

2021

City of Newberry, Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2021

CITY OF NEWBERRY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Prepared by:
Finance and Administrative Services

CITY OF NEWBERRY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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CITY OF NEWBERRY, FLORIDA

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INTRODUCTORY SECTION

**CITY OF NEWBERRY, FLORIDA
LIST OF PRINCIPAL OFFICIALS**

MAYOR

Jordan Marlowe

CITY COMMISSIONERS

Mark Clark

Rick Coleman

Monty Farnsworth

Tim Marden

Tony Mazon

CITY MANAGER

Mike New, P.E.

CITY ATTORNEY

S. Scott Walker, Esq.

CITY CLERK

Judy S. Rice, MMC

DEPARTMENT HEADS

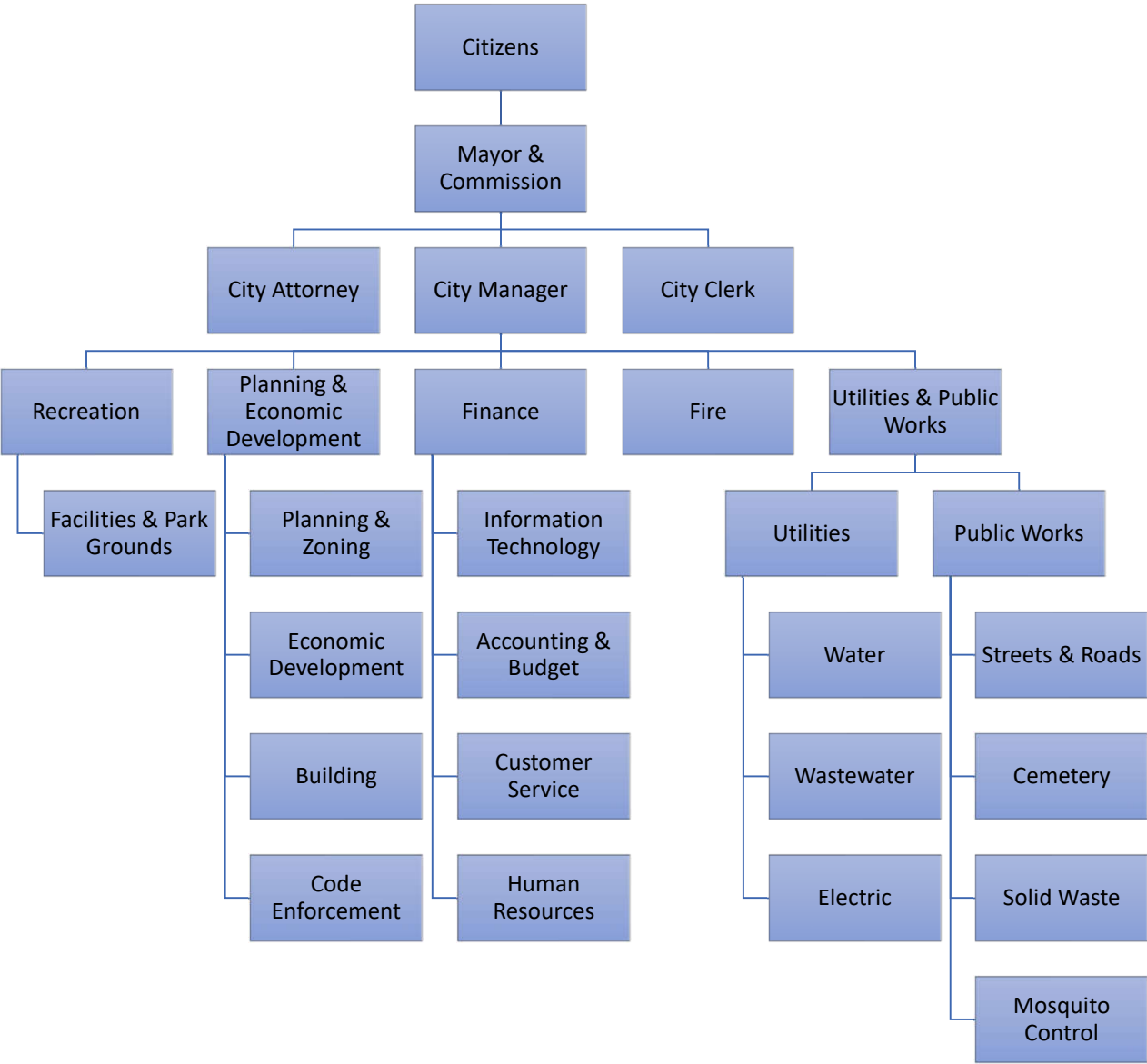
Dallas Lee, CGFO, Assistant City Manager for Finance & Administration/ CFO

Jamie Jones, Assistant City Manager for Public Works & Utilities

Ben Buckner, Fire Chief

Travis Parker, CPRP, Director of Parks & Recreation

Bryan Thomas, AICP, Director of Planning & Economic Development



May 18, 2022

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

Dear Honorable Mayor Marlowe:

It is with pleasure that we submit to you the Annual Comprehensive Financial Report of the City of Newberry (“Newberry”) for the year ended September 30, 2021. This report was prepared by the Department of Finance and Administration and the City’s Independent Auditors in accordance with the Newberry Charter, State Statutes, and U.S. generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects Newberry’s commitment to full financial disclosure. We encourage you to thoroughly read this report and some of the important items it addresses.

Independent Audit

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

Purvis Gray and Company, independent auditors, have issued an unmodified opinion on the City of Newberry’s financial statements for the fiscal year ended September 30, 2021. The goal of an independent audit is to provide reasonable assurance that the financial statement of the City are free of material misstatement and are presented fairly and in conformity with GAAP. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the basic financial statements; assessing accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor’s report is located at the front of the financial section of this report.

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

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

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

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

Profile of the Government

The City of Newberry is geographically located in North Central Florida. The City’s boundaries encompass 58 square miles. Newberry was established in 1895 on a railroad line and began as a phosphate mining town. Newberry was incorporated as a municipality in 1906. According to the University of Florida Bureau of Economic and Business Research (BEBR), the City’s population was approximately 7,684 as of September 30, 2021. The City has a charter government structure approved by a referendum of the electors pursuant to the Constitution and laws of the State of Florida. The City operates under the City Manager form of government with a Commission comprised of five elected commissioners and an elected Mayor. Elections are non-partisan and each elected official represents the entire City.

