

2021

City of Dade City

Financial Statements and
Independent Auditor's Report

September 30, 2021

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**CITY OF DADE CITY
DADE CITY, FLORIDA**

SEPTEMBER 30, 2021

TABLE OF CONTENTS

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund - Budget and Actual.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Community Redevelopment Agency - Budget and Actual	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Local Government Infrastructure Surtax - Budget and Actual	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Water and Sewer Impact Fee Fund - Budget and Actual	19
Statement of Net Position - Proprietary Funds	20-21
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	22
Statement of Cash Flows - Proprietary Funds	23-24
Statement of Net Position - Fiduciary Funds - Pension Trust Funds	25
Statement of Changes in Net Position - Fiduciary Funds - Pension Trust Funds.....	26
Notes to Basic Financial Statements	27-60

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**CITY OF DADE CITY
DADE CITY, FLORIDA**

SEPTEMBER 30, 2021

TABLE OF CONTENTS

Required Supplementary Information

Schedule of Net Changes in the City's Total OPEB Liability and Related Ratios.....	61
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Firefighters' Pension Plan.....	62
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Police Officers' Pension Plan.....	63
Schedule of Contributions - Firefighters' Pension Plan	64
Schedule of Contributions - Police Officers' Pension Plan	65
Schedule of Investment Returns - Firefighters' Pension Plan	66
Schedule of Investment Returns - Police Officers' Pension Plan.....	67
Schedule of the City's Proportionate Share of the Net Pension Liability - FRS and Schedule of the City's Contributions - FRS	68
Schedule of the City's Proportionate Share of the Net Pension Liability - HIS and Schedule of the City's Contributions - HIS.....	69

Combining and Individual Fund Statements and Schedules

Combining Balance Sheet – Non-Major Governmental Funds.....	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	71

Compliance Section

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	72-73
Independent Auditor's Report on Compliance for Each Major Federal Program, and on Internal Control over Compliance Required by the Uniform Guidance.....	74-75
Schedule of Expenditures of Federal Awards.....	76
Schedule of Findings and Questioned Costs - Federal Award Programs.....	77
Prior Year Financial Statement Findings.....	78
Corrective Action Plan for Financial Statement Findings	79
Management Letter Required by Chapter 10.550, <i>Rules of the Auditor General</i>	80-81
Management Letter Comments	82-83
Management Response Letter	84-85
Independent Accountant's Report	86
Impact Fee Affidavit.....	87

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dade City, Florida (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Dade City, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

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, 2021, and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund, Community Redevelopment Agency, Local Government Infrastructure Surtax, and Water and Sewer Impact Fee Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the required schedules for the Police Officers' Pension Trust; the Firefighters' Pension Trust Fund; the Florida Retirement System Pension Funds, and the schedule of changes in the City's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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


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

INDEPENDENT AUDITOR'S REPORT

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



June 17, 2022
Ocala, Florida

**CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

This section provides a discussion and analysis of the financial activities for the City of Dade City, Florida (the City) for the period of October 1, 2020 through September 30, 2021. Please read this information in conjunction with the audited financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows, resulting in a net position of \$57.37 million. Of this amount, \$8.45 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- Governmental activities had program revenues of \$1,962,720, general revenues of \$7,182,939, and net transfers of \$438,550. Total expenses were \$6,471,119.
- Business-type activities had program revenues of \$5,478,431, general revenues of (\$53,485), and net transfers of (\$438,550). Total expenses were \$3,890,341.
- The County-wide one-cent infrastructure surtax generated revenues of \$1,364,632, an increase of \$201,022 from the previous year.
- The Morningside Drive extension project from Fort King Highway to US 301, including a route study and pond siting analysis provided by Pasco County, began in the prior year and continued in the current year, with \$218,916 of design costs incurred for the fiscal year ending September 30, 2021.
- During fiscal year 2021, the City incurred costs totaling \$1,981,417 to construct a new water facility with three wells, elevated tank, and water treatment system at the Tank Hill and Well Booster Station.

USING THIS REPORT

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

The financial statements consist of four parts:

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

**CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

STATEMENT OF NET POSITION

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

Net position may serve over time as a useful indicator of a government's financial position and condition. Assets and deferred outflows exceeded liabilities and deferred inflows by \$57,365,632 at September 30, 2021, compared to \$53,156,457 on September 30, 2020, an increase of \$4,209,145. An increase in restricted net position accounts for \$2,976,249, or 71%, of the overall increase.

Net investment in capital assets, such as buildings, equipment, and infrastructure, make up 68%, or \$39.35 million, of total net position. An additional \$9.56 million, or 17%, of net position is legally restricted for certain purposes and uses. The balance of \$8.45 million, or 15%, in net position is unrestricted and available to meet the City's ongoing obligations.

	Governmental Activities		Business-Type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 14,562,697	\$ 8,679,303	\$ 10,299,067	\$ 9,213,184	\$ 24,861,764	\$ 17,892,487
Capital assets	20,897,775	20,592,860	28,443,516	26,781,379	49,341,291	47,374,239
Total Assets	35,460,472	29,272,163	38,742,583	35,994,563	74,203,055	65,266,726
Deferred Outflow of Resources	205,226	642,025	3,967	3,594	209,193	645,619
Liabilities:						
Current and other liabilities	2,572,281	457,173	1,395,976	1,117,485	3,968,257	1,574,658
Net pension liability and OPEB	447,794	1,966,057	51,816	23,961	499,610	1,990,018
Long-term liabilities	624,460	348,151	9,264,920	7,918,928	9,889,380	8,267,079
Total Liabilities	3,644,535	2,771,381	10,712,712	9,060,374	14,357,247	11,831,755
Deferred Inflow of Resources	2,689,399	924,133	-	-	2,689,399	924,133
Net Position:						
Net investment in capital assets	20,646,740	20,592,860	18,754,903	18,571,170	39,401,643	39,164,030
Restricted	6,716,402	4,861,451	2,846,522	1,725,254	9,562,924	6,586,705
Unrestricted	1,968,622	764,363	6,432,413	6,641,359	8,401,035	7,405,722
Total Net Position	\$ 29,331,764	\$ 26,218,674	\$ 28,033,838	\$ 26,937,783	\$ 57,365,602	\$ 53,156,457

CONDENSED STATEMENT OF ACTIVITIES

The total primary government had an increase of \$4,209,145 in net position as a result of activities during the fiscal year. Governmental activities had an operating surplus of \$2,674,540, while net transfers increased net position by an additional \$438,550. Compared to the previous year, charges for services increased about 15% for the total primary government. Grant revenues decreased from \$1,541,747 to \$957,977, or 38%, due to the timing of capital projects. Program expenses for the total primary government increased by \$260,038, or 2.6%. Business-type activities had an increase in net position of \$1,096,055, which is net of a \$438,550 transfer out to governmental activities.

**CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

	Governmental Activities		Business-Type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
REVENUE						
Program Revenue:						
Charges for services	\$ 1,787,318	\$ 1,515,908	\$ 4,695,856	\$ 4,132,181	\$ 6,483,174	\$ 5,648,089
Operating grants	-	2,772	-	-	-	2,772
Capital grants	175,402	1,538,975	782,575	-	957,977	1,538,975
General Revenue:						
Property taxes	2,225,320	2,061,921	-	-	2,225,320	2,061,921
Other taxes and fees	4,358,830	3,664,582	-	-	4,358,830	3,664,582
Intergovernmental revenues	581,010	265,465	-	-	581,010	265,465
Other revenues	17,779	545,996	(53,485)	243,067	(35,706)	789,063
Total Revenues	9,145,659	9,595,619	5,424,946	4,375,248	14,570,605	13,970,867
EXPENSES						
Program Expenses:						
General government	2,162,783	1,819,283	-	-	2,162,783	1,819,283
Public safety	2,624,427	2,775,243	-	-	2,624,427	2,775,243
Physical environment	169,015	108,300	3,890,341	3,712,994	4,059,356	3,821,294
Transportation	1,077,922	1,296,112	-	-	1,077,922	1,296,112
Culture and recreation	436,972	389,490	-	-	436,972	389,490
Total Expenses	6,471,119	6,388,428	3,890,341	3,712,994	10,361,460	10,101,422
Excess deficiency before transfers	2,674,540	3,207,191	1,534,605	662,254	4,209,145	3,869,445
Net transfers	438,550	244,150	(438,550)	(244,150)	-	-
Gain on sale of fixed assets	-	-	-	-	-	-
Change in net position	3,113,090	3,451,341	1,096,055	418,104	4,209,145	3,869,445
Net Position - October 1, 2019		22,767,333		26,519,679		49,287,012
Net Position - September 30, 2020		26,218,674		26,937,783		\$ 53,156,457
Net Position - October 1, 2020	26,218,674		26,937,783		53,156,457	
Net Position - September 30, 2021	\$ 29,331,764		\$ 28,033,838		\$ 57,365,602	

FUND ACTIVITY

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

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

**CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

GENERAL FUND BUDGET VARIATIONS

	Original 2021	Final 2021	Actual 2021	Actual 2020
	Budget	Budget	Results	Results
REVENUE				
Taxes and special assessments	\$ 3,278,990	\$ 3,405,490	\$ 4,097,116	\$ 3,426,349
License and permits	45,000	45,000	33,586	34,498
Intergovernmental revenues	1,598,500	1,817,900	1,697,483	983,973
Charges for services	190,350	190,350	77,909	63,448
Fines and forfeitures	30,500	30,500	43,937	33,441
Miscellaneous revenue	190,650	209,650	58,793	126,833
Pension contributions - State	-	-	51,322	31,092
Transfers in	1,138,750	1,196,750	777,879	1,039,735
Total Revenues and Transfers In	6,472,740	6,895,640	6,838,025	5,739,369
EXPENSES				
Current:				
General government	1,778,555	1,891,555	1,797,081	1,584,052
Public safety	3,118,450	3,428,350	3,472,453	3,159,149
Transportation	539,565	539,565	516,616	512,617
Culture and recreation	369,470	369,470	370,333	314,682
Capital outlay	570,000	570,000	406,868	862,464
Transfers out	96,700	96,700	97,632	295,077
Total Expenses	6,472,740	6,895,640	6,660,983	6,728,041
Increase (Decrease) in Cash Reserves	\$ -	\$ -	\$ 177,042	\$ (988,672)

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

- Actual taxes and special assessment revenues exceeded the total budgeted amount by \$691,626, as the economy strengthened during fiscal year 2021, and applicable tax revenues on underlying transactions outperformed expectations. For example, actual half cent sales tax revenues were \$523,824 compared to \$454,000 budgeted in fiscal year 2021.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

CAPITAL ASSETS

The City lists capital assets totaling \$49.34 million. Most of those assets (\$28.4 million) are in the utility system improvements and infrastructure. Amounts in the following table are shown net of accumulated depreciation, where applicable.

**CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,027,797	\$ 2,027,797	\$ 117,862	\$ 117,862	\$ 2,145,659	\$ 2,145,659
Buildings	5,875,933	5,853,542	5,498,879	5,680,750	11,374,812	11,534,292
Improvements	8,623,673	8,501,870	15,737,471	16,079,710	24,361,144	24,581,580
Construction in progress	338,872	154,723	2,646,616	279,117	2,985,488	433,840
Equipment	1,394,719	1,418,147	4,442,688	4,623,940	5,837,407	6,042,087
Infrastructure	2,636,781	2,636,781	-	-	2,636,781	2,636,781
Totals	\$ 20,897,775	\$ 20,592,860	\$ 28,443,516	\$ 26,781,379	\$ 49,341,291	\$ 47,374,239

LONG-TERM DEBT ACTIVITY

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Notes payable	\$ -	\$ -	\$ 5,042,500	\$ 4,206,116	\$ 5,042,500	\$ 4,206,116
Revenue bonds	-	-	3,929,068	4,004,093	3,929,068	4,004,093
Vehicle Financing	147,110	-	218,061	-	365,171	-
Totals	\$ 147,110	\$ -	\$ 9,189,629	\$ 8,210,209	\$ 9,336,739	\$ 8,210,209

POTENTIAL IMPACTS ON FUTURE FINANCIAL CONDITION

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

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

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

**CITY OF DADE CITY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

The City shall receive funds in two tranches, with the first tranche paid in fiscal year 2021 in the amount of \$1,837,632. The second tranche is to be paid no earlier than 12 months after the date on which the City received its first payment. Funds must be fully obligated for expenditure by December 31, 2024, and will be used to replace revenue lost as a result of the negative economic impacts of COVID-19. No funds have been expended as of September 30, 2021.

