020	-	-	-	30,806	-	2,125,000	-	2,155,806	N/A	761
2019	-	135,000	-	60,669	-	2,235,000	-	2,430,669	N/A	872
2018	-	260,000	-	89,618	-	2,345,000	-	2,694,618	N/A	936
2017	-	385,000	-	117,680	-	2,445,000	-	2,947,680	N/A	1,104
2016	-	505,000	86,341	162,345	-	2,550,000	-	3,303,686	N/A	1,241
2015	615,000	-	107,143	206,746	2,615,000	-	-	3,543,889	N/A	1,284

Note:

N/A - Information not available.

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

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

CITY OF PORT RICHEY, FLORIDA
Direct and Overlapping Governmental Activities Debt
September 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt - Pasco County School Board (1)	\$ 661,017,159	0.94%	621,356,129
City Direct Governmental Activities Debt	2,006,775	100.00%	<u>2,006,775</u>
Total Direct and Overlapping Debt			<u>\$ 623,362,904</u>

Note:

(1) The City's share is calculated based on the ratio of the 2024 City Taxable Value of \$446,440,847 to the County's Taxable Value of \$47,590,378,965.

Source:

Pasco County School Board ACFR

CITY OF PORT RICHEY, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (3)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2024	3,637	45,435	49.4	88,536	3.80%
2023	3,132	41,726	49.1	81,157	3.50%
2022	3,250	36,765	48.1	81,930	2.80%
2021	3,185	38,333	52.3	75,018	3.50%
2020	2,831	36,441	52.1	76,214	3.50%
2019	2,788	39,375	52.6	74,324	3.80%
2018	2,879	38,911	44.6	73,063	7.00%
2017	2,669	46,010	44.7	71,554	8.20%
2016	2,663	36,187	44.1	69,611	5.20%
2015	2,761	33,953	44.1	68,116	5.80%

Sources:

- (1) U.S. Bureau of Census Estimate and the University of Florida
- (2) Florida Statistical Abstract
- (3) Pasco County Schools CAFR
- (4) Source: <https://fred.stlouisfed.org/series/FLPASC5URN>

CITY OF PORT RICHEY, FLORIDA
Principal Employers
Last Ten Fiscal Years

<u>Employer</u>	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Wal-Mart Stores	260	1	340	1
Seaway Plastics Engineering Inc.	138	2	138	2
Whiskey Joe's	74	3	0	9
Hooters Restaurant	69	4	93	3
City of Port Richey	68	5	78	4
Ocean Honda	82	6	75	5
Red Lobster	56	7	0	10
Catches	51	8	50	6
The Cottages of Port Richey	53	9	49	7
U.S. Post Office	<u>15</u>	10	<u>15</u>	8
Total	<u>866</u>		<u>838</u>	

CITY OF PORT RICHEY, FLORIDA
 Other Supplementary Information
 Full-time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>Full-Time Equivalent Employees as of September 30</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Government:										
Legislative	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Financial administration	3.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
City clerk/administration	4.0	5.0	6.0	5.0	3.0	3.5	4.0	3.0	3.0	4.0
IT	1.0	1.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0	2.0
Fire	10.0	10.0	10.0	7.0	7.0	7.0	6.0	7.0	7.0	7.0
Police	20.0	21.0	21.0	21.0	21.0	21.0	17.0	20.0	19.0	20.0
Public works:										
Parks/horticulture	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Administration building	5.0	5.0	5.0	5.0	4.0	6.0	7.0	7.0	5.0	5.0
Water/sewer	12.0	11.0	10.0	10.0	9.0	7.0	9.0	9.0	8.0	8.0
Administration building	3.0	3.0	3.0	3.0	3.0	2.5	2.0	3.0	3.0	3.0
Building permits/licenses:										
Administration	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	1.5	1.5
Inspectors	1.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Code enforcement	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.5</u>	<u>1.5</u>	<u>1.0</u>	<u>1.0</u>
Total	<u>68.0</u>	<u>68.0</u>	<u>67.5</u>	<u>63.5</u>	<u>58.0</u>	<u>58.0</u>	<u>58.5</u>	<u>62.5</u>	<u>57.5</u>	<u>61.5</u>

CITY OF PORT RICHEY, FLORIDA
 Other Supplementary Information
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Fire - Fire Department responses	1,540	1,689	1,783	1,269	1,035	1,055	1,024	910	1,011	879
Water:										
Average daily consumption (thousand of gallons)	0.900	0.812	0.812	0.714	0.701	0.701	0.700	0.700	0.700	0.800
Residential customer accounts	2,725	2,203	2,224	2,196	2,128	2,293	2,046	1,887	1,914	2,016
Commercial customer accounts	425	375	380	372	362	394	238	367	358	377
Sewer - number of lift stations	44	44	44	44	44	44	56	54	54	48
Police:										
Number of criminal infractions	193	628	241	219	211	840	N/A	N/A	N/A	660
Traffic violations	1,069	1,229	1,382	1,424	1,437	1,957	N/A	N/A	N/A	1,047

N/A - This information is not available.