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

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

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

Local Economy

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

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

Accomplishments and Future Projects

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

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

- Road Milling and Resurfacing program
- Construction of a wastewater lift station on the State Road 26 Corridor
- Renovation of the Municipal Building
- Renovation and enhancement of Jimmy Durden Park
- Establishment of the Newberry Community Redevelopment Agency

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

- Easton Newberry Sports Complex Multi-purpose field expansions
- Installation of Advanced Metering Infrastructure
- Sidewalk construction at Oak View Middle School
- Forcemain realignment projects
- Continuing the Road Resurfacing Program
- Continued expansion of utilities along State Road 26
- Replacement of the Fire Quint Apparatus
- Downtown traffic connectivity projects

Financial Information & Relevant Financial Policies

Accounting and Administrative Controls

Newberry's internal control structure is designed to ensure that Newberry's assets are protected against loss from theft, unauthorized use, or disposition and to ensure that adequate and reliable financial records are available for preparing financial statements in conformity with U.S. generally accepted accounting principles. The internal controls provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1)

the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

Budgetary Control

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

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

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

Capital Financing

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

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

Debt Service Administration

In Florida, there is no legal debt limit. All general obligation debt pledging payment from ad

valorem taxes must be approved by referendum unless it is to refund outstanding debt. Article VII, Section 12, of the Florida State Constitution states “Counties, school districts, municipalities, special districts, and local governmental bodies with taxing powers may issue bonds, certificates of indebtedness, or any form of tax anticipation certificates payable from ad valorem taxes and maturing more than twelve months after issuance only to finance or refinance capital projects authorized by law and only when approved by vote of the electors ...” Newberry has no general obligation debt outstanding.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newberry for its Annual Comprehensive Financial Report for the year ended September 30, 2020. This was the third year that the City has received this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that the September 30, 2021, Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

We would like to thank the Mayor, the Commission, Department Heads, City Staff, and the residents of Newberry for their interest and support in ensuring the planning and administration of the financial operations of Newberry are in a responsible, progressive manner. With this support, we have been able to maintain a high degree of fiscal health and responsibility for Newberry.

Respectfully submitted,



G. Mike New, P.E.
City Manager



Dallas M. Lee, CGFO
Assistant City Manager/ CFO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Newberry
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Commissioners
City of Newberry, 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 Newberry, 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 entity'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 entity'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CERTIFIED PUBLIC ACCOUNTANTS

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Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

To the Mayor and City Commissioners
City of Newberry, 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 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, budgetary comparison information, and pension and other postemployment benefit schedules, on pages 4-14 and 44-49, 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 introductory section, combining and individual non-major governmental fund financial statements and schedules, the statement of revenues, expenses, and changes in fund net position - water and sewer fund, combining and individual internal service fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major governmental fund financial statements and schedules, the statement of revenues, expenses, and changes in fund net position - water and sewer fund, and the combining and individual internal service fund financial statements 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 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 governmental fund financial statements and schedules, statement of revenues, expenses, and the changes in fund net position - water and sewer fund, and the combining and individual internal service fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 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.



May 18, 2022
Gainesville, Florida

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

As management of the City of Newberry, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. The Management's Discussion and Analysis (MD&A) is designed to: assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Financial Highlights

- The City of Newberry's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2021, by \$39.8 million. Unrestricted net position was at \$5.3 million.
- The City of Newberry's total long-term debt (loans and notes payable) decreased by \$526,307 during the current fiscal year.
- Total net position (\$39.8 million) is comprised of the following:
 - The \$32.8 million net investment in capital assets includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 - \$1.6 million of net position is restricted by constraints imposed from outside of the City such as debt covenants, grantors, laws, or regulations, or by enabling legislation.
 - \$5.3 million of unrestricted net position.
- At September 30, 2021, the City's governmental funds reported combined ending fund balances of \$3.7 million, an increase of \$900 thousand, in comparison with the prior fiscal year.
- Governmental fund revenues (excluding interfund transfers) were \$8,084,455 or \$161 thousand more than the previous fiscal year.

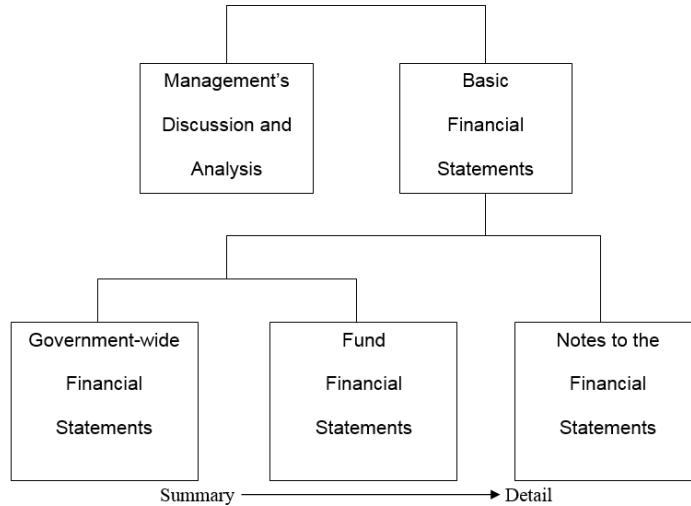
Overview of the Financial Statements

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

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

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Required Components of Annual Financial Report



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

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

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

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

The government-wide financial statements can be found on pages 15 and 16 of this report.

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

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

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

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

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

The City maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the Wild Spaces Public Places fund, which are considered to be major funds. The non-major governmental funds include the Champions Park and Community Development Block Grants special revenue funds, and a Capital Improvement fund to account for the financial resources to be used for the construction of capital improvement projects, such as the expansion of the City's fire station.

The City adopts an annual appropriated budget for its general fund, special revenue funds, and capital improvement fund. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Commission about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. A budgetary comparison schedule has been provided for the general fund, special revenue funds, and capital improvement fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 and 19 of this report.

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

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

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The Enterprise Fund financial statements provide separate information for each individual Enterprise Fund. The Internal Service Fund is also presented in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 21-25.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-43 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary information and pension and other postemployment benefits. Required supplementary information can be found on pages 44-49 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$39,805,901 at the close of the most recent fiscal year.

By far the largest portion of the City of Newberry's net position (82 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Newberry
Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 4,157,613	\$ 3,113,365	\$ 9,590,235	\$ 10,073,489	\$ 13,747,848	\$ 13,186,854
Capital Assets	17,582,337	17,985,746	17,055,811	15,211,729	34,638,148	33,197,475
Total Assets	21,739,950	21,099,111	26,646,046	25,285,218	48,385,996	46,384,329
Deferred Outflows of Resources	1,220,348	1,806,167	222,944	401,105	1,443,292	2,207,272
Long-Term Liabilities	2,530,619	5,758,539	2,222,922	3,684,096	4,753,541	9,442,635
Other Liabilities	538,497	511,849	1,295,063	741,955	1,833,560	1,253,804
Total Liabilities	3,069,116	6,270,388	3,517,985	4,426,051	6,587,101	10,696,439
Deferred Inflows of Resources	2,663,267	251,587	773,019	63,471	3,436,286	315,058
Net Position:						
Net Investment in Capital Assets	17,582,337	17,985,746	15,252,961	12,882,572	32,835,298	30,868,318
Restricted	254,770	158,284	1,377,103	11,762	1,631,873	170,046
Unrestricted	(609,192)	(1,760,727)	5,947,922	8,302,467	5,338,730	6,541,740
Total Net Position	\$ 17,227,915	\$ 16,383,303	\$ 22,577,986	\$ 21,196,801	\$ 39,805,901	\$ 37,580,104

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

The balance of *unrestricted net position*, \$5,338,730, may be used to meet the government's ongoing obligation to citizens and creditors.

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

A portion of the City's net position, \$1,631,873, represents resources that are subject to external restrictions on how they may be used. A large portion of this is related to Water and Wastewater Development fees, which are restricted to defray the cost of new facilities to the extent that new usage requires new facilities.