REQUESTS FOR ADDITIONAL INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 11,183,775	\$ 2,934,900	\$ 14,118,675
Cash with Fiscal Agent	-	239,734	239,734
Restricted Cash	-	3,012,319	3,012,319
Investments	1,366,889	2,733,765	4,100,654
Receivables, Net	134,121	526,382	660,503
Internal Balances	(303,598)	303,598	-
Due from Other Governments	488,245	404,901	893,146
Prepays	50	-	50
Inventories	56,932	143,468	200,400
Net Pension Asset	1,636,283	-	1,636,283
Capital Assets Not Being Depreciated:			
Land	2,027,797	117,862	2,145,659
Infrastructure	2,636,781	-	2,636,781
Construction in Progress	338,872	2,646,616	2,985,488
Capital Assets, Net of Accumulated Depreciation:	15,894,325	25,679,038	41,573,363
Total Capital Assets	<u>20,897,775</u>	<u>28,443,516</u>	<u>49,341,291</u>
Total Assets	<u>35,460,472</u>	<u>38,742,583</u>	<u>74,203,055</u>
Deferred Outflows of Resources			
OPEB Related Items	13,746	3,967	17,713
Pension Related Items	191,480	-	191,480
Total Deferred Outflows of Resources	<u>205,226</u>	<u>3,967</u>	<u>209,193</u>
Total Assets and Deferred Outflows of Resources	<u>35,665,698</u>	<u>38,746,550</u>	<u>74,412,248</u>
Liabilities			
Accounts Payable and Accrued Expenses	520,647	695,871	1,216,518
Due to Other Governments	180,701	-	180,701
Deposits	33,301	700,105	733,406
Unearned Revenues	1,837,632	-	1,837,632
Long-Term Liabilities:			
Due Within One Year	184,734	404,811	589,545
Due in More than One Year	439,726	8,860,109	9,299,835
Net Pension Liabilities	268,246	-	268,246
Net OPEB Liability	179,548	51,816	231,364
Total Liabilities	<u>3,644,535</u>	<u>10,712,712</u>	<u>14,357,247</u>
Deferred Inflows of Resources			
Pension Related Items	2,689,399	-	2,689,399
Total Deferred Inflows	<u>2,689,399</u>	<u>-</u>	<u>2,689,399</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,333,934</u>	<u>10,712,712</u>	<u>17,046,646</u>
Net Position			
Net Investment in Capital Assets	20,646,740	18,754,903	39,401,643
Restricted for:			
Other Purposes	6,716,402	2,846,522	9,562,924
Unrestricted	1,968,622	6,432,413	8,401,035
Total Net Position	<u>\$ 29,331,764</u>	<u>\$ 28,033,838</u>	<u>\$ 57,365,602</u>

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

**CITY OF DADE CITY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 2,162,783	\$ 43,012	\$ -	\$ -	\$ (2,119,771)	\$ -	\$ (2,119,771)
Public Safety	2,624,427	65,996	-	-	(2,558,431)	-	(2,558,431)
Physical Environment	169,015	1,225,680	-	-	1,056,665	-	1,056,665
Transportation	1,077,922	438,364	-	175,402	(464,156)	-	(464,156)
Culture and Recreation	436,972	14,266	-	-	(422,706)	-	(422,706)
Total Governmental Activities	6,471,119	1,787,318	-	175,402	(4,508,399)	-	(4,508,399)
Business-Type Activities:							
Sanitation	268,635	274,387	-	-	-	5,752	5,752
Building	207,725	579,087	-	-	-	371,362	371,362
Public Utility	3,413,981	3,842,382	-	782,575	-	1,210,976	1,210,976
Total Business-Type Activities	3,890,341	4,695,856	-	782,575	-	1,588,090	1,588,090
Total Primary Government	\$ 10,361,460	\$ 6,483,174	\$ -	\$ 957,977	(4,508,399)	1,588,090	(2,920,309)
General Revenues							
Taxes:							
					2,225,320	-	2,225,320
					381,873	-	381,873
					606,257	-	606,257
					227,952	-	227,952
					485,336	-	485,336
					1,364,632	-	1,364,632
					583,824	-	583,824
					708,956	-	708,956
					581,010	-	581,010
					17,779	(53,485)	(35,706)
					438,550	(438,550)	-
Total General Revenues and							
					7,621,489	(492,035)	7,129,454
Change in Net Position							
					3,113,090	1,096,055	4,209,145
Net Position, Beginning of Year							
					26,218,674	26,937,783	53,156,457
Net Position, End of Year							
					\$ 29,331,764	\$ 28,033,838	\$ 57,365,602

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

CITY OF DADE CITY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	Community Redevelopment Agency	Local Government Infrastructure SurTax	Water and Sewer Impact Fee Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash						
Equivalents	\$ 4,287,523	\$ 202,770	\$ 1,547,364	\$ 3,817,043	\$ 1,329,075	\$ 11,183,775
Investments	1,366,889	-	-	-	-	1,366,889
Accounts Receivable	133,194	-	-	-	927	134,121
Due from Other Funds	927	-	-	-	-	927
Due from Other						
Governments	400,023	-	88,222	-	-	488,245
Prepays	50	-	-	-	-	50
Inventory	56,932	-	-	-	-	56,932
Total Assets	6,245,538	202,770	1,635,586	3,817,043	1,330,002	13,230,939
Liabilities and Fund Balances						
Liabilities						
Accounts Payable and						
Accrued Expenses	309,561	9,817	200,007	-	1,262	520,647
Due to Other Funds	-	-	-	-	304,525	304,525
Due to Other Governments	180,701	-	-	-	-	180,701
Deposits	33,301	-	-	-	-	33,301
Unearned Revenues	1,837,632	-	-	-	-	1,837,632
Total Liabilities	2,361,195	9,817	200,007	-	305,787	2,876,806
Fund Balances						
Non-Spendable	56,982	-	-	-	-	56,982
Restricted for:						
Police Education	10,623	-	-	-	-	10,623
Forfeiture Fund	17,655	-	-	-	-	17,655
Special Revenue	1,789	192,953	1,435,579	3,817,043	1,240,760	6,688,124
Committed to:						
Reserve Policy	1,834,841	-	-	-	-	1,834,841
Tree Fund	11,360	-	-	-	-	11,360
Park and Recreation	13,899	-	-	-	-	13,899
Mausoleum Care	14,140	-	-	-	-	14,140
Market Place	1,519	-	-	-	-	1,519
Assigned to:						
Dog Park	4,628	-	-	-	-	4,628
Retirement Reserve	85,000	-	-	-	-	85,000
Wellness Reserve	740	-	-	-	-	740
Unassigned	1,831,167	-	-	-	(216,545)	1,614,622
Total Fund Balances	3,884,343	192,953	1,435,579	3,817,043	1,024,215	10,354,133
Total Liabilities, Deferred Inflows and Fund Balances	\$ 6,245,538	\$ 202,770	\$ 1,635,586	\$ 3,817,043	\$ 1,330,002	\$ 13,230,939

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

CITY OF DADE CITY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Total Fund Balance for Governmental Funds \$ 10,354,133

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The costs of the assets are \$29,033,692, and the accumulated depreciation is \$8,135,917. 20,897,775

Deferred inflows and outflows of resources related to pensions and OPEB are not recognized in the governmental funds; however, they are recorded in the statement of net position as follows:

Deferred Inflow of Resources:	
Pension Related	(2,689,399)
Deferred Outflow of Resources:	
OPEB Related	13,746
Pension Related	191,480

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

Note Payable	(147,110)
OPEB Liability	(179,548)
Net Pension Liability (Asset)	1,368,037
Landfill Post-Closure Costs	(27,960)
Compensated Absences	(449,390)
	(449,390)

Net Position of Governmental Activities \$ 29,331,764

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Community Redevelopment Agency	Local Government Infrastructure SurTax	Water and Sewer Impact Fee Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes, Impact Fees and Special Assessments	\$ 4,097,116	\$ 102,931	\$ 1,364,632	\$ 1,050,390	\$ 567,230	\$ 7,182,299
Licenses and Permits	33,586	-	-	-	-	33,586
Intergovernmental Revenue	1,547,125	-	-	-	330	1,547,455
Charges for Services	77,909	-	-	-	-	77,909
Fine and Forfeitures	43,937	-	-	-	-	43,937
Pension Contributions - State	150,358	-	-	-	-	150,358
Miscellaneous Revenue	110,115	-	-	-	-	110,115
Total Revenues	6,060,146	102,931	1,364,632	1,050,390	567,560	9,145,659
Expenditures						
Current:						
General Government	1,797,081	-	-	-	-	1,797,081
Public Safety	3,472,453	-	-	-	24,210	3,496,663
Physical Environment	-	67,382	59,970	5,470	-	132,822
Transportation	516,616	-	-	-	139,483	656,099
Culture and Recreation	370,333	-	-	-	-	370,333
Capital Outlay	406,868	-	838,010	-	7,466	1,252,344
Debt Service:						
Other Debt Costs	-	-	704	-	-	704
(Total Expenditures)	(6,563,351)	(67,382)	(898,684)	(5,470)	(171,159)	(7,706,046)
Excess (Deficiency) of Revenues of Over (Under) Expenditures	(503,205)	35,549	465,948	1,044,920	396,401	1,439,613
Other Financing						
Sources (Uses)						
Debt Proceeds	-	-	147,110	-	-	147,110
Transfers in	777,879	97,632	-	-	-	875,511
Transfers (out)	(97,632)	(75,000)	(200,000)	(35,000)	(29,329)	(436,961)
Total Other Financing Sources (Uses)	680,247	22,632	(52,890)	(35,000)	(29,329)	585,660
Net Change in Fund Balances	177,042	58,181	413,058	1,009,920	367,072	2,025,273
Fund Balances, Beginning of Year	3,707,301	134,772	1,022,521	2,807,123	657,143	8,328,860
Fund Balances, End of Year	\$ 3,884,343	\$ 192,953	\$ 1,435,579	\$ 3,817,043	\$ 1,024,215	\$ 10,354,133

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

**CITY OF DADE CITY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:**

Net Change in Fund Balances - Total Governmental Funds	\$ 2,025,273
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital asset additions recorded in the current year.	1,252,344
Depreciation expense on capital assets is reported in the government-wide Statement of Activities and Changes in Net Position, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(947,429)
Cash Pension and OPEB contributions and related deferred inflows and outflows changed as follows:	
Change in Deferred Inflows of Resources:	
Pension Related	(1,765,266)
Change in Outflows of Resources:	
OPEB Related	1,969
Pension Related	(438,768)
Proceeds from issuance of installment purchase debt is an other funding sources in the governmental funds, but it increases long term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	(147,110)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The amounts comprising the difference in the treatment of expenses are:	
Increase in Compensated Absences	(22,469)
Decrease in Net Pension Liabilities	3,144,881
Decrease in OPEB Liabilities	9,665
Change in Net Position of Governmental Activities	\$ 3,113,090