CITY OF PORT RICHEY, FLORIDA
Other Supplementary Information
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Fire - Stations	1	1	1	1	1	1	1	1	1	1
Public works - streets (miles)	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96
Recreation - parks (acres)	18.78	18.78	18.78	18.78	18.78	18.78	18.78	18.78	18.78	18.78
Water main (miles)	46	46	46	46	46	46	46	46	46	46
Wastewater - sanitary sewers (miles)	30	30	30	30	30	30	30	30	30	30

Note:

The Police Department is housed in City Hall.

OTHER REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

The Honorable Mayor and
Members of the City Council
City of Port Richey, Florida:

We have audited the financial statements at the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Richey, Florida (the City), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated January 26, 2026.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountants' Reports 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 these reports and schedule, which are dated January 26, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. See below for the status of the prior year recommendations:

Recommendation #2023-001 - During our 2023 audit we noted that management tracked all capital asset additions, disposals and depreciation expense. However, journal entries were not posted to reflect these changes in the capital asset balances and, as a result, adjusting audit journal entries needed to be recorded. We recommended that capital asset additions, disposal and depreciation expense be recorded by management as the transactions occur. In 2024, management has recorded these transactions. This recommendation has been implemented.

Recommendation #2023-002 - In 2023, there were water and sewer receivables that were over 10 years old. While those items have been accounted for through an allowance for doubtful accounts contra asset account, we recommended that management consider examining and writing off these older items. In 2024, we noted that water and sewer receivable balances over 120 days old decreased by approximately 20% and the number of accounts with balances over 120 days old decreased by approximately 42%. This recommendation has been implemented.

Recommendation #2023-003 - In 2023, as part of our review of the cash disbursement process, we noted that purchase orders were not a required procedure. We recommended that the City use purchase orders to improve its internal control structure over cash disbursements. In 2024, we noted that the City was using purchase orders. This recommendation has been resolved.

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.

Financial Management

Section 10.554(i)(2), Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. We recommend the following:

Recommendation #2024-001 - Bank Reconciliations - We noted that the bank reconciliation did not agree to the trial balance and audit adjusting journal entries were required to match the bank reconciliation to the trial balance. Failure to perform accurate bank reconciliations can result in inaccurate financial statements and monthly reports leading to potential misstatements in the City's financial reports, increasing the risk of undetected fraudulent activities, misleading information on available cash balances, and noncompliance with accounting standards and regulatory requirements. We recommend that management compare monthly bank reconciliations to the trail balance to ensure that they agree. Any differences should be examined and properly addressed.

Recommendation #2024-002 - Accounts Payable - We noted that accounts payable schedules did not agree to the trail balance and audit adjusting journal entries were required to fix this. Failure to maintain proper accounts payable schedules can result in financial statement errors, cash flow issues, and can expose the City to poor decision making. Without knowledge of which vendors have outstanding balances due to, it becomes more likely that the City will not have funds earmarked for cash disbursements. We recommend that management compare accounts payable schedules to the trail balance monthly. Any differences should be examined and properly addressed.

Recommendation #2024-003 - Budget Monitoring - We noted that budgeted expenditures were significantly larger than actual expenditures for the community redevelopment fund. Budgeted amounts should be amounts expected to be appropriated in the ensuing fiscal year. Additionally, had the budget been fully utilized, the community redevelopment fund would have very little fund balance left. We recommend that management develop budgetary amounts that more closely approximate actual activity.

Additional Matters

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

Purpose of this Letter

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

EFPR Group, CPAs, PLLC

Jupiter, Florida
January 26, 2026

INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Mayor and
Members of the City Council
City of Port Richey, Florida:

We have examined compliance with the requirements of Section 163.387(6) and 163.387(7), Florida Statutes, Redevelopment Trust Fund of the City of Port Richey, Florida (the City), for the year ended September 30, 2024. The City's management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

In our opinion, the City complied, with the State of Florida Statutes 163.387(6) and 163.387(7) for the year ended September 30, 2024.