**City of Newberry
Changes in Net Position**

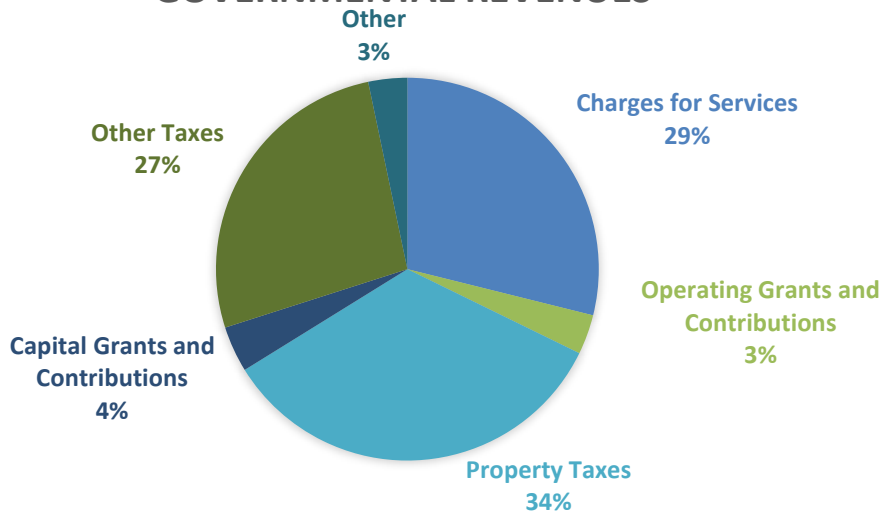
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services	\$ 2,432,336	\$ 2,287,090	\$ 6,733,445	\$ 7,164,029	\$ 9,165,781	\$ 9,451,119
Operating Grants and Contributions	282,733	742,437	-	-	282,733	742,437
Capital Grants and Contributions	327,208	296,316	1,243,904	682,457	1,571,112	978,773
General Revenues:						
Property Taxes	2,857,603	2,691,642	-	-	2,857,603	2,691,642
Other Taxes	2,244,116	1,891,205	-	-	2,244,116	1,891,205
Other	57,205	111,512	27,721	64,216	84,926	175,728
Total Revenues	8,201,201	8,020,202	8,005,070	7,910,702	16,206,271	15,930,904
Expenses						
General Government	1,719,382	1,837,268	-	-	1,719,382	1,837,268
Public Safety	2,671,992	2,964,167	-	-	2,671,992	2,964,167
Physical Environment	629,904	585,667	-	-	629,904	585,667
Transportation	1,021,898	1,007,222	-	-	1,021,898	1,007,222
Culture and Recreation	1,284,123	1,263,738	-	-	1,284,123	1,263,738
Economic Development	249,142	781,281	-	-	249,142	781,281
Unallocated Interest on						
Long-Term Debt	-	2,744	-	-	-	2,744
Electric Utility	-	-	4,325,963	4,176,763	4,325,963	4,176,763
Water and Sewer Utilities	-	-	2,056,316	2,059,466	2,056,316	2,059,466
Mosquito Control	-	-	21,754	34,790	21,754	34,790
Total Expenses	(7,576,441)	(8,442,087)	(6,404,033)	(6,271,019)	(13,980,474)	(14,713,106)
Increase in Net Position						
 Before Transfers	624,760	(421,885)	1,601,037	1,639,683	2,225,797	1,217,798
Transfers	219,852	222,360	(219,852)	(222,360)	-	-
Change in Net Position	844,612	(199,525)	1,381,185	1,417,323	2,225,797	1,217,798
Net Position, Beginning of Year	16,383,303	16,582,828	21,196,801	19,779,478	37,580,104	36,362,306
Net Position, End of Year	\$ 17,227,915	\$ 16,383,303	\$ 22,577,986	\$ 21,196,801	\$ 39,805,901	\$ 37,580,104

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

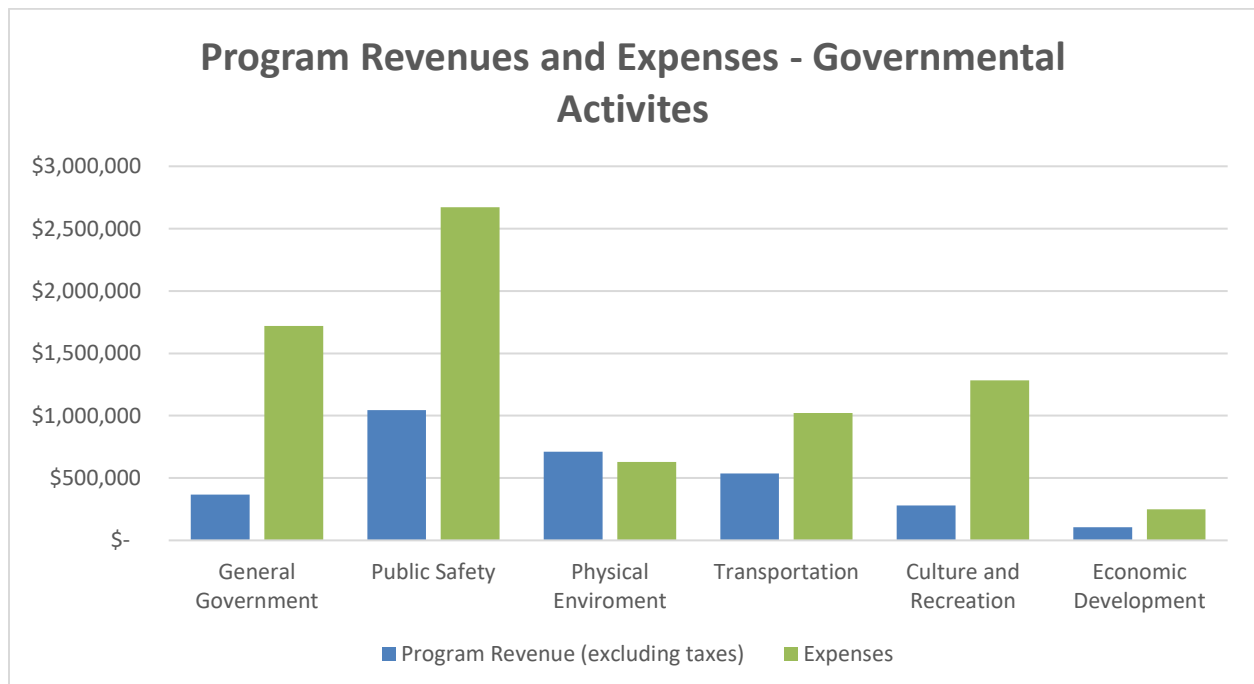
Governmental activities—Governmental activities increased the City’s net position by \$844,612 in 2021, compared with a decrease of \$199,525 in 2020.

Overall, governmental activities reported an increase in revenues of 2.3 percent (\$180,999) and a decrease in expenses of 10.3 percent (\$865,646) in comparison with the prior year. This increase in revenues is mainly due to an increase in taxable value resulting in higher property tax collections, as well as an increase in other taxes attributed to population growth and renegotiation of interlocal agreements which define tax revenue splits.