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes and Special Assessments	\$ 3,278,990	\$ 3,405,490	\$ 4,097,116	\$ 691,626
Licenses and Permits	45,000	45,000	33,586	(11,414)
Intergovernmental Revenue	1,598,500	1,817,900	1,547,125	(270,775)
Charges for Services	190,350	190,350	77,909	(112,441)
Fine and Forfeitures	30,500	30,500	43,937	13,437
Pension Contributions - State	-	-	150,358	150,358
Miscellaneous Revenue	190,650	209,650	110,115	(99,535)
Total Revenues	<u>5,333,990</u>	<u>5,698,890</u>	<u>6,060,146</u>	<u>361,256</u>
Expenditures				
Current:				
General Government	1,778,555	1,891,555	1,797,081	94,474
Public Safety	3,118,450	3,428,350	3,472,453	(44,103)
Transportation	539,565	539,565	516,616	22,949
Culture and Recreation	369,470	369,470	370,333	(863)
Capital Outlay	570,000	570,000	406,868	163,132
(Total Expenditures)	<u>(6,376,040)</u>	<u>(6,798,940)</u>	<u>(6,563,351)</u>	<u>235,589</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,042,050)</u>	<u>(1,100,050)</u>	<u>(503,205)</u>	<u>596,845</u>
Other Financing Sources				
Transfers in	1,138,750	1,196,750	777,879	(418,871)
Transfers (out)	(96,700)	(96,700)	(97,632)	(932)
Total Other Financing Sources	<u>1,042,050</u>	<u>1,100,050</u>	<u>680,247</u>	<u>(419,803)</u>
Net Change in Fund Balances	-	-	177,042	177,042
Fund Balances, Beginning of Year	<u>4,527,183</u>	<u>4,327,738</u>	<u>3,707,301</u>	<u>(620,437)</u>
Fund Balances, End of Year	<u>\$ 4,527,183</u>	<u>\$ 4,327,738</u>	<u>\$ 3,884,343</u>	<u>\$ (443,395)</u>

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - COMMUNITY REDEVELOPMENT AGENCY
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes and Special Assessment	\$ 101,960	\$ 101,960	\$ 102,931	\$ 971
Total Revenues	<u>101,960</u>	<u>101,960</u>	<u>102,931</u>	<u>971</u>
Expenditures				
Current:				
Physical Environment	87,225	87,225	67,383	19,842
Capital Outlay	130,000	130,000	-	130,000
(Total Expenditures)	<u>(217,225)</u>	<u>(217,225)</u>	<u>(67,383)</u>	<u>149,842</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(115,265)</u>	<u>(115,265)</u>	<u>35,548</u>	<u>150,813</u>
Other Financing Sources (Uses)				
Transfers in	96,700	96,700	97,632	932
Transfers (out)	(75,000)	(75,000)	(75,000)	-
Total Other Financing Sources (Uses)	<u>21,700</u>	<u>21,700</u>	<u>22,632</u>	<u>932</u>
Net Change in Fund Balances	(93,565)	(93,565)	58,180	151,745
Fund Balances, Beginning of Year	<u>134,772</u>	<u>134,773</u>	<u>134,773</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 41,207</u>	<u>\$ 41,208</u>	<u>\$ 192,953</u>	<u>\$ 151,745</u>

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - LOCAL GOVERNMENT INFRASTRUCTURE SURTAX
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes and Special Assessment	\$ 1,811,500	\$ 1,811,500	\$ 1,364,632	\$ (446,868)
Total Revenues	<u>1,811,500</u>	<u>1,811,500</u>	<u>1,364,632</u>	<u>(446,868)</u>
Expenditures				
Current:				
Physical Environment	-	-	59,970	(59,970)
Capital Outlay	1,611,500	1,611,500	838,010	773,490
Debt Service:				
Other Debt Service Costs	-	-	704	(704)
(Total Expenditures)	<u>(1,611,500)</u>	<u>(1,611,500)</u>	<u>(898,684)</u>	<u>712,816</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>200,000</u>	<u>200,000</u>	<u>465,948</u>	<u>265,948</u>
Other Financing Sources (Uses)				
Debt Proceeds	-	-	147,110	147,110
Transfers in	-	-	-	-
Transfers (out)	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(52,890)</u>	<u>147,110</u>
Net Change in Fund Balances	-	-	413,058	413,058
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>1,022,521</u>	<u>1,022,521</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,435,579</u>	<u>\$ 1,435,579</u>

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - WATER AND SEWER IMPACT FEE FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes and Special Assessment	\$ -	\$ 40,500	\$ 1,050,390	\$ 1,009,890
Total Revenues	<u>-</u>	<u>40,500</u>	<u>1,050,390</u>	<u>1,009,890</u>
Expenditures				
Current:				
Physical Environment	-	40,500	5,470	35,030
(Total Expenditures)	<u>-</u>	<u>(40,500)</u>	<u>(5,470)</u>	<u>35,030</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>1,044,920</u>	<u>1,044,920</u>
Other Financing Sources (Uses)				
Transfers (out)	-	-	(35,000)	(35,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>1,009,920</u>	<u>1,009,920</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>2,807,123</u>	<u>2,807,123</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,817,043</u>	<u>\$ 3,817,043</u>

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

**CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	Business-Type Activities			
	Public Utility Fund	Sanitation Fund	Building Fund	Totals
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 1,768,134	\$ 568,810	\$ 597,956	\$ 2,934,900
Cash with Fiscal Agent	239,734	-	-	239,734
Investments	2,733,765	-	-	2,733,765
Accounts Receivable, Net	516,056	10,326	-	526,382
Due from Other Governments	404,901	-	-	404,901
Due from other funds	303,598	-	-	303,598
Inventory	143,468	-	-	143,468
Total Current Assets	6,109,656	579,136	597,956	7,286,748
Restricted Assets:				
Cash and Cash Equivalents	3,012,319	-	-	3,012,319
Total Restricted Assets	3,012,319	-	-	3,012,319
Non-Current Assets:				
Capital Assets:				
Land	117,862	-	-	117,862
Buildings	9,131,773	-	-	9,131,773
Improvements Other than Buildings	23,095,388	-	-	23,095,388
Machinery Equipment and Vehicles	9,941,285	-	31,629	9,972,914
Construction in Process	2,646,616	-	-	2,646,616
Less Accumulated Depreciation	(16,511,653)	-	(9,384)	(16,521,037)
Total Non-Current Assets	28,421,271	-	22,245	28,443,516
Total Assets	37,543,246	579,136	620,201	38,742,583
Deferred Outflows of Resources				
Other Postemployment Benefit Related Items	3,350	-	617	3,967
Total Deferred Outflows of Resources	3,350	-	617	3,967
Total Assets and Deferred Outflows	\$ 37,546,596	\$ 579,136	\$ 620,818	\$ 38,746,550

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities			
	Public Utility Fund	Sanitation Fund	Building Fund	Totals
Liabilities and Net Position				
Current Liabilities (Payable from Current Assets):				
Accounts Payable	\$ 618,051	\$ 24,836	\$ 809	\$ 643,696
Accrued Salary Related Expenses	28,557	-	6,628	35,185
Interest Payable	16,990	-	-	16,990
Compensated Absences, Current Portion	10,878	-	7,945	18,823
Lease, Current Portion	43,612	-	-	43,612
Notes Payable, Current Portion	264,551	-	-	264,551
Revenue Bonds Payable, Current Portion	77,825	-	-	77,825
Total Current Liabilities	1,060,464	24,836	15,382	1,100,682
Long-Term Liabilities:				
Payable from Restricted Assets - Customer	700,105	-	-	700,105
Compensated Absences	32,633	-	23,835	56,468
Net OPEB Liability	43,757	-	8,059	51,816
Lease Purchase	174,449	-	-	174,449
Notes Payable	4,777,949	-	-	4,777,949
Revenue Refunding Bonds	3,851,243	-	-	3,851,243
Total Long-Term Liabilities	9,580,136	-	31,894	9,612,030
Total Liabilities	10,640,600	24,836	47,276	10,712,712
Total Liabilities and Deferred Inflows of Resources	10,640,600	24,836	47,276	10,712,712
Net Position				
Net Investment in Capital Assets	18,732,658	-	22,245	18,754,903
Restricted for:				
Debt Service	2,295,225	-	-	2,295,225
Building Department	-	-	551,297	551,297
Unrestricted	5,878,113	554,300	-	6,432,413
Total Net Position	\$ 26,905,996	\$ 554,300	\$ 573,542	\$ 28,033,838

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities			Total
	Enterprise Funds			
	Public Utility Fund	Sanitation Fund	Building Fund	
Operating Revenues				
Charges for Services	\$ 3,842,382	\$ 274,387	\$ 579,087	\$ 4,695,856
Total Operating Revenues	<u>3,842,382</u>	<u>274,387</u>	<u>579,087</u>	<u>4,695,856</u>
Operating Expenses				
Personal Services	999,478	-	178,855	1,178,333
Contractual Services	-	268,335	-	268,335
General Operating	1,128,822	300	22,173	1,151,295
Depreciation	1,062,329	-	6,697	1,069,026
Total Operating Expenses	<u>(3,190,629)</u>	<u>(268,635)</u>	<u>(207,725)</u>	<u>(3,666,989)</u>
Operating Income	<u>651,753</u>	<u>5,752</u>	<u>371,362</u>	<u>1,028,867</u>
Non-Operating Revenues (Expenses)				
Capital Contribution - Grant Proceeds	782,575	-	-	782,575
Investment Earnings	(56,448)	-	-	(56,448)
Miscellaneous Revenue	2,963	-	-	2,963
Interest Expense	(223,352)	-	-	(223,352)
Total Non-Operating Revenues (Expenses)	<u>505,738</u>	<u>-</u>	<u>-</u>	<u>505,738</u>
Income Before Transfers	<u>1,157,491</u>	<u>5,752</u>	<u>371,362</u>	<u>1,534,605</u>
Transfers in	35,000	-	-	35,000
Transfers (out)	(394,150)	(33,900)	(45,500)	(473,550)
Total Transfers	<u>(359,150)</u>	<u>(33,900)</u>	<u>(45,500)</u>	<u>(438,550)</u>
Change in Net Position	798,341	(28,148)	325,862	1,096,055
Net Position, Beginning of Year	<u>26,107,655</u>	<u>582,448</u>	<u>247,680</u>	<u>26,937,783</u>
Net Position, End of Year	<u>\$ 26,905,996</u>	<u>\$ 554,300</u>	<u>\$ 573,542</u>	<u>\$ 28,033,838</u>