EFPR Group, CPAs, PLLC

Jupiter, Florida
January 26, 2026

INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Mayor and
Members of the City Council
City of Port Richey, Florida:

We have examined compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies of the City of Port Richey, Florida (the City), for the year ended September 30, 2024. The City's 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 the specified requirements, in all material respects. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of compliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the City complied, with the State of Florida Statute 218.415 for the year ended September 30, 2024.

EFPR Group, CPAs, PLLC

Jupiter, Florida
January 26, 2026

CITY OF PORT RICHEY, FLORIDA
Single Audit and
Independent Auditor's Report
September 30, 2024

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

The Honorable Mayor and Members of the City Council
City of Port Richey, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Port Richey, Florida (the City), as of and for the year ended September 30, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 26, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we considered to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2024-002.

The City's Response to the Findings

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

Purpose of This Report

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

EFPR Group, CPAs, PLLC

Jupiter, Florida
January 26, 2026

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The Honorable Mayor and Members of the City Council
City of Port Richey, Florida:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Port Richey, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended September 30, 2024. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-004. Our opinion on the major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as identified above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended September 30, 2024 and the related notes to financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 26, 2026, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

EFPR Group, CPAs, PLLC

Jupiter, Florida
January 26, 2026

CITY OF PORT RICHEY, FLORIDA
Schedule of Expenditures of Federal Awards
Year ended September 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of the Treasury (COVID-19) - Coronavirus State and Local Fiscal Recovery Funds - Direct Recipient	21.027	N/A	\$ 605,849	-
U.S. Department of Homeland Security - Assistance to Firefighters Grant - Direct Recipient	97.044	N/A	<u>199,964</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 805,813</u>	<u>-</u>

See notes to schedule of expenditures of federal awards.

CITY OF PORT RICHEY, FLORIDA
Notes to Schedule of Expenditures of Federal Awards
September 30, 2024

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the Federal award activity of the City of Port Richey, Florida (the City) under programs of the Federal government for the year ended September 30, 2024. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where applicable.

(3) Indirect Cost

Indirect costs are included in the reported expenditures to the extent that such costs are included in the Federal financial reports used as the source for the data presented. The de minimis election allows the City to allocate 10% of indirect costs to grants with periods ending on or before September 30, 2024 and 15% of indirect costs to grants with periods after September 30, 2024. The City does not use the de minimis election.

CITY OF PORT RICHEY, FLORIDA
 Schedule of Findings and Questioned Costs
 Year ended September 30, 2024

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

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

Internal control over financial reporting:

- 1. Material weakness(es) identified? Yes No
- 2. Significant deficiency(ies) identified? Yes None reported
- 3. Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal control over major programs:

- 4. Material weakness(es) identified? Yes No
- 5. Significant deficiency(ies) identified? Yes None reported

Type of auditors' report issued on compliance for the major program: Unmodified

- 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance): Yes No

7. The City's major program audited was:

Name of Federal Program

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing
Number

21.027

- 8. Dollar threshold used to distinguish between Type A and Type B programs. \$750,000

- 9. Auditee qualified as low-risk auditee? Yes No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

See findings 2024-001 and 2024-002 on page 10.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

See findings 2024-003 and 2024-004 on page 11.

CITY OF PORT RICHEY, FLORIDA
Schedule of Findings and Questioned Costs, Continued

Part II - FINANCIAL STATEMENT FINDINGS SECTION

(2024-001) Significant Audit Adjusting Journal Entries

Criteria - Management is responsible for maintaining accounting records that are accurate and supported by documentation.

Condition - The accounting records did not have proper supporting documentation for various balance sheet accounts.

Cause - The City did not reconcile the year-end asset and liability accounts.

Effect of Condition - There were significant adjusting journal entries which were proposed and accepted by management to correct the financial reporting of the City.

Recommendation - We recommend that significant asset and liability accounts be reconciled at year-end and ensure that the accounts have proper supporting documentation.

View's of Responsible Officials and Planned Corrective Actions - See corrective action plan on pages 13 - 14.

(2024-002) Financial Statement Submission

Criteria - The City did not timely submit its financial statements for the year ended September 30, 2024 within the required 9-month timeframe.

Condition - Florida Statute 218.32(d) requires auditees to submit a copy of the audit report and annual financial report within 45 days after completion of the audit report but no later than 9 months after the end of the fiscal year.