GOVERNMENTAL REVENUES



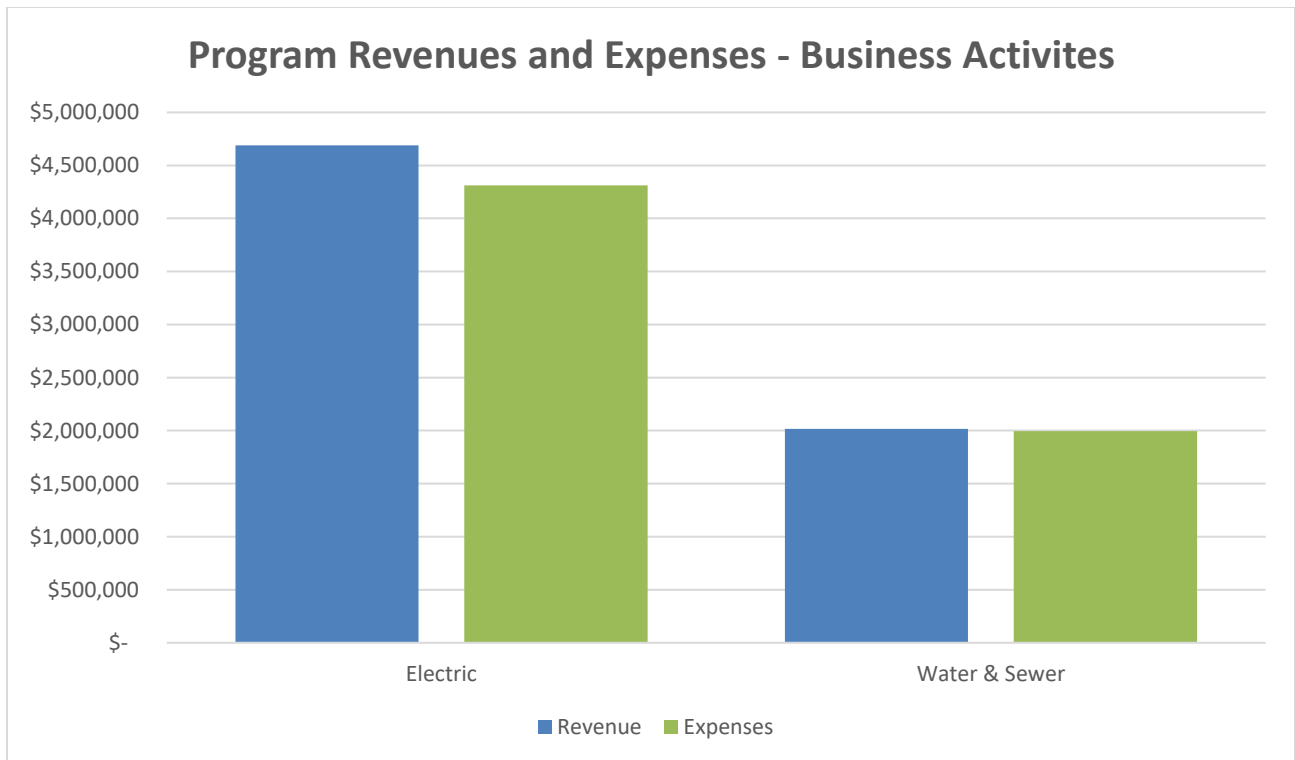
Program Revenues and Expenses - Governmental Activities



**CITY OF NEWBERRY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Business-type activities—Business-type activities increased the City’s net position by \$1,381,185, while in 2020 net position increased by \$1,417,323.

- The Electric Utility of the City operates at 7.2/12.47 kV. The City purchases power from Florida Municipal Power Association (FMPA) through its all-requirements project (ARP).
- The Water Utility obtains its water supply from 4 wells that pump from the upper portion of the Floridian Aquifer. Three wells with depths of approximately 280 feet withdraw water from the Ocala limestone and discharge it into the City’s distribution system. The quality of the City’s water supply is such that chlorination is the only treatment the water requires prior to distribution. The system’s wells range in age from 7 to 49 years old.
- Wastewater generated through the utility is collected through a gravity sewer system and pumped to the City’s wastewater treatment plant. The collected wastewater is treated in an activated sludge treatment facility, which has a current capacity of 560,000 gallons per day. As part of the permit renewal process, the City was able to increase its wastewater capacity by an additional 60,000 gallons per day. The effluent from the treatment facility is chlorinated and land applied as spray irrigation for hay crop production.



Financial Analysis of the Government’s Funds

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

CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

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

As of the end of the current fiscal year, the City's general fund, which is a major governmental fund, reported an ending fund balance of \$3,561,508, an increase of \$553,967. Of the ending fund balance, \$408,892 are funds that have been allocated for use in the subsequent budget year, all of these funds are related to on-going projects or purchases not completed in fiscal year 2021. The restricted fund balance includes \$112,832 for building department expenses which the City plans to expend on enhancement and repairs to the building department office. The general fund also reported \$401,428 in advances to other funds. This advance was made to the Wild Spaces Public Places (WSPP) Special Revenue fund as discussed below. The remaining balance includes \$2,635,145 in unassigned fund balance, and \$3,211 in prepaid items. The City has adopted a policy of retaining two months or 17% of operating expenses on hand as its emergency fund. For fiscal year 2021, \$1,322,822 met that requirement; an additional \$389,065 is set aside within the unassigned category as the City's Stabilization Fund to mitigate against unforeseen events and diminished revenues during economic downturns. The excess \$923,258 was available for any other expenditure.

A special revenue fund is used to account for tracking the proceeds received from the lease and other operations of Champions Park. These funds are held for future renewal and replacement of the park's assets. At the end of the current fiscal year, the Champions Park special revenue fund reported a balance of \$50,947. More information may be found on page 52.

A special revenue fund is used to account for tracking the proceeds received from the WSPP half cent sales tax. As of the end of the current fiscal year, this fund reported a balance of \$90,991. More information on these funds can be found on page 17.

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

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

Total assets and deferred outflows as of September 30, 2021, for enterprise funds were \$27,040,021 total liabilities and deferred inflows were \$4,421,437, and net position was \$22,618,584 before an adjustment for consolidation of internal service fund activity of (\$40,598). The statement of net position of the proprietary funds can be found on pages 21-22 of this report.

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

The unrestricted net position of the electric, water and sewer, and mosquito control funds at the end of the year were \$4,121,228, \$1,875,160, and \$14,091, respectively. The internal service funds reported an unrestricted net position of \$(136,661). The internal service funds net position has been allocated among the various funds on the government-wide statements as business-type activities and governmental activities. The total change in net position for the electric, water and sewer, and mosquito control funds was \$381,043, \$1,024,167, and \$7,535 respectively. The internal service fund reported a total change of \$789 in net position. More information on the changes in net position of the proprietary funds can be found on page 23 of this report.

General Fund Budgetary Highlights

At September 30, 2021, the City's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue in the amount of \$311,453. This variance was primarily driven by increased distribution of intergovernmental revenues. The City budgeted conservatively based upon the State's estimates for revenue sharing due to the COVID-19 pandemic. The state's economy recovered more quickly than anticipated which resulted in higher tax collections.

The City's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of \$585,175. As noted earlier at the end of the year a portion of these underutilized funds (\$408,892) were carried forward into the next fiscal year for expenditure. The City also renegotiated its law enforcement contract with the Alachua County Sheriff's Office during the fiscal year which resulted in a \$137,229 savings to the adopted budget.