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

**CITY OF DADE CITY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	Business-Type Activities			Total
	Enterprise Funds			
	Public Utility Fund	Sanitation Fund	Building Fund	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 3,847,706	\$ 272,217	\$ 579,087	\$ 4,699,010
Cash Payments to Suppliers and Service Providers	(391,531)	(261,771)	(14,737)	(668,039)
Cash Payments to Employees for Salaries and Benefits	(966,999)	-	(167,391)	(1,134,390)
Net Cash Provided by (Used in) Operating Activities	<u>2,489,176</u>	<u>10,446</u>	<u>396,959</u>	<u>2,896,581</u>
Cash Flows from Non-Capital Financing Activities				
Transfers in from Other Funds	35,000	-	-	35,000
Transfers to Other Funds	(394,150)	(33,900)	(45,500)	(473,550)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(359,150)</u>	<u>(33,900)</u>	<u>(45,500)</u>	<u>(438,550)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(2,704,907)	-	(26,256)	(2,731,163)
Non-Operating Capital Grant Proceeds	377,674	-	-	377,674
Miscellaneous Revenue	2,963	-	-	2,963
Debt Proceeds	1,321,591	-	-	1,321,591
Principal Paid on Debt	(342,171)	-	-	(342,171)
Interest Paid on Debt	(228,832)	-	-	(228,832)
Net Cash Used for Capital and Related Financing Activities	<u>(1,573,682)</u>	<u>-</u>	<u>(26,256)</u>	<u>(1,599,938)</u>
Cash Flows from Investing Activities				
Proceeds from Sale of Investments	828,773	-	-	828,773
Interest on Investments	120,886	-	-	120,886
Net Cash Provided by (Used in) for Investing Activities	<u>949,659</u>	<u>-</u>	<u>-</u>	<u>949,659</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,506,003	(23,454)	325,203	1,807,752
Cash and Cash Equivalents, Beginning of Year	3,514,184	592,264	272,753	4,379,201
Cash and Cash Equivalents, End of Year	<u>\$ 5,020,187</u>	<u>\$ 568,810</u>	<u>\$ 597,956</u>	<u>\$ 6,186,953</u>
Cash and Cash Equivalents	\$ 1,768,134	\$ 568,810	\$ 597,956	\$ 2,934,900
Restricted Cash and Cash Equivalents	3,012,319	-	-	3,012,319
Cash with Fiscal Agent	239,734	-	-	239,734
Total	<u>\$ 5,020,187</u>	<u>\$ 568,810</u>	<u>\$ 597,956</u>	<u>\$ 6,186,953</u>

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

**CITY OF DADE CITY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	Business-Type Activities			
	Enterprise Funds			
	Public Utility Fund	Sanitation Fund	Building Fund	Total
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities				
Operating Income	\$ 651,753	\$ 5,752	\$ 371,362	\$ 1,028,867
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation Expense	1,062,329	-	6,697	1,069,026
(Increase) Decrease in Accounts Receivable	(77,393)	6,864	-	(70,529)
(Increase) Decrease in Due from Other Funds	220,000	-	-	220,000
(Increase) Decrease in Deferred Outflows	244	-	-	244
(Increase) Decrease in Inventory	(19,774)	-	-	(19,774)
Increase (Decrease) in Customer Deposits	82,717	-	-	82,717
Increase (Decrease) in Accounts Payable and Accrued Expenses	537,065	(2,170)	7,436	542,331
Increase (Decrease) in Compensated Absences	12,439	-	4,022	16,461
Increase (Decrease) in OPEB Liability	19,796	-	7,442	27,238
Total Adjustments	1,837,423	4,694	25,597	1,867,714
Net Cash Provided by (Used in) Operating Activities	\$ 2,489,176	\$ 10,446	\$ 396,959	\$ 2,896,581

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

**CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS - PENSION TRUST FUNDS
SEPTEMBER 30, 2021**

	Total
Assets	
Cash and Cash Equivalents	\$ 961,955
Investments	19,544,651
Interest and Dividends Receivable	376
Total Assets	20,506,982
 Liabilities	
Accounts Payable	15,177
Total Liabilities	15,177
 Net Position - Held in Trust for Pension Benefits	\$ 20,491,805

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

**CITY OF DADE CITY, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS - PENSION TRUST FUNDS
SEPTEMBER 30, 2021**

	Total
Additions	
Contributions:	
Employer	\$ 662,301
Insurance Premium Tax - State	150,359
Employee	20,889
Total Contributions	833,549
Net Investment Earnings	3,002,053
Total Additions	3,835,602
 Deductions	
Benefits Paid	699,543
Administrative Expenses	156,939
Total Deductions	856,482
 Change in Net Position	 2,979,120
 Net Position - Beginning of Year	 <u>17,512,685</u>
 Net Position - End of Year	 <u><u>\$ 20,491,805</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Note 1 - Description and Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

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

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

Government-Wide Financial Statements

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

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

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

Basis of Presentation

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

Fund Financial Statements

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

The following are reported as major governmental funds:

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

The following are reported as major enterprise funds:

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

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

The City also reports the following funds:

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

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

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

Budgetary Information

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

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

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

Encumbrances

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

Cash and Cash Equivalents

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

Investments

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Interest incurred during the construction phase of capital assets in business-type activities is included as part of the capitalized value of the assets constructed.

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

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

Net Position Flow Assumption

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

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

Fund Balance Flow Assumptions

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

Governmental Fund Balances

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

- Minimum balances for restricted reserve funds will be 100% of the unexpended balance of the restricted reserve funds.
- Minimum balances for limited reserve funds will be 25% of the original budget of a fund for the current fiscal year. If an authorized use causes limited reserve funds to fall below the minimum balance, the amount below the minimum should be repaid, within one calendar year of its use, unless specific funding for that use has not been received within that time.
- Minimum balances for assigned reserve funds will be the amount currently assigned for each specific purpose.
- The cost basis will be used to determine minimum balance requirements for reserve funds that have been invested.

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

- *Restricted Fund Balance*—This classification reflects the constraints imposed on resources either: (a) externally by creditors, grantors, contributors, by laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance*—These amounts can be used only for specific purposes determined by a formal action of City Commissioners, the City's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Commissioners.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

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

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

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

The Stormwater fund (a non-major governmental fund) has negative fund balance of \$216,545 as of September 30, 2021.

Compensated Absences

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

Long-Term Obligations

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

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

Property Taxes

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Due from Other Governments

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

Deferred Outflows/Inflows of Resources

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

Government-Wide and Proprietary Fund Net Position

As of September 30, 2021, net position is classified as follows:

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

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

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

On-Behalf Payments for Fringe Benefits

The City receives on-behalf payments from the State of Florida to be used for Police Officers’ and Firefighters’ Retirement Plan Contributions. On-behalf payments to the City totaled \$150,359 for the year ended September 30, 2021.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Note 2 - Deposits and Investments

<u>Type</u>	<u>Fair Value</u>	<u>Interest Risk WAM</u>	<u>Level</u>	<u>Credit Ratings</u>
Cash and Cash Equivalents - Non-Pension:				
Cash Deposit	\$ 17,369,683	N/A	N/A	N/A
Petty Cash	1,045	N/A	N/A	N/A
Total Cash and Cash Equivalents	<u>\$ 17,370,728</u>			
Investments - Non-Pension:				
Corporate Backed Securities	\$ 17,682	13.41 Years	1	NR
Government Backed Securities	4,082,972	21.43 Years	1	NR
Total Investments	<u>\$ 4,100,654</u>			
Pension Cash and Investments:				
Cash Deposits	\$ 961,955	N/A	N/A	N/A
Investments:				
Equity Mutual Funds	13,224,157	0.01-4.04 Years	1	N/A
Fixed Income Mutual Funds	6,320,494	0.01-4.04 Years	1	N/A
Total Investments	<u>19,544,651</u>			
Total Pension Cash and Investments	<u>20,506,606</u>			
Total	<u>\$ 41,977,988</u>			
Entity-Wide Cash Deposits	\$ 14,118,675			
Entity-Wide Non-Pension Investments	4,100,654			
Entity-Wide Restricted Cash	3,012,319			
Cash with Fiscal Agent	239,734			
Pension Cash	961,955			
Pension Investments	19,544,651			
Total	<u>\$ 41,977,988</u>			

Fair Value Hierarchy

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Custodial Credit Risk—Cash Deposits

At September 30, 2021, the City's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. Authorized investments per the City's policy are: local government surplus trust fund, or any intergovernmental investment pool authorized pursuant to the *Florida Inter-Local Cooperation Act*, SEC registered money market funds with highest credit quality ratings from a national recognized rating agency, interest bearing time deposits or savings accounts in qualified public depositories, direct obligations of the United States Treasury, Federal agencies and instrumentalities, securities of, or other interest in, any open-end or closed-end management type investment company or investment trust registered under the *Investment Company Act of 1940*, as amended, and overnight repurchase agreements that are collateralized by approved investments - maintaining liquidity.

Interest Rate Risk

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

Credit Risk

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

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Inter-Local Cooperation Act*, as provided in the Florida Statute 163.01.
- Securities and Exchange Commission-registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Savings accounts in state-certified qualified public depositories, as defined in Florida Statute 280.02.
- Certificates of deposit in state-certified qualified public depositories, as defined in Florida Statute 280.02.
- Direct obligations of the U.S. Treasury.
- Federal agencies and instrumentalities.
- Other investments authorized by a written policy adopted under Florida Statute 218.415.

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

- Time or savings accounts of a national bank, a state bank insured by the Bank Insurance fund, or a savings, building, and loan association insured by the Savings Association Insurance fund, which is administered by the Federal Deposit Insurance Corporation (FDIC), or state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance fund.
- Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

- Bonds issued by the State of Israel.
- Bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided:
 - The Corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and, in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service.
 - The Board of Trustees shall not invest more than 5% of its assets in the common stock or capital stock of any one issuing corporation, nor shall the aggregate investment in any one issuing corporation exceed 5% of the outstanding capital stock of that corporation, or the aggregate of its investments under this subparagraph at cost 50% of the assets of the fund.

Foreign Currency Risk

The City does not have a formal investment policy that limits its investment in foreign currency. The City has no investments which are exposed to foreign currency risk at September 30, 2021.

Note 3 - Interfund Transactions and Due to/Due From

Interfund Transfers

Individual interfund transfers were as follows:

	<u>Transfers in</u>	<u>Transfers (out)</u>
General Fund	\$ 777,879	\$ 97,632
Non-Major Governmental Funds	-	29,329
Community Redevelopment District	97,632	75,000
Local Government Infrastructure Surtax	-	200,000
Impact Fee Funds	-	35,000
Business-Type Activities:		
Public Utility	35,000	394,150
Sanitation	-	33,900
Building	-	45,500
Total Transfers in/(out)	<u>\$ 910,511</u>	<u>\$ 910,511</u>

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

Due to/Due From

Individual due to/due from were as follows:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 927	\$ -
Non-Major Governmental Funds	303,598	927
Business-Type Activities:		
Public Utility	-	303,598
Total Due To/Due From	<u>\$ 304,525</u>	<u>\$ 304,525</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

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

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Ending Balance</u>
Governmental-Type Activities					
Capital Assets					
Not Being Depreciated:					
Land	\$ 2,027,797	\$ -	\$ -	\$ -	\$ 2,027,797
Construction in Process	154,723	243,822	-	(59,673)	338,872
Infrastructure	2,636,781	-	-	-	2,636,781
Total Capital Assets, Not Depreciated	4,819,301	243,822	-	(59,673)	5,003,450
Capital Assets					
Being Depreciated:					
Buildings	7,955,793	268,242	-	-	8,224,035
Infrastructure	10,474,410	361,641	-	59,673	10,895,724
Machinery and Equipment	4,631,958	378,639	(100,114)	-	4,910,483
Total Capital Assets, Depreciated	23,062,161	1,008,522	(100,114)	59,673	24,030,242
Less Accumulated Depreciation for:					
Buildings	(2,102,251)	(245,851)	-	-	(2,348,102)
Infrastructure	(1,972,540)	(299,511)	-	-	(2,272,051)
Machinery and Equipment	(3,213,811)	(402,067)	100,114	-	(3,515,764)
Total Accumulated Depreciation	(7,288,602)	(947,429)	100,114	-	(8,135,917)
Total Capital Assets, Depreciated	15,773,559	61,093	-	-	15,894,325
Total Governmental-Type Activities, Capital Assets, Net	\$ 20,592,860	\$ 304,915	\$ -	\$ -	\$ 20,897,775
Business-Type Activities					
Capital Assets					
Not Being Depreciated:					
Land	\$ 117,862	\$ -	\$ -	\$ -	\$ 117,862
Construction in Process	279,117	2,367,499	-	-	2,646,616
Total Capital Assets, Not Depreciated	396,979	2,367,499	-	-	2,764,478
Capital Assets					
Being Depreciated:					
Buildings	9,131,773	-	-	-	9,131,773
Infrastructure	23,083,900	11,488	-	-	23,095,388
Machinery and Equipment	9,622,284	352,176	(1,546)	-	9,972,914
Total Capital Assets, Depreciated	41,837,957	363,664	(1,546)	-	42,200,075
Less Accumulated Depreciation for:					
Buildings	(3,451,023)	(181,871)	-	-	(3,632,894)
Infrastructure	(7,004,190)	(353,727)	-	-	(7,357,917)
Machinery and Equipment	(4,998,344)	(533,428)	1,546	-	(5,530,226)
Total Accumulated Depreciation	(15,453,557)	(1,069,026)	1,546	-	(16,521,037)
Total Capital Assets, Depreciated	26,384,400	(705,362)	-	-	25,679,038
Total Business-Type Activities, Capital Assets	\$ 26,781,379	\$ 1,662,137	\$ -	\$ -	\$ 28,443,516