Cause - Significant audit adjusting journal entries were required to fairly present the financial statements.

Effect of Condition - The City was not in compliance with the above requirements.

Recommendation - We recommend that significant asset and liability accounts be reconciled at year-end and ensure that the accounts have proper supporting documentation.

View's of Responsible Officials and Planned Corrective Actions - See corrective action plan on pages 13 - 14.

CITY OF PORT RICHEY, FLORIDA
Schedule of Findings and Questioned Costs, Continued

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

(2024-003) Federal Data Collection Form Submission

Criteria - The City did not submit the Federal Data Collection Form to the Federal Audit Clearinghouse for the fiscal year ended September 30, 2024, within the required 9-month timeframe.

Condition - Title 2, Part 200 Section 200.512 requires auditees to submit the audit, the data collection form, and the reporting package within the earlier of 30 calendar days after the auditee receives the auditors' report, or 9-months after the end of the audit period.

Cause - Significant audit adjusting journal entries were required to fairly present the financial statements.

Effect of Condition - The City was not in compliance with the above requirements.

Statistical Sampling - The sample was not intended to be, and was not, a statistically valid sample.

Recommendation - We recommend that significant asset and liability accounts be reconciled at year-end and ensure that the accounts have proper supporting documentation.

View's of Responsible Officials and Planned Corrective Actions - See correction action plan on pages 13 - 14.

(2024-004) Annual Report Timely Submission

Federal Agency - United States Department of Treasury (the Treasury)

Federal Program - Coronavirus State and Local Fiscal Recovery Funds - (21.027)

Federal Award Year - 2021

State Agency - Not applicable

Criteria - American Rescue Plan Act (ARPA) annual reports are due to the Treasury by the end of April each year. Each annual report covers the previous period of April through March.

Condition - The annual report for the period of April 1, 2024 through March 31, 2025 was due to the Treasury by the end of April 2025 but was not submitted until May 2025.

Cause - The City did not compile information timely.

Effect of Condition - The annual report was not submitted by the deadline.

Statistical Sampling - The sample was not intended to be, and was not, a statistically valid sample.

Recommendation - The City should start compiling the information for the ARPA report immediately following the end of March.

View's of Responsible Officials and Planned Corrective Actions - See correction action plan on pages 13 - 14.

CITY OF PORT RICHEY, FLORIDA
Status of Prior Year Audit Findings
Year ended September 30, 2024

There were no audit findings in the prior year financial statements (September 30, 2023).

CITY OF PORT RICHEY, FLORIDA

Corrective Action Plan

Year ended September 30, 2024

Name of Auditee: City of Port Richey, Florida

Name of Audit Firm: EFPR Group, CPAs, PLLC

Period Covered by the Audit: Year ended September 30, 2024

CAP Prepared by: Adam Thompson, Finance Director

Phone: (727) 835-1268

(1) Audit Finding 2024-001 - The City had significant audit adjustments to its accounting records.

(a) Implementation Plan of Actions - The City will reconcile significant asset and liability accounts at year-end and ensure there is supporting documentation.

(b) Implementation Date - This will be implemented for the year ended September 30, 2026.

(c) Persons Responsible for Implementation - The Finance Director and the City Council.

(2) Audit Finding 2024-002 - The City did not submit its financial statements timely.

(a) Implementation Plan of Actions - The City will reconcile significant asset and liability accounts at year-end and ensure there is supporting documentation.

(b) Implementation Date - This will be implemented for the year ended September 30, 2026.

(c) Persons Responsible for Implementation - The Finance Director and the City Council.

(3) Audit Finding 2024-003 - The City did not timely submit the Federal Data Collection Form to the appropriate authorities timely.

(a) Implementation Plan of Actions - The City will reconcile significant asset and liability accounts at year-end and ensure there is supporting documentation.

(b) Implementation Date - This will be implemented for the year ended September 30, 2026.

(c) Persons Responsible for Implementation - The Finance Director and the City Council.

CITY OF PORT RICHEY, FLORIDA
Corrective Action Plan, Continued

- (3) Audit Finding 2024-004 - The City did not submit its ARPA annual report timely.
- (a) Implementation Plan of Actions - Management will start compiling information required to complete this report immediately after March.
 - (b) Implementation Date - This will be implemented for the year ended September 30, 2026.
 - (c) Persons Responsible for Implementation - The Finance Director and the City Council.