The schedule of revenues, expenditures, and changes in fund balance budget and actual can be found on page 44 of this report.

Capital Asset and Debt Administration

Capital Assets—The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$34,638,148 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and roads. The total increase in the City's investment in capital assets for the current fiscal year was 4.34%.

Capital Assets

(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,580,938	\$ 1,544,619	\$ 414,426	\$ 414,426	\$ 1,995,364	\$ 1,959,045
Construction in Process	12,220	12,220	1,740,747	86,840	1,752,967	99,060
Buildings and Improvements	8,397,928	8,639,057	-	-	8,397,928	8,639,057
Equipment, Utility Systems, and Improvements	738,361	921,674	14,900,638	14,710,463	15,638,999	15,632,137
Infrastructure	6,852,890	6,868,176	-	-	6,852,890	6,868,176
Total	\$ 17,582,337	\$ 17,985,746	\$ 17,055,811	\$ 15,211,729	\$ 34,638,148	\$ 33,197,475

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Additional information on the City’s capital assets can be found on pages 32 - 33 of this report.

Long-term debt—At the end of the current fiscal year, the City of Newberry had total long-term debt outstanding of \$1,802,850. The full amount represents notes payables in the business-type activities for the expansion of the water system, and expansion to the wastewater treatment plant.

**Outstanding Debt
Revenue Bonds, Loans, and Capital Leases**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Loans	\$ -	\$ -	\$ 1,802,850	\$ 2,329,157	\$ 1,802,850	\$ 2,329,157
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,802,850</u>	<u>\$ 2,329,157</u>	<u>\$ 1,802,850</u>	<u>\$ 2,329,157</u>

The City’s total debt decreased by \$526,307 (22.60 percent) during the current fiscal year. This was primarily driven by the City’s decision to pay off the remaining portion of the state revolving fund loan in the water utility.

Additional information on the City’s long-term debt can be found on pages 34 - 35 of this report.

Economic Factors and Next Year’s Budgets and Rates

The City took a more cautious approach to balance the Fiscal Year 2021 budget because of the COVID-19 restrictions at the time the budget was being developed. Due to the impact of current economic trends on both governmental and business-type activities, all of the initiatives listed below were considered in preparing the City’s budget for the 2022 fiscal year:

■ **Generally**

The final certified citywide taxable value of property increased to \$547 million, representing an increase of 11%.

The population is estimated to be 7,684 at September 30, 2021.

The unemployment rate for the Gainesville MSA at December 31, 2021, was 3.0%, which includes the City of Newberry. This is a decrease from the previous fiscal year’s rate of 4.3%.

The City Commission adopted a 6% public service tax on water and irrigation sales within the City. The funding from this tax has been designated as a funding mechanism for capital projects within the City.

In 2021, the City of Newberry and the Alachua County Board of County Commissioners entered into an interlocal agreement to establish a community redevelopment agency within the downtown area of the City of Newberry. There is minimal impact to the Fiscal Year 2022 budget.

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

■ **Culture and Recreation**

Wild Spaces & Public Places—In 2016 the voters of Alachua County passed a discretionary half-cent sales tax for the funding of recreational and conservation programs. Funds started to be received in Fiscal Year 2017. The City has adopted a long-term projects plan for the expenditure of these funds on a variety of recreation facilities throughout the City. The City has used a large portion of its anticipated WSPP funds as a contribution towards the Alachua County Agriculture and Equestrian Center. Additionally, the City used these funds to purchase land for the construction of the County’s IFAS Extension Agency and convention center.

■ **Public Safety**

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

■ **Electric Utility**

The power cost adjustment (PCA) will continue to be evaluated monthly instead of quarterly to ensure that proper recovery of current costs is occurring. Over the last year, natural gas prices have doubled. The cost of the fuel is passed on to customers and included in the power cost adjustment (PCA) on their bill. The City anticipates a significant increase in the PCA to cover these increased costs.

The City of Newberry has begun the process of implementing an Advanced Metering Infrastructure system that enables two-way communication between utilities and customers. This will provide customers the ability to see their usage in real-time and provide the City more accurate usage data. Mass deployment of these meters began in May of 2022.

■ **Water and Sewer Utilities**

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

The City is currently in the engineering phase of a wastewater treatment plant expansion to increase the City’s total treatment capacity and to enhance the level of treatment. To date, the City of Archer has passed a resolution agreeing to partner with the City of Newberry for regional waste treatment.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 3,779,443	\$ 6,683,670	\$ 10,463,113
Accounts Receivable	68,083	1,386,069	1,454,152
Due from Other Governments	249,359	-	249,359
Due from Others	88,057	-	88,057
Prepaid Items	3,211	85	3,296
Internal Balances	(30,540)	30,540	-
Restricted Assets:			
Cash and Cash Equivalents	-	1,489,871	1,489,871
Capital Assets not Being Depreciated	1,593,158	2,155,173	3,748,331
Capital Assets Being Depreciated, Net of Accumulated Depreciation	15,989,179	14,900,638	30,889,817
Total Assets	21,739,950	26,646,046	48,385,996
Deferred Outflows of Resources			
Pension Related	1,066,658	155,951	1,222,609
OPEB Related	153,690	66,993	220,683
Total Deferred Outflows of Resources	1,220,348	222,944	1,443,292
Liabilities			
Accounts Payable	285,018	789,348	1,074,366
Accrued Expenses	206,303	70,353	276,656
Accrued Interest Payable	-	4,756	4,756
Unearned Revenue	37,891	-	37,891
Customer Deposits	9,285	99,510	108,795
Power Costs Overrecovery	-	331,096	331,096
Non-Current Liabilities:			
Due Within One Year	240,388	200,945	441,333
Due in More than One Year	2,290,231	2,021,977	4,312,208
Total Liabilities	3,069,116	3,517,985	6,587,101
Deferred Inflows of Resources			
Pension Related	2,559,251	727,678	3,286,929
OPEB Related	104,016	45,341	149,357
Total Deferred Inflows of Resources	2,663,267	773,019	3,436,286
Net Position			
Net Investment in Capital Assets	17,582,337	15,252,961	32,835,298
Restricted for:			
Building Department	112,832	-	112,832
Culture and Recreation	141,938	-	141,938
Capital Improvements	-	1,377,103	1,377,103
Unrestricted	(609,192)	5,947,922	5,338,730
Total Net Position	\$ 17,227,915	\$ 22,577,986	\$ 39,805,901

See accompanying notes.