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Depreciation expense was charged to functions as follows:

Governmental Activities		
General Government		\$ 370,784
Public Safety		47,004
Transportation		420,721
Culture and Recreation		72,949
Community Redevelopment Agency - Physical Environment		35,971
Total Depreciation Expense Governmental Activities		\$ 947,429
Business-Type Activities		
Physical Environment		\$ 1,069,026
Total Depreciation Expense Business-Type Activities		\$ 1,069,026

Note 5 - Pledged Revenues

The City has pledged certain revenues to repay certain bond, notes, and capital leases outstanding as of September 30, 2021. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue, which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2021:

<u>Type</u>	<u>Revenue Pledged</u>	<u>Revenues (Net)</u>	<u>Principal and Interest Paid</u>	<u>Estimated Revenue Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
Business-Type Activities	Net Utility System					
Revenue Bonds - 2003 - Utility System	Revenues - plus Franchise Fees (1)	\$ 2,449,523	\$ 70,713	3%	\$ 1,476,471	2042
State Revolving Funds - DW510400 - Utility System	Net Utility System Revenues (2)	1,413,403	14,359	1%	136,412	2031
State Revolving Funds - WW67005P - Utility System	Net Utility System Revenues (2)	1,399,044	40,715	3%	325,719	2029
State Revolving Funds - WW67006P - Utility System	Net Utility System Revenues (2)	1,358,329	18,341	1%	165,064	2030
Revenue Bonds - 2013 - Utility System	Net Utility System Revenues - plus Franchise Fees (2)	1,699,139	161,751	10%	5,168,018	2052
State Revolving Funds - DW510420 - Utility System	Net Utility System Revenues (2)	1,178,238	243,774	21%	3,657,997	2030
State Revolving Funds - DW510411 - Utility System	Net Utility System Revenues (2)	934,464	12,990	1%	98,558	2030
State Revolving Funds - DW510412 - Utility System	Net Utility System Revenues (2)	921,474	-	0%	1,199,588	2040

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Note 6 - Long-Term Liabilities

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

Type	Balance Beginning	Additions	Deletions	Ending Balance	Due Within One Year
Governmental-Type Activities					
Landfill Closure/Post-Closure	\$ 27,960	\$ -	\$ -	\$ 27,960	\$ -
Note Payable - Clam Truck					
- Direct Borrowing	-	147,110	-	147,110	72,386
Compensated Absences	426,921	22,469	-	449,390	112,348
Total	<u>\$ 454,881</u>	<u>\$ 169,579</u>	<u>\$ -</u>	<u>\$ 624,460</u>	<u>\$ 184,734</u>
Business-Type Activities					
Lease - Vactor Truck					
- Direct Borrowing	\$ -	\$ 271,319	\$ 53,258	\$ 218,061	\$ 43,612
Notes Payable - Direct Placement	4,206,116	1,103,530	267,146	5,042,500	264,551
Bonds Payable - Direct Placement	4,004,093	-	75,025	3,929,068	77,825
Compensated Absences	58,831	16,460	-	75,291	18,823
Total	<u>\$ 8,269,040</u>	<u>\$ 1,391,309</u>	<u>\$ 395,429</u>	<u>\$ 9,264,920</u>	<u>\$ 404,811</u>

Business-Type Activities

The following is a schedule of debt outstanding at September 30, 2021:

	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rates
State Revolving Funds -				
Direct Placement	Utility System		\$ 5,042,500	
Series 2003 - Direct Placement	Utility System		944,400	
Series 2013 - Direct Placement	Utility System		2,984,668	
Total Business-Type Activities			<u>\$ 8,971,568</u>	

Year Ending September 30,	Business-Type Activities			Governmental-Type Activities		
	Direct Placements			Direct Placements		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2022	\$ 342,376	\$ 213,365	\$ 555,741	\$ 72,386	\$ 3,709	\$ 76,095
2023	408,830	217,048	625,878	74,724	1,321	76,045
2024	417,691	208,883	626,574	-	-	-
2025	425,705	200,477	626,182	-	-	-
2026	434,876	191,862	626,738	-	-	-
2027-2031	2,201,333	823,244	3,024,577	-	-	-
2032-2036	2,163,154	603,308	2,766,462	-	-	-
2037-2041	979,337	401,255	1,380,592	-	-	-
2042-2046	620,122	250,704	870,826	-	-	-
2047-2051	674,043	134,709	808,752	-	-	-
2052-2056	304,101	11,404	315,505	-	-	-
Totals	<u>\$ 8,971,568</u>	<u>\$ 3,256,259</u>	<u>\$ 12,227,827</u>	<u>\$ 147,110</u>	<u>\$ 5,030</u>	<u>\$ 152,140</u>

The City's business-type activities incurred interest costs of \$223,352, all of which were charged to operations.

The City's governmental activities issued a bank note at the end of fiscal year 2021 in order to finance the purchase of a clam truck. No interest costs were incurred in fiscal year 2021.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Note 7 - Lease Obligations

Lease

The City has entered into a lease agreement for financing the acquisition of a vehicle.

Assets	Business-Type Activities
Vactor Impact Truck	\$ 271,319
(Accumulated Depreciation)	(1,884)
Total	<u>\$ 269,435</u>

Future minimum lease payments under terms of the lease are as follows:

Year Ending	Direct Borrowings Business-Type Activities
2022	\$ 58,926
2023	58,926
2024	58,926
2025	<u>58,926</u>
Total Minimum Lease Payments	235,704
(Less Amount Representing Interest)	<u>(17,643)</u>
Present Value of Minimum Lease Payments	<u>\$ 218,061</u>

Note 8 - State of Florida Retirement System

City employees hired prior to January 1, 1996, except for participants in the separate firefighters' and police officers' pension funds (see Note 9), participate in the State of Florida Retirement System (the System), a multiple-employer public employee retirement system. However, as discussed in Note 10, the City has elected to opt out of the System beginning with employees hired after January 1, 1996. The payroll for employees covered by the System for the year ended September 30, 2021, was \$248,634; the City's total payroll was \$3,855,838.

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

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

Contribution rates are established statewide for all participating governmental units by acts of the state legislature. These acts provide that if the accumulated funds are insufficient to pay the benefits due, future contributions to the plan will be adjusted upward accordingly. From October 1, 2020 to June 30,

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

2021, the City contributed 10.00% and from July 1, 2021 to September 30, 2021, the City contributed 10.82% of covered salaries. Employees are required to contribute 3% of their salary. The total contribution for the year ended September 30, 2021, and the preceding three years is as follows:

<u>Years Ending September 30,</u>	<u>Total Contribution</u>
2019	\$ 19,829
2020	21,212
2021	25,315

The System's comprehensive annual financial report may be obtained from the State of Florida, Department of Management Services, and Division of Retirement.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2021, the City reported a net pension liability of \$40,322 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportionate share of the net pension liability was based on projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the City's proportionate share was .00053379889%, which was a decrease of .00003923112 from its proportionate share.

Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources—On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflow Funds</u>	<u>Deferred Inflow Funds</u>
Differences Between Expected and Actual Experience	\$ 6,911	\$ -
Change in Assumptions	27,591	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	140,675
Changes in Proportion and Differences Between		
City Contributions and Proportionate Share of		
Contributions	10,615	17,019
City Contributions Subsequent to Measurement Date	<u>6,139</u>	<u>-</u>
Total	<u>\$ 51,256</u>	<u>\$ 157,694</u>

The Deferred Outflows of Resources related to pensions totaling \$6,139 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Year	Total Inflows/Outflows
2022	\$ (25,802)
2023	(24,398)
2024	(29,033)
2025	(35,079)
2026	1,735
Total	\$ (112,577)

Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%	
Salary Increases	3.25%	Including Inflation
Investment Rate of Return	6.80%	Net Pension Plan Investment Expense, Including Inflation

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

The actuarial assumptions are used in the June 30, 2021 measurement date and as a result of the 2020 actuarial experience study, the inflation rate assumption was 2.40%; the real payroll growth assumption was .65%, and the overall payroll growth rate assumption 3.25%.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.10%	2.10%	1.10%
Fixed Income	20.00%	3.80%	3.70%	3.30%
Global Equity	54.20%	8.20%	6.70%	17.80%
Real Estate	10.30%	7.10%	6.20%	13.80%
Private Equity	10.80%	11.70%	8.50%	26.40%
Strategic Investments	3.70%	5.70%	5.40%	8.40%
Total	100.00%			
Assumed Inflation - Mean			2.40%	1.20%

Discount Rate—The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate—The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease 5.80%	Current Discount Rate – 6.80%	1% Increase 7.80%
City’s Proportionate Share of the Net Pension Liability	\$ 180,325	\$ 40,322	\$ (77)

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

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

Plan Description—The HIS Pension Plan (HIS Plan) is a defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for health insurance subsidy payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system, except those individuals who are pension recipients under Sections 121.40, 237.08(18)(a) and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the FRS and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Benefits Provided—The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement.

For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions—The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2021, the contribution rate was 1.60% of payroll pursuant to Section 112.363, Florida Statutes. The state contributed 100% of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City’s contributions to the HIS defined-benefit pension plan are reported as a total with the pension plan contributions listed above.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2021, the City reported a net pension liability of \$85,084 for its proportionate share of the net pension liability for HIS. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City’s proportionate share of the net pension liability was based on projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the City’s proportionate share was .00069362801%, which was a decrease of .00000769601 from its proportionate share measured as of June 30, 2021.

For the year ended June 30, 2021, the City recognized pension expense is listed above. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow Funds</u>	<u>Deferred Inflow Funds</u>
Differences Between Expected and Actual Experience	\$ 2,847	\$ 36
Change in Assumptions	6,686	3,506
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	89	-
Changes in Proportion and Differences Between		
City Contributions and Proportionate Share of		
Contributions	364	12,139
City Contributions Subsequent to Measurement Date	<u>1,120</u>	<u>-</u>
Total	<u>\$ 11,106</u>	<u>\$ 15,681</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

The deferred outflows of resources related to pensions totaling \$1,120, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30,	Inflows/Outflow
2022	\$ (5,071)
2023	(2,078)
2024	(624)
2025	912
2026	948
Thereafter	218
Total	\$ (5,695)

Actuarial Assumptions—The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period June 30, 2018. The discount rate changed from 2.21% to 2.16%.

Discount Rate—The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	1% Decrease 1.16%	Current Discount Rate – 2.16%	1% Increase 3.16%
City's Proportionate Share of the Net Pension Liability	\$ 98,365	\$ 85,084	\$ 74,203

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Note 9 - Firefighters' and Police Officers' Pension Funds

Plan Descriptions

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

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

All of the City's full-time certified police and fire employees are eligible to participate in the plans. The current membership in the plans as of October 1, 2020, is comprised of the following:

<u>Group</u>	<u>Firefighters</u>	<u>Police Officers</u>
Inactive Plan Members or Beneficiaries		
Currently Receiving Benefits	20	10
Inactive Plan Members Entitled to but		
Not Yet Receiving Benefits	1	12
Active Plan Members	<u>3</u>	<u>23</u>
Total Participants	<u><u>24</u></u>	<u><u>45</u></u>

Summary of Plan Provisions - Firefighters and Police Officers

Eligibility	Full-time or part-time employees who are classified as Firefighters or full-time sworn Police Officers shall participate in the System as a condition of employment.
Board of Trustees	a. Two Commission Appointees. b. Two Members of the Department elected by the membership, and Fifth Member elected by other four and appointed by Commission.
Credited Service	Total years and fractional parts of years of employment with the City as a Firefighter or Police Officer (Credited Service is calculated separately for periods of full-time and part-time service).
Salary - Firefighters	Fixed compensation reportable on form W-2, plus tax deferred, tax sheltered, and tax exempt items.
Salary - Police Officers	Total W-2 earnings plus all tax deferred, tax sheltered, or tax exempt items of income. For Service after October 1, 2011, salary shall only include up to 300 hours of overtime per year and include lump sum sick and vacation time.
Average Final Compensation	Average salary for the highest 5 years during the 10 years immediately preceding retirement or termination (Average is determined separately for full-time and part-time service).
Member Contributions	1.5% of salary.
City and State Contributions	Remaining amount necessary to pay current costs and amortize past service cost, if any, as provided in Part VII of Chapter 112, Florida Statutes.
<u>Normal Retirement</u>	
Date	Earlier of age 55 and 10 years of Credited Service, or age 52 and 25 years of Credited Service.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Benefit-Firefighters 3.25% of Average Final Compensation times Credited Service.
Benefit-Police Officers 3.50% of Average Final Compensation times Credited Service.

Early Retirement

Eligibility Age 50 and 10 Years of Credited Service.
Benefit Accrued benefit, reduced 3.0% per year.
Cost of Living Adjustment - Police Officers Normal Retirees after June 24, 2003, receive 2% annual benefit increases each October 1, beginning on the October 1st following 1 full year of retirement.

Vesting

Schedule 100% after 10 years of Credited Service.
Benefit Amount Member will receive the vested portion of his (her) accrued benefit payable at the otherwise normal retirement date.

Death Benefits

Pre-Retirement:
Vested Monthly accrued benefit payable to designated beneficiary for 10 years.
Non-Vested Refund of accumulated contributions without interest.
Post-Retirement Benefits payable to beneficiary in accordance with option selected at retirement.

Disability

Eligibility Service incurred: Covered from date of employment. Non-service incurred: 10 years of credited service. Benefit accrued to date of disability but not less than 42% of average final compensation (service incurred).

Contributions

Police Officers Member Contributions: 1.5% of Salary.

Deferred Retirement Option Plan (Police Officers)

Eligibility Satisfaction of normal retirement requirements.
Participation Not to exceed 60 months.
Rate of Returns Participants' Election:
a. Interest at 6.5% per year, or
b. Actual net rate of investment return (total return net of fees) credited each fiscal quarter.
Members may change option once during the DROP period.
The DROP balance at September 30, 2020, is \$0.
Form of Distribution Cash lump sum (options available) at termination of employment.

Deferred Retirement Option Plan (Firefighters)

Eligibility Satisfaction of normal retirement requirements. Earlier of: 1) Age 55 and 10 years of credited service, or 2) Age 52 and 25 years of credited service.
Participation Not to exceed 60 months.
Rate of Returns Participants' Election:
a. Interest at 6.5% per year, or
b. Actual net rate of investment return (total return net of fees) credited each fiscal quarter.
Members may change option once during the DROP period.
The DROP balance at September 30, 2021, is \$524,805.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Summary of Significant Accounting Policies

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

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

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

Investment Policy—The following was the Board’s adopted asset allocation policy as of September 30, 2021:

Asset Class	FIREFIGHTERS	POLICE OFFICERS
	Target Allocation	Target Allocation
Domestic	50%	50%
International Equity	15%	15%
Fixed Income (Core)	30%	30%
Global Fixed Income	5%	5%
Totals	100%	100%

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

Rate of Return—The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of September 30, 2020, is summarized in the following table:

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

Discount Rate—The discount rate used to measure the total pension liability was 7.00% for the Firefighters Pension and 7.00% for the Police Officers Pension. The fire pension plan rate was reduced from 7.30% to 7.00%.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

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

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

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

	1% Decrease 6.00%	Current Discount Rate – 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability - Firefighters	\$ 860,242	\$ 142,840	\$ (461,409)
	1% Decrease 6.00%	Current Discount Rate – 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability (Asset) - Police Officers	\$ (179,670)	\$ (1,636,283)	\$ (2,839,399)

Actuarial Assumptions and Methods

The total pension liability was determined by an actuarial valuation as of October 1, 2020, updated to September 30, 2021, using the following actuarial assumptions:

Mortality Rate:

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Beneficiary Lives:

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

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

Mortality Rate Disabled Lives:

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

Inflation Rate:

2.50% per year for Fire.

Retirement Age:

Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.

Early Retirement:

Commencing with the earliest Early Retirement Age (age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. For Firefighters, the accrued benefit is reduced by 3.0% per year.

Discount Rate:

Firefighter's Pension Plan - 7.00%

Police Pension Plan - 7.00%

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Investment Rate of Return:	Firefighter's Pension Plan - 7.00% Police Pension Plan - 7.00%
Termination Rate:	See Table in Required Supplementary Information.
Salary Increases:	
Firefighters	5.75% per year until the assumed retirement age.
Police Officers	Included in the Required Supplementary Information (Service Based)
Payroll Growth:	N/A
Amortization Method:	
Firefighters	Level Dollar
Funding Method:	
Firefighters	Entry Age Normal Actuarial Cost Method.
Police Officers	Aggregate Actuarial Cost Method.
Actuarial Asset Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Contributions and Reserves

The Plans are established and operate under Florida State Statutes and City Ordinances. Chapter 175 of the Florida Statutes provides for a system of retirement plans for firefighters. Each incorporated municipality with fire-fighting equipment with a value exceeding \$5,000 is permitted to establish a firefighters' pension fund. Chapter 175 sets forth benefits and administrative arrangements. It also provides that a tax of 1.85% of fire and windstorm premiums written in the various cities is to be collected by the state and remitted to the pension funds to partially finance the benefits. Firefighters contribute 1% of their earnings to the fund, and the City, authorized by City ordinance, has made contributions from general revenues at the rate of 24.12% of covered earnings (noting that the County contributed an additional 19.82% as per the inter-local agreement). The City contributed \$152,800 for the year ended September 30, 2021.

Chapter 185 of the Florida Statutes provides for a system of retirement plans for police officers. Each incorporated municipality with police equipment with a value exceeding \$500 is permitted to establish a police officers' retirement fund. Chapter 185 sets forth benefits and administrative arrangements. It also provides that certain casualty premium taxes collected by the state will be remitted to these pension funds to partially finance the benefits. Police officers contribute 1% of their earnings to the fund, this was increased to 1.5% for payrolls on and after March 1, 2018, and the City, by City Ordinance, contributes from general revenues at the rate of 22.58% of covered earnings. The City was required to contribute \$456,761 for the year ended September 30, 2021.

The contribution rates for members and the City are established by the state statutes and City Ordinances through actuarial valuations. The costs of administration are paid by the plans from investment earnings. The plans do not have any contracts for contributions. There are no legal or designated reserves other than the entire net position of the plans are available only for retirement benefits. At September 30, 2021, the plans held no investments of a single issuer greater than 5% or more of the plan net positions.

The payroll covered by the two pension trusts for the year ended September 30, 2021, was \$1,644,939.

Net Pension Liability (Asset)

The components of the net pension liability of the sponsor on September 30, 2021, were as follows:

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

	Police Officers' Pension	Firefighters' Pension
Total Pension Liability	\$ 11,350,799	\$ 7,714,642
Plan Fiduciary Net Position	<u>(12,987,082)</u>	<u>(7,571,802)</u>
Sponsor's Net Pension Liability (Asset)	<u>\$ (1,636,283)</u>	<u>\$ 142,840</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	114.42%	3.29%

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

Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources—On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to Police Officers pensions from the following sources:

	Deferred Outflow Funds	Deferred Inflow Funds
Differences Between Expected and Actual Experience	\$ 14,691	\$ 1,180,398
Changes of Assumptions	114,427	158,374
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>-</u>	<u>689,732</u>
Total	<u>\$ 129,118</u>	<u>\$ 2,028,504</u>

On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to Fire pensions from the following sources:

	Deferred Outflow Funds	Deferred Inflow Funds
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ 487,520
Total	<u>\$ -</u>	<u>\$ 487,520</u>

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

<u>Year</u>	Police Total Inflows/Outflows	Firefighters' Total Inflows/Outflows
2022	\$ (542,663)	\$ (103,858)
2023	(662,199)	(94,912)
2024	(480,788)	(152,157)
2025	<u>(213,736)</u>	<u>(136,593)</u>
Total	<u>\$ (1,899,386)</u>	<u>\$ (487,520)</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

	Combining Statement of Net Position		
	Police Officers' Pension	Firefighters' Pension	Total
Assets			
Cash and Cash Equivalents	\$ 567,398	\$ 394,557	\$ 961,955
Investments	12,396,908	7,147,743	19,544,651
Interest and Dividends Receivable	305	71	376
Total Assets	12,964,611	7,542,371	20,506,982
Liabilities			
Accounts Payable	15,134	43	15,177
Total Liabilities	15,134	43	15,177
Net Position - Held in Trust for Pension Benefits	\$ 12,949,477	\$ 7,542,328	\$ 20,491,805

	Combining Statement of Changes in Net Position		
	Police Officers' Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 441,053	\$ 221,248	\$ 662,301
State	107,538	42,821	150,359
Employee	19,291	1,598	20,889
Total Contributions	567,882	265,667	833,549
Net Investment Earnings	1,853,632	1,148,421	3,002,053
Total Additions	2,421,514	1,414,088	3,835,602
Deductions			
Benefits Paid	286,633	412,910	699,543
Administrative Expenses	91,359	65,580	156,939
Total Deductions	377,992	478,490	856,482
Change in Net Position	2,043,522	935,598	2,979,120
Net Position, Beginning of Year	10,905,955	6,606,730	17,512,685
Net Position, End of Year	\$ 12,949,477	\$ 7,542,328	\$ 20,491,805

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

	Deferred Inflows	Deferred Outflows	Net Pension Liability (Asset)
Florida Retirement System	\$ 157,694	\$ 51,256	\$ 40,322
Health Insurance Subsidy	15,681	11,106	85,084
Police Officers' Pension Plan	2,028,504	129,118	(1,636,283)
Firefighters' Pension Plan	487,520	-	142,840
Total	\$ 2,689,399	\$ 191,480	\$ (1,368,037)

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Schedule of Changes in Employer's Net Pension Liability

	<u>Firefighters' 2021</u>	<u>Police Officers' 2021</u>
Total Pension Liability		
Service Cost	\$ 42,946	\$ 296,403
Interest on the Total Pension Liability	529,176	821,468
Change in Excess State Money	-	-
Changes in Benefit Terms	-	-
Share Plan Allocation	-	-
Changes of Assumption	192,897	-
Differences Between Expected and Actual Experience	(33,933)	(1,062,571)
Benefit Payments, Including Refunds of Employee Contributions	<u>(444,979)</u>	<u>(286,723)</u>
Net Change in Total Pension Liability	286,107	(231,423)
Total Pension Liability, Beginning of Year	<u>7,428,535</u>	<u>11,582,222</u>
Total Pension Liability, End of Year (a)	<u><u>\$ 7,714,642</u></u>	<u><u>\$ 11,350,799</u></u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 222,033	\$ 456,762
Contributions - State	42,820	107,538
Contributions - Employee	1,598	19,291
Net Investment Income	1,159,299	1,840,189
Benefit Payments, Including Refunds of Employee Contributions	(444,979)	(286,723)
Administrative Expense	<u>(46,671)</u>	<u>(46,169)</u>
Net Change in Plan Fiduciary Net Position	934,100	2,090,888
Plan Fiduciary Net Position, Beginning of Year	<u>6,637,702</u>	<u>10,896,194</u>
Plan Fiduciary Net Position, End of Year (b)	<u><u>\$ 7,571,802</u></u>	<u><u>\$ 12,987,082</u></u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u><u>\$ 142,840</u></u>	<u><u>\$ (1,636,283)</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		
Covered Payroll	<u><u>\$ 159,817</u></u>	<u><u>\$ 1,286,087</u></u>
Net Pension Liability as a Percentage of Covered Payroll	89.38%	-127.23%

Note 10 - Defined Contribution Plan

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

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

The City adopted Resolution No. 2017-29, which established the City's contribution rate at 8% of all eligible employee wages. The City's contribution was \$158,611 for the fiscal year ended September 30, 2021.