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

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 1,719,382	\$ 366,616	\$ -	\$ -	(1,352,766)	\$ -	\$ (1,352,766)
Public Safety	2,671,992	1,044,370	-	-	(1,627,622)	-	(1,627,622)
Physical Environment	629,904	710,301	-	-	80,397	-	80,397
Transportation	1,021,898	31,356	178,468	327,208	(484,866)	-	(484,866)
Culture and Recreation	1,284,123	279,693	-	-	(1,004,430)	-	(1,004,430)
Economic Development	249,142	-	104,265	-	(144,877)	-	(144,877)
Total Governmental Activities	<u>7,576,441</u>	<u>2,432,336</u>	<u>282,733</u>	<u>327,208</u>	<u>(4,534,164)</u>	<u>-</u>	<u>(4,534,164)</u>
Business-Type Activities							
Electric	4,325,963	4,687,948	-	211,741	-	573,726	573,726
Water and Sewer	2,056,316	2,016,666	-	1,032,163	-	992,513	992,513
Mosquito Control	21,754	28,831	-	-	-	7,077	7,077
Total Business-Type Activities	<u>6,404,033</u>	<u>6,733,445</u>	<u>-</u>	<u>1,243,904</u>	<u>-</u>	<u>1,573,316</u>	<u>1,573,316</u>
Total Government	<u>\$ 13,980,474</u>	<u>\$ 9,165,781</u>	<u>\$ 282,733</u>	<u>\$ 1,571,112</u>	<u>(4,534,164)</u>	<u>1,573,316</u>	<u>(2,960,848)</u>
General Revenues							
					2,857,603	-	2,857,603
					1,045,354	-	1,045,354
					976,302	-	976,302
					178,484	-	178,484
					43,976	-	43,976
					14,336	27,721	42,057
					42,869	-	42,869
					219,852	(219,852)	-
Total General Revenues					<u>5,378,776</u>	<u>(192,131)</u>	<u>5,186,645</u>
Change in Net Position					<u>844,612</u>	<u>1,381,185</u>	<u>2,225,797</u>
Net Position, Beginning of Year					<u>16,383,303</u>	<u>21,196,801</u>	<u>37,580,104</u>
Net Position, End of Year					<u>\$ 17,227,915</u>	<u>\$ 22,577,986</u>	<u>\$ 39,805,901</u>

See accompanying notes.

**CITY OF NEWBERRY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Wild Spaces Public Places</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Cash Equivalents	\$ 3,135,146	\$ 441,476	\$ 42,430	\$ 3,619,052
Accounts Receivable	68,083	-	-	68,083
Due from Other Governments	154,390	83,179	11,790	249,359
Due from Others	88,057	-	-	88,057
Prepaid Items	3,211	-	-	3,211
Due from Other Funds	210,955	-	-	210,955
Advances to Other Funds	401,428	-	-	401,428
Total Assets	<u>4,061,270</u>	<u>524,655</u>	<u>54,220</u>	<u>4,640,145</u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	246,283	32,236	6,499	285,018
Accrued Expenses	206,303	-	-	206,303
Unearned Revenue	37,891	-	-	37,891
Deposits	9,285	-	-	9,285
Due to Other Funds	-	-	7,000	7,000
Advances from Other Funds	-	401,428	-	401,428
Total Liabilities	<u>499,762</u>	<u>433,664</u>	<u>13,499</u>	<u>946,925</u>
Fund Balances				
Non-Spendable:				
Prepays	3,211	-	-	3,211
Advances to Other Funds	401,428	-	-	401,428
Restricted for:				
Building Department	112,832	-	-	112,832
Culture and Recreation	-	90,991	50,947	141,938
Assigned for:				
Capital Projects	-	-	3,273	3,273
Subsequent Year Budget	408,892	-	-	408,892
Unassigned	2,635,145	-	(13,499)	2,621,646
Total Fund Balances	<u>3,561,508</u>	<u>90,991</u>	<u>40,721</u>	<u>3,693,220</u>
Total Liabilities and Fund Balances	<u>\$ 4,061,270</u>	<u>\$ 524,655</u>	<u>\$ 54,220</u>	<u>\$ 4,640,145</u>

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Fund Balance - Total Governmental Funds \$ 3,693,220

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental Funds:

Cost of Assets, excluding \$559,302 of capital assets reported in the Internal Service Fund	\$ 28,875,746	
(Accumulated Depreciation, Excluding \$197,747 of Accumulated Depreciation Reported in the Internal Service Fund)	(11,654,964)	17,220,782

Deferred outflows and inflows of resources in governmental activities are not current financial resources and, therefore, are not reported in governmental funds:

Deferred Outflows on Pension Liability	1,066,658	
Deferred Outflows on OPEB Liability	153,690	
Deferred Inflows on Pension Liability	(2,559,251)	
Deferred Inflows on OPEB Liability	(104,016)	(1,442,919)

Long-term liabilities are not due and payable in the current period, and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

Compensated Absences	(312,192)	
Other Postemployment Benefits	(315,295)	
Net Pension Liability	(1,903,132)	(2,530,619)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are reported with governmental activities.

287,451

Net Position of Governmental Activities \$ 17,227,915

See accompanying notes.

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

	<u>General Fund</u>	<u>Wild Spaces Public Places</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 4,282,056	\$ 430,470	\$ -	\$ 4,712,526
Permits, Fees, and Special Assessments	1,247,573	-	-	1,247,573
Intergovernmental	907,188	-	104,265	1,011,453
Fines and Forfeitures	4,751	-	-	4,751
Charges for Services	941,473	-	5,000	946,473
Investment Earnings	13,058	1,180	98	14,336
Miscellaneous	20,341	-	13,195	33,536
Interfund Charges	113,807	-	-	113,807
Total Revenues	<u>7,530,247</u>	<u>431,650</u>	<u>122,558</u>	<u>8,084,455</u>
Expenditures				
Current:				
General Government	1,811,314	-	-	1,811,314
Public Safety	2,730,983	-	-	2,730,983
Physical Environment	634,038	-	-	634,038
Transportation	604,128	-	-	604,128
Culture and Recreation	918,207	13,317	2,950	934,474
Economic Development	156,939	-	100,064	257,003
Capital Outlay	340,523	93,840	-	434,363
(Total Expenditures)	<u>(7,196,132)</u>	<u>(107,157)</u>	<u>(103,014)</u>	<u>(7,406,303)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>334,115</u>	<u>324,493</u>	<u>19,544</u>	<u>678,152</u>
Other Financing Sources				
Transfer from Other Funds	219,852	-	-	219,852
Net Change in Fund Balances	553,967	324,493	19,544	898,004
Fund Balances, Beginning of Year	<u>3,007,541</u>	<u>(233,502)</u>	<u>21,177</u>	<u>2,795,216</u>
Fund Balances, End of Year	<u>\$ 3,561,508</u>	<u>\$ 90,991</u>	<u>\$ 40,721</u>	<u>\$ 3,693,220</u>

See accompanying notes.

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

Net Change in Fund Balance - Total Governmental Funds \$ 898,004

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense:

Expenditures for Capital Assets	434,363	
Donated Assets	230,553	
(Less Current Year Depreciation, Excluding \$87,247 of Depreciation Reported in the Internal Service Fund)	(981,077)	(316,161)

The net change in net pension liability and pension related deferred outflows and inflows of resources is reported in the statement of activities, but not in the governmental fund statements. 302,332

The net change in total other postemployment benefit obligation liability (OPEB) and related deferred outflows and inflows of resources is reported in the statement of activities, but not in the governmental fund statements. (45,553)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in Compensated Absences Liability		(26,359)
--	--	----------

Internal service funds are used by management to charge the cost of certain activities, such as the costs of the central garage, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 32,349

Change in Net Position of Governmental Activities \$ 844,612

See accompanying notes.

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

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control	Enterprise Funds	
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 4,039,895	\$ 2,612,544	\$ 23,297	\$ 6,675,736	\$ 168,325
Accounts Receivable	1,048,919	331,657	2,547	1,383,123	2,946
Prepays	-	-	-	-	85
Total Current Assets	5,088,814	2,944,201	25,844	8,058,859	171,356
Non-Current Assets:					
Restricted Cash and Cash Equivalents	79,830	1,410,041	-	1,489,871	-
Advances to Other Funds	234,495	-	-	234,495	-
Capital Assets:					
Land	66,263	348,163	-	414,426	-
Construction in Progress	117,190	1,623,557	-	1,740,747	-
Property, Plant and Equipment (Accumulated Depreciation)	5,757,007 (3,248,401)	22,987,285 (10,619,026)	9,069 (7,255)	28,753,361 (13,874,682)	592,983 (209,469)
Capital Assets, Net	2,692,059	14,339,979	1,814	17,033,852	383,514
Total Non-Current Assets	3,006,384	15,750,020	1,814	18,758,218	383,514
Total Assets	8,095,198	18,694,221	27,658	26,817,077	554,870
Deferred Outflows of Resources					
Pension Related	67,547	87,905	499	155,951	-
OPEB Related	31,526	35,467	-	66,993	-
Total Deferred Outflows of Resources	99,073	123,372	499	222,944	-

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021
(Concluded)

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control	Enterprise Funds	
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 409,133	\$ 367,291	\$ 251	\$ 776,675	\$ 12,673
Accrued Expenses	38,841	20,913	148	59,902	10,451
Due to Other Funds	-	203,955	-	203,955	-
Compensated Absences	31,608	8,210	157	39,975	33,934
Power Costs Overrecovery	331,096	-	-	331,096	-
Accrued Interest Payable	-	4,756	-	4,756	-
Current Portion of Long-Term Debt	-	127,036	-	127,036	-
Total Current Liabilities	810,678	732,161	556	1,543,395	57,058
Non-Current Liabilities:					
Customer Deposits	79,830	19,680	-	99,510	-
Compensated Absences	17,779	912	47	18,738	16,464
Advances from Other Funds	-	-	-	-	234,495
Long-Term Debt	-	1,675,814	-	1,675,814	-
Total OPEB Liability	64,676	72,761	-	137,437	-
Net Pension Liability	49,262	123,252	1,010	173,524	-
Total Non-Current Liabilities	211,547	1,892,419	1,057	2,105,023	250,959
Total Liabilities	1,022,225	2,624,580	1,613	3,648,418	308,017
Deferred Inflows of Resources					
Pension Related	337,422	379,617	10,639	727,678	-
OPEB Related	21,337	24,004	-	45,341	-
Total Deferred Inflows of Resources	358,759	403,621	10,639	773,019	-
Net Position					
Net Investment in Capital Assets	2,692,059	12,537,129	1,814	15,231,002	383,514
Restricted for Capital Improvements	-	1,377,103	-	1,377,103	-
Unrestricted	4,121,228	1,875,160	14,091	6,010,479	(136,661)
Total Net Position	\$ 6,813,287	\$ 15,789,392	\$ 15,905	22,618,584	\$ 246,853
				(40,598)	
				<u>\$ 22,577,986</u>	

Adjustment to Reflect the Consolidation of Internal Service Fund Activity

Net Position of Business-Type Activities

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total Enterprise Funds	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control		
Operating Revenues					
Charges for Services	\$ 4,635,244	\$ 2,011,308	\$ 28,831	\$ 6,675,383	\$ -
Fees, Rentals, and Other	52,704	5,358	-	58,062	30,237
Interfund Charges	-	-	-	-	739,303
Total Operating Revenues	4,687,948	2,016,666	28,831	6,733,445	769,540
Operating Expenses					
Purchased Power	3,125,390	-	-	3,125,390	-
Personnel Services	384,374	376,378	7,266	768,018	562,469
Materials, Supplies, and Other	256,443	594,191	2,983	853,617	114,504
Billing and Administration	270,740	356,590	9,233	636,563	-
Depreciation	275,593	669,463	1,814	946,870	90,834
(Total Operating Expenses)	(4,312,540)	(1,996,622)	(21,296)	(6,330,458)	(767,807)
Operating Income	375,408	20,044	7,535	402,987	1,733
Non-Operating Revenues (Expenses)					
Development Charge	-	565,772	-	565,772	-
Grant Revenue	-	298,449	-	298,449	-
Interest Income	13,746	13,975	-	27,721	518
Interest Expense	-	(42,015)	-	(42,015)	(1,462)
Total Non-Operating Revenues (Expenses)	13,746	836,181	-	849,927	(944)
Income Before Capital Contributions and Transfers	389,154	856,225	7,535	1,252,914	789
Capital Contributions	211,741	167,942	-	379,683	-
Transfers (out)	(219,852)	-	-	(219,852)	-
Change in Net Position	381,043	1,024,167	7,535	1,412,745	789
Net Position, Beginning of Year	6,432,244	14,765,225	8,370	21,205,839	246,064
Net Position, End of Year	\$ 6,813,287	\$ 15,789,392	\$ 15,905	\$ 22,618,584	\$ 246,853
Change in Net Position - Above				\$ 1,412,745	
Internal Service Fund Activities in the Enterprise Funds				(31,560)	
Change in Net Position of Business-Type Activities				\$ 1,381,185	

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund		Internal Service Funds
	Electric	Water and Sewer	Mosquito Control	Total Enterprise Funds	
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 4,600,573	\$ 2,020,865	\$ 28,712	\$ 6,650,150	\$ -
Receipts from Interfund Services Provided	-	-	-	-	735,907
Cash Received from Other Sources	52,704	5,358	-	58,062	30,237
Cash Payments to Suppliers for Goods and Services	(3,123,715)	(292,360)	(3,313)	(3,419,388)	(120,603)
Cash Payments to Employees for Services	(401,719)	(412,889)	(8,557)	(823,165)	(554,481)
Cash Payments for Interfund Charges	(270,740)	(356,590)	(9,233)	(636,563)	-
Net Cash Provided by Operating Activities	857,103	964,384	7,609	1,829,096	91,060
Cash Flows from Non-Capital Financing Activities					
Loans/Advances and Repayments from (to) Other Funds	46,805	190,135	(1,737)	235,203	(29,830)
Transfer from (to) Other Funds	(219,852)	-	-	(219,852)	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	(173,047)	190,135	(1,737)	15,351	(29,830)
Cash Flows from Capital and Related Financing Activities					
Proceeds from New Debt	-	40,560	-	40,560	-
Principal Paid on Long-Term Debt	-	(566,867)	-	(566,867)	-
Interest Paid on Long-Term Debt	-	(42,715)	-	(42,715)	(1,462)
Acquisition and Construction of Capital Assets	(270,231)	(2,144,625)	-	(2,414,856)	-
Capital Grants	-	298,449	-	298,449	-
Development Fees Received	-	565,772	-	565,772	-
Net Cash (Used in) Capital and Related Financing Activities	(270,231)	(1,849,426)	-	(2,119,657)	(1,462)
Cash Flows from Investing Activities					
Interest Earned on Investments	13,746	13,975	-	27,721	518
Net Cash Provided by Investing Activities	13,746	13,975	-	27,721	518
Net Increase (Decrease) in Cash and Cash Equivalents	427,571	(680,932)	5,872	(247,489)	60,286
Cash and Cash Equivalents, Beginning of Year	3,692,154	4,703,517	17,425	8,413,096	108,039
Cash and Cash Equivalents, End of Year	\$ 4,119,725	\$ 4,022,585	\$ 23,297	\$ 8,165,607	\$ 168,325