Note 11 - Deferred Compensation Plan

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

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

Note 12 - Other Disclosures

Allowances for Doubtful Accounts

Allowances for doubtful accounts at September 30, 2021, are as follows:

Utility Funds		\$	104,640
Total Allowances for Doubtful Accounts		<u>\$</u>	<u>104,640</u>

Note 13 - Risk Management

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

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

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

Note 14 - Contract for Solid Waste Collection

The City has an agreement with a private contractor to collect solid waste. The total expense recorded by the City under this contract for the year ended September 30, 2021, was \$243,423.

Note 15 - Landfill Post-Closure Costs

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Note 16 - Commitments

The City has the following commitments outstanding for future projects as of September 30, 2021:

<u>Projects</u>	<u>Contract Amount</u>	<u>Amount Expended To-Date</u>
S.R. 52 Realignment	\$ 519,716	\$ 308,347*
Morningside Drive Study	5,500,00	226,086
Bike Hub	250,000	250,000
Tankhill and Well Booster Station	3,768,810	1,873,413

*These funds have been placed in escrow with the Florida Department of Transportation.

Note 17 - Postemployment Benefits Other than Pension (OPEB)

Plan Description

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

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

The actuarial valuation, dated September 30, 2019, involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend.

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

Employee Contribution Information

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Employees Covered by Benefit Terms

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

The following employees were covered by benefit terms as of September 30, 2020, the latest actuarial measurement date:

Retirees and Beneficiaries	2
Inactive, Non-Retired Members	-
Active Members	<u>71</u>
Total	<u><u>73</u></u>

Actuarial Assumptions

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

Actuarial Assumptions:

Valuation Measurement Date	September 30, 2019
Measurement Date	September 30, 2020
Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	2.41%
Salary Increases	3.00%
Retirement Age	Varies based on several factors, including plan-specific retirement eligibility provisions and experience. If employees had already attained their normal retirement age as of the valuation date, they were assumed to retire one year after the valuation date.
Mortality Rate	RP-2000 Generational Combined Healthy Participant Mortality Table projected from year 2000 using Projection Scale AA.
Health Care Cost Trend Rates	6.50% for FY beginning 2020, 6.25% for FY beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.00%

Other Information:

Notes	Changes in assumptions and other inputs include the change in the discount rate from 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2020. This change is reflected in the Schedule of Changes in Total OPEB Liability.
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There were no benefit changes during the year.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Changes in the OPEB Liability	Fiscal Year 2021
Total OPEB Liability	
Service Cost	\$ 21,933
Interest on the OPEB Liability	6,254
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience Of the Total OPEB Liability	-
Changes in the Assumptions and Other Inputs	5,374
Benefit Payments	<u>(15,372)</u>
Net Change in OPEB Liability	18,189
Total OPEB Liability - Beginning	<u>213,175</u>
Total OPEB Liability - Ending	<u>\$ 231,364</u>

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

The following table presents the total OPEB liability, calculated using the discount rate of 2.41%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (1.41%) or one percentage-point higher (3.41%) than the current discount rate:

	1% Decrease 1.41%	Current Trend Rate 2.41%	1% Increase 3.41%
Total OPEB Liability	<u>\$ 246,583</u>	<u>\$ 231,364</u>	<u>\$ 215,866</u>

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

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

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	<u>\$ 206,611</u>	<u>\$ 231,364</u>	<u>\$ 260,417</u>

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

For the fiscal year ended September 30, 2021, the City recognized OPEB expense of \$18,189. At September 30, 2021, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions after the Measurement Date	<u>\$ 17,713</u>	<u>\$ -</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Note 18 - American Rescue Plan Act (ARPA)

During the fiscal year, the City was awarded funding through the Coronavirus State and Local Fiscal Recover Funds program of the *American Rescue Plan Act* (ARPA) in the amount of \$3,675,264. As of September 30, 2021, the City received \$1,837,632 and the amount was considered unearned revenues. ARPA was signed into law on March 11, 2021, to provide \$350 billion in additional funding for state and local governments. Due to no allowable cost incurred or other eligibility requirements not yet met, there was no revenue or receivables recorded related to these funds as of September 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Notes to Schedule:

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

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

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

- discount rate changed to 2.41% (from 2.75%)
- premiums were updated based on information provided
- updated inflation and healthcare cost trend rates as described above

Inflation: 2.25%

Health Cost Trend Rates: 6.50% for FY beginning 2020, 6.25% for FY beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.00%

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

FIREFIIGHTERS' PENSION PLAN

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

* GASB Statement Nos. 67 and 68 were adopted for the 2013 Fiscal Year and the 10-year trend information will be developed from that date forward.

Changes of Assumptions:

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

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

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

Additionally, the investment return assumption was reduced from 7.50% to 7.40% at September 30, 2016, and remained that amount for September 30, 2017 and 2018.

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

investment rate of return was lowered

Changes in Benefit Terms:

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

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

Effective for the City's fiscal year ending 09/30/2020, the GASB 68 measurement date of the Pension Expense has been approved and changed from 09/30/2019 to 09/30/2020

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

POLICE OFFICERS' PENSION PLAN

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

* GASB Statement Nos. 67 and 68 were adopted for the 2014 Fiscal Year and the 10-year trend information will be developed from that date forward.

Changes in Benefit Terms:

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

Changes of Assumptions:

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

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

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

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

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

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

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

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

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

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

Effective for the City's fiscal year ending 09/30/2020, the GASB 68 measurement date of the Pension Expense has been

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

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

Notes to Schedule

Valuation Date

October 1, 2019

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

Methods and Assumptions Used to Determine Contribution Rates

Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level Dollar
Asset Valuation Method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.
Inflation	2.5% per Year.
Salary Increases	5.75% per year until the assumed retirement age - see table below. This assumption is based on an experience study issued April 25, 2011.
Interest Rate	7.4% per year compounded annually, net of investment related expenses. This assumption is supported by the target asset class allocation of the trust and the expected long-term return by asset class.
Payroll Growth	N/A
Retirement Age	Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. These rates are deemed reasonable based on plan provisions.
Early Retirement	Commencing with the earliest Early Retirement Age (age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. These rates are deemed reasonable based on plan provisions.
Termination Rates	See Table Below. It is assumed that 75% of disablements and active Member deaths are service related. These rates are consistent with rates used in other fire plans.
Disability Rates	See Table Below. It is assumed that 75% of disablements and active Member deaths are service related.
Mortality	Mortality Rate Healthy Active Lives: Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Mortality Rate Healthy Retiree Lives: Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. Mortality Rate Beneficiary Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. Mortality Rate Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

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

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

Notes to Schedule

Valuation Date

October 1, 2019

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

Methods and Assumptions Used to Determine Contribution Rates

Funding Method

Aggregate Actuarial Cost Method

Asset Valuation Method

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Inflation

2.50% per year.

Salary Increases

5.5% per year until the assumed retirement age. Projected Salary at retirement is increased to account for non-regular compensation as follows:

20% if hired before 1/1/2009
10% if hired between 1/1/2009 - 12/31/2010
5% if hired between 1/1/2011 - 6/30/2011
0% if hired on or after 7/01/2011

Interest Rate

7.5% per year compounded annually, net of investment related expenses.

Payroll Growth

N/A

Retirement Age

Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited services. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.

Actuarial Asset Method

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Early Retirement

Commencing with the earliest Early Retirement Age (50 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Termination Rates

See Table Below.

Disability Rates

See Table Below.

Mortality

Mortality Rate Healthy Active Lives:

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

Mortality Rate Healthy Retiree Lives:

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

Mortality Rate Beneficiary Lives:

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

Mortality Rate Disabled Lives:

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

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

	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013
Annual Money-Weighted Rate of Return Net of Investment Expense	17.73%	8.17%	2.95%	8.14%	9.01%	8.62%	-3.28%	9.98%	7.12%

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

	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013
Annual Money-Weighted Rate of Return Net of Investment Expense	16.75%	7.14%	2.79%	7.66%	9.10%	8.61%	-3.30%	10.24%	7.84%

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

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

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

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

Note:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2014.
Information for prior years is not available.

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

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

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

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

Note:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2014.
Information for prior years is not available.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

**CITY OF DADE CITY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue					
	Public Safety Impact Fee Fund	Transportation Impact Fee Fund	Local Option Gas Tax Fund	Stormwater Fund	Community Redevelopment Block Grant	Total Non-Major Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 49,782	\$ 1,191,349	\$ -	\$ 87,944	\$ -	\$ 1,329,075
Accounts Receivable	-	-	-	-	927	927
Total Assets	49,782	1,191,349	-	87,944	927	1,330,002
Liabilities and Fund Balances						
Liabilities:						
Accrued Liabilities	371	-	-	891	-	1,262
Due to Other Funds	-	-	-	303,598	927	304,525
Total Liabilities	371	-	-	304,489	927	305,787
Fund Balances:						
Restricted	49,411	1,191,349	-	-	-	1,240,760
Unassigned	-	-	-	(216,545)	-	(216,545)
Total Fund Balances	49,411	1,191,349	-	(216,545)	-	1,024,215
Total Liabilities and Fund Balances	\$ 49,782	\$ 1,191,349	\$ -	\$ 87,944	\$ 927	\$ 1,330,002

**CITY OF DADE CITY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue					Total Non-Major Governmental Funds
	Public Safety Impact Fee Fund	Transportation Impact Fee Fund	Local Option Gas Tax Fund	Stormwater Fund	Community Redevelopment Block Grant	
Revenues						
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ 330	\$ 330
Impact Fees	15,977	410,003	-	141,250	-	567,230
Total Revenues	<u>15,977</u>	<u>410,003</u>	<u>-</u>	<u>141,250</u>	<u>330</u>	<u>567,560</u>
Expenditures						
Current:						
Transportation	-	-	-	139,153	330	139,483
Public Safety	19,235	4,975	-	-	-	24,210
Capital Outlay	-	-	-	7,466	-	7,466
Total Expenditures	<u>19,235</u>	<u>4,975</u>	<u>-</u>	<u>146,619</u>	<u>330</u>	<u>171,159</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,258)</u>	<u>405,028</u>	<u>-</u>	<u>(5,369)</u>	<u>-</u>	<u>396,401</u>
Other Financing Source (Uses)						
Transfer (out)	-	-	(29,329)	-	-	(29,329)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(29,329)</u>	<u>-</u>	<u>-</u>	<u>(29,329)</u>
Net Change in Fund Balances	(3,258)	405,028	(29,329)	(5,369)	-	367,072
Fund Balances, Beginning	<u>52,669</u>	<u>786,321</u>	<u>29,329</u>	<u>(211,176)</u>	<u>-</u>	<u>657,143</u>
Fund Balances, Ending	<u>\$ 49,411</u>	<u>\$ 1,191,349</u>	<u>\$ -</u>	<u>\$ (216,545)</u>	<u>\$ -</u>	<u>\$ 1,024,215</u>

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dade City, Florida (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 17, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency: 2020-01.

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated June 17, 2022 titled management letter comments required by Chapter 10.550, *Rules of the Auditor General*.

The City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs and the management response letter. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.



June 17, 2022
Ocala, Florida

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Dade City, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the each of the City's major federal program for the year ended September 30, 2021. The City's major federal program are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal programs. However, our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended September 30, 2021.

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City of Dade City
Dade City, Florida

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

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal programs 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



June 17, 2022
Ocala, Florida

**CITY OF DADE CITY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Project Title</u>	<u>Assistance Listing No.</u>	<u>Grantor's Contract Number</u>	<u>Project Award</u>	<u>Expenditures</u>
Florida Department of Transportation				
Direct Project				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW 510411	\$ 230,000	\$ 10,000
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW 510412	<u>3,768,859</u>	<u>1,873,413</u>
Total Florida Department of Transportation			<u>3,998,859</u>	<u>1,883,413</u>
Total Federal Awards			<u>\$ 3,998,859</u>	<u>\$ 1,883,413</u>

Note 1 - Basis of Presentation

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

**CITY OF DADE CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal Control over Financial Reporting:
 Material weakness(es) identified? No
 Significant deficiency(ies) identified? Yes

Non-compliance material to financial statements noted? No

Federal Awards

Internal Control over Major Programs:
 Material weakness(es) identified? No
 Significant deficiency(ies) identified? None reported

Type of Auditor's Report Issued on Compliance for Major Federal Programs: Unmodified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with CFR 200.516(A)? Yes

Identification of Major Programs:

Federal Program or Cluster

U.S. Department of Transportation: Assistance Listing
 Capitalization Grants for Drinking Water State Revolving Funds No. 66.468

Dollar Threshold Used to Distinguish Between Type A and Type B Programs – State Financial Assistance Projects \$750,000

Auditee Qualified as Low-Risk Auditee Pursuant to Uniform Guidance? No

**CITY OF DADE CITY, FLORIDA
PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

Reference Number 2020-01: Period-End Financial Reporting (Significant Deficiency)

<i>Criteria</i>	The City of Dade City, Florida (the City) is required by Chapter 10.550, <i>Rules of the Auditor General</i> , to have an annual examination (audit) of financial statements to determine whether they are presented fairly, in all material respects, in conformity with generally accepted accounting principles.
<i>Condition</i>	During the fiscal year ended September 30, 2021, the financial audit required numerous audit adjustments to correct the financial statements. During the fiscal year the City hired an outsourced Finance Director, including an accounting team, and shortly thereafter, the City's Information Technology systems were affected by a cybersecurity attack that left the City without access to their financial and other records for several weeks and severely limited access afterwards. This caused a significant delay in the year-end closing routine required to prepare for the year-end financial audit.
<i>Effect</i>	The City's accounting records required multiple adjustments, which caused a significant delay in completing the audit.
<i>Recommendation</i>	With the change in structure of the Finance Department, we recommend the City redevelop the monthly and year-end closing function to ensure accurate and timely reporting. A functioning closing routine should clearly identify tasks that are necessary for a timely period-end close and preparation of period financial information, as well as year-end financial schedules for the audit.
<i>Response</i>	See attached management letter response.



CITY OF DADE CITY

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James D. Shive, Mayor
Knut Knathe, Mayor Pro-Tem
Scott Black, Commissioner
Knut J. Nathe, Commissioner
Normita L. Woodard, Commissioner

Leslie Porter, City Manager
Angelia Guy, City Clerk
Andrew Laflin, Finance Officer
Thomas Thanas, City Attorney

June 17, 2022

To Whom It May Concern:

The following Corrective Action Plan is offered in response to the significant deficiency identified in the Schedule of Findings and Questioned Costs:

2020-1 – Period-End Financial Reporting: During the fiscal year ended September 30, 2021, the financial audit required numerous audit adjustments to correct the financial statements. With the change in structure of the Finance Department, the auditors recommend the City redevelop the monthly and year-end closing function to ensure accurate and timely reporting. A functioning closing routine should clearly identify tasks that are necessary for a timely period-end close and preparation of period financial information, as well as year-end financial schedules for the audit.

The Finance Department had not completed its closing process when the auditors commenced year-end fieldwork and testing of account balances. Consequently, certain closing entries were recorded in haste without a comprehensive internal review to ensure accuracy and completeness of all year-end adjusting journal entries. Going forward, the Finance Department will coordinate more effectively with the audit team to mutually determine a start and end date for both interim and year end procedures, as well as the timing of the financial reporting portion of the audit, so that both parties can properly manage expectations. Furthermore, with the recent conversion to a new Enterprise Resource Planning (ERP) system, the Finance Department will leverage this new technology to assist in making the year end closing and audit preparation process more efficient.

Responsible Individual: Andrew Laflin, Finance Officer

Timing of Corrective Action Plan: Immediate and Ongoing

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

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

We have audited the financial statements of the City of Dade City, Florida (the City) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 17, 2022.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 17, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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City of Dade City
Dade City, Florida

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

Financial Condition and Management

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

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. Please see the following Management Letter Comments.

Additional Matters

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

Purpose of this Letter

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



June 17, 2022
Ocala, Florida

MANAGEMENT LETTER COMMENTS

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

Please note the following comments:

Prior Year Comments

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

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

- Purvis, Gray and Company, LLP recommended a disaster recovery plan be developed and the recovery requirements tested to determine the viability of the Plan and the organizations readiness to achieve the defined business objectives. The City developed a Disaster Recovery Plan, which is expected to be approved July 1, 2022. We were also informed IT is planning to perform a recovery test of their systems.
- Purvis, Gray and Company, LLP recommended that the City mature their IT policies and procedures to define how critical processes are performed, monitored, and enforced. The City has documented a policy on Cyber Security Awareness and Training, and Acceptable Use of Information Technology Resources, which is expected to be approved July 1, 2022. We were informed policies on IT Risk Assessment, IT Incident Response, Change Management, Identification and Authentication, and a standard on Information Security Risk Management are a work-in-process.

2020-02—Formally Adopted Budget for Water and Sewer Impact Fee Fund (Now Considered Major)

This finding has been resolved.

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Dade City, Florida

MANAGEMENT LETTER COMMENTS

Current Year Comments

2021-1—Building Permit Fees and Building Department Fund Balance Carryforward

While performing permit fee testing, it was noted permits within a certain valuation range were being assessed the incorrect permitting fee. The error appeared to have resulted from an error in the formula configured in the permit fee software. We recommend that management review the permit billing software system to ensure all configurations for various permit fee categories have the most current and up-to-date rate to charge its customers correctly.

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

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



June 17, 2022
Ocala, Florida



CITY OF DADE CITY

"Proud Heritage, Promising Future"

James D. Shive, Mayor
Knut Knathe, Mayor Pro-Tem
Scott Black, Commissioner
Knut J. Nathe, Commissioner
Normita L. Woodard, Commissioner

Leslie Porter, City Manager
Angelia Guy, City Clerk
Andrew Laflin, Finance Officer
Thomas Thanas, City Attorney

June 17, 2022

To Whom It May Concern:

The following responses are offered to the Prior Year Audit Finding and Recommendation to Improve Financial Management contained within the Management Letter required by Chapter 10.550, *Rules of the Auditor General*:

2015- 2 - Information Technology (IT) General Controls and Policies: The auditors noted The City has documented a policy on Cyber Security Awareness and Training, and Acceptable Use of Information Technology Resources, which is expected to be approved July 1, 2022. We were informed policies on IT Risk Assessment, IT Incident Response, Change Management, Identification and Authentication, and a standard on Information Security Risk Management are a work-in-process.

The auditors also noted that the City developed a Disaster Recovery Plan, which is expected to be approved July 1, 2022. The auditors were also informed that IT is planning to perform a recovery test of their systems.

The City has drafted and expects to formalize the following policies/plans/standards by July 1st 2022:

- IT Disaster Recovery Plan
- Computer Emergency Response Policy
- Cyber Security Awareness and Training Policy
- IT Risk Assessment Policy
- IT Incident Response Policy

Additional policies/plans/standards are currently being written and reviewed in the following areas:

- Configuration and Change Management Policy
- Identification and Authentication Policy
- Equipment Replacement Plan
- Data and Backup Restoration Plan
- Information Security Risk Management Standard

These policies, standards, and plans, once formalized, will substantially address how the City's critical IT processes will be performed, monitored, and enforced.

2021-01 - Building Permit Fees and Building Department Fund Balance Carryforward: While performing permit fee testing, it was noted permits within a certain valuation range were being assessed the incorrect permitting fee. The error appeared to have resulted from an error in the formula configured in the permit fee software. The auditors recommend that management review the permit billing software system to ensure all configurations for various permit fee categories have the most current and up-to-date rate to charge its customers correctly.

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

Upon discovery of the discrepancy in the fee schedule within the City's permitting software application, the vendor was immediately notified and a correction was made to the fee table within the system. The Building Department confirmed that permit fees within the questioned valuation range were subsequently assessed the proper fee amount in accordance with the City's ordinance establishing permit fees.

Regarding the issue of unexpended carryforward within the Building Fund, Florida Statute 553.80(7)(a)(2) an allowable use of excess funds could be "to pay for the construction of a building or structure that houses a local government's building code enforcement agency or the training programs for building officials, inspectors, or plans examiners associated with the enforcement of the Florida Building Code." During the fiscal year 2023 budget process, the City will establish a multi-year capital improvement plan for the Building Fund, which will include a plan to maintain compliance with Section 553.80(7)(a), Florida Statutes.

Sincerely,



Andrew Laflin, Finance Officer

INDEPENDENT ACCOUNTANT'S REPORT

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

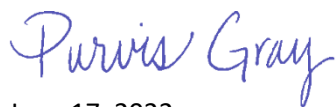
We have examined the City of Dade City's (the City) compliance with the requirements of Section 218.415, *Florida Statutes* with regards to the City's investments during the fiscal year ended September 30, 2021. Management of the City is responsible for the City's compliance with the specified requirements. 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, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2021.

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



June 17, 2022
Ocala, Florida

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CITY OF DADE CITY

"Proud Heritage, Promising Future"

James D. Shive, Mayor
Knut J. Nathe, Mayor Pro-Tem
Scott Black, Commissioner
Ann E. Cosentino, Commissioner
Normita L. Woodard, Commissioner

Leslie Porter, City Manager
Angelia Guy, City Clerk
Andrew Laflin, Finance Officer
Thomas Thanas, City Attorney

AFFIDAVIT

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

1. I am the Chief Financial Officer of the City of Dade City which is a municipality of the State of Florida;
2. The City of Dade City adopted Ordinance Numbers 2004-0831, 2004-0851, 2009-02, and 2016-01 implementing impact fees; and
3. The City of Dade City has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Andrew Laflin

STATE OF FLORIDA
COUNTY OF PASCO

SWORN TO AND SUBSCRIBED before me this 21 day of June, 2022.



NOTARY PUBLIC
Print Name MA-ANNA HARRIS

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

11/15/2024

Established 1889

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