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(Concluded)

	<u>Business-Type Activities - Enterprise Funds</u>				
	<u>Major Funds</u>		<u>Non-Major Fund</u>		
	<u>Electric</u>	<u>Water and Sewer</u>	<u>Mosquito Control</u>	<u>Total Enterprise Funds</u>	
<u>Presented on the Statement of Net Position as</u>					
Cash and Cash Equivalents	\$ 4,039,895	\$ 2,612,544	\$ 23,297	\$ 6,675,736	\$ 168,325
Restricted Cash and Cash Equivalents	79,830	1,410,041	-	1,489,871	-
Total Cash and Cash Equivalents	<u>\$ 4,119,725</u>	<u>\$ 4,022,585</u>	<u>\$ 23,297</u>	<u>\$ 8,165,607</u>	<u>\$ 168,325</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>					
Operating Income	\$ 375,408	\$ 20,044	\$ 7,535	\$ 402,987	\$ 1,733
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	275,593	669,463	1,814	946,870	90,834
(Increase) Decrease in:					
Accounts Receivable	(34,231)	8,377	(119)	(25,973)	(2,946)
Increase (Decrease) in:					
Accounts Payable	85,939	301,831	(330)	387,440	(6,099)
Power Cost Overrecovery	172,179	-	-	172,179	-
Compensated Absences	12,479	4,191	40	16,710	7,988
Customer Deposits	(440)	1,180	-	740	(450)
OPEB/Net Pension Liability and Related Deferred Inflows and Outflows	(29,824)	(40,702)	(1,331)	(71,857)	-
Total Adjustments	<u>481,695</u>	<u>944,340</u>	<u>74</u>	<u>1,426,109</u>	<u>89,327</u>
Net Cash Provided by Operating Activities	<u>\$ 857,103</u>	<u>\$ 964,384</u>	<u>\$ 7,609</u>	<u>\$ 1,829,096</u>	<u>\$ 91,060</u>
<u>Supplemental Disclosure of Non-Cash Activities</u>					
Capital Contributions	\$ 211,741	\$ 167,942	\$ -	\$ 379,683	\$ -

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

The Newberry Community Redevelopment Agency (CRA) was established in 2021 to provide a method of eliminating blighted areas designated by Resolution 2021-13, and promote the economic health, safety, and welfare of the citizens of the City. The City Commission serves as the governing board of the CRA. In addition, the City has operational responsibility for the CRA. Therefore, it was determined that the CRA should be treated as a blended component unit, and included as part of the primary government for financial reporting purposes. The CRA did not have any financial activity during the year, therefore no financial information has been presented.

B. Government-Wide and Fund Statements

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

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

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

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

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

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits, and claims and judgments are recorded only when payment is due.

Taxes, special assessments, intergovernmental revenues, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Wild Spaces Public Places fund* is a special revenue fund. It accounts for restricted tax revenues received from local discretionary taxes.

The City reports the following major proprietary funds:

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

In addition, the government reports the following fund type:

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

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

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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

Deposits and Investments

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

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

Receivables and Payables

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

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation.

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

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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

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

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

Compensated Absences

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

Long-Term Obligations

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

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

Fund Balance

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

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

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

- *Committed*—amounts constrained to specific purposes by the City’s governing authority, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint. The City Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance.
- *Assigned*—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Commission or by an official or body to which the City Commission delegates the authority. The City Commission has not delegated this authority. Assigned fund balance is established by the City Commission through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes). In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.
- *Unassigned*—amounts within the general fund that are not restricted, committed, or assigned, or deficit unrestricted fund balances in any governmental fund.

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

Deferred Inflows and Outflows of Resources

Deferred outflows of resources represent the consumption of net position that is applicable to a future reporting period and will not be recognized as an outflow of resources until that future time. Deferred inflows of resources represent the acquisition of net position that is applicable to a future reporting period and will not be recognized as an inflow of resources until that future time. Deferred outflows have a positive effect on net position, similar to assets, while deferred inflows have a negative effect on net position, similar to liabilities. The City reports deferred outflows of resources and inflows of resources related to pensions and other postemployment benefits (OPEB).

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

E. Property Tax Calendar

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

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Property values are assessed on January 1 of each year and the assessment roll is validated July 1. The City's property tax becomes a lien on October 1, and the tax is levied by Alachua County each November 1. Property taxes are due before April 1 of the subsequent year, with discounts available for early payment. If payment remains delinquent, a tax certificate for the full amount of any unpaid taxes is sold no later than June 1.

F. Future GASB Pronouncements

Statement No. 87, *Leases*, establishes a single approach to accounting for leases where all long-term leases are recognized by lessees on their balance sheet through a lease asset and corresponding lease liability. This statement is currently under review and management will consider the impact, if any, upon financial reporting. The provisions of this statement are effective for fiscal years beginning after June 15, 2021 (the City's fiscal year ending September 30, 2022).

Note 2 - Deposits and Investments

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

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

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

Interest Rate Risk

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

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Note 3 - Capital Assets

Capital Asset Activity for the Year Ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,544,619	\$ 36,319	\$ -	\$ -	\$ 1,580,938
Construction in Progress	12,220	-	-	-	12,220
Total Capital Assets, Not Being Depreciated	<u>1,556,839</u>	<u>36,319</u>	<u>-</u>	<u>-</u>	<u>1,593,158</u>
Capital Assets, Being Depreciated:					
Buildings and Improvements	11,603,654	71,034	-	-	11,674,688
Equipment, Furniture, Fixtures, and Vehicles	3,020,544	63,625	-	(50,950)	3,033,219
Infrastructure	12,640,046	493,937	-	-	13,133,983
Total Capital Assets, Being Depreciated	<u>27,264,244</u>	<u>628,596</u>	<u>-</u>	<u>(50,950)</u>	<u>27,841,890</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(2,964,597)	(312,163)	-	-	(3,276,760)
Equipment, Furniture, Fixtures, and Vehicles	(2,098,870)	(246,938)	-	50,950	(2,294,858)
Infrastructure	(5,771,870)	(509,223)	-	-	(6,281,093)
Total Accumulated Depreciation	<u>(10,835,337)</u>	<u>(1,068,324)</u>	<u>-</u>	<u>-</u>	<u>(11,852,711)</u>
Total Capital Assets Being Depreciated, Net	<u>16,428,907</u>	<u>(439,728)</u>	<u>-</u>	<u>(50,950)</u>	<u>15,989,179</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,985,746</u>	<u>\$ (403,409)</u>	<u>\$ -</u>	<u>\$ (50,950)</u>	<u>\$ 17,582,337</u>
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 414,426	\$ -	\$ -	\$ -	\$ 414,426
Construction in Progress	86,840	1,653,907	-	-	1,740,747
Total Capital Assets, Not Being Depreciated	<u>501,266</u>	<u>1,653,907</u>	<u>-</u>	<u>-</u>	<u>2,155,173</u>
Capital Assets, Being Depreciated:					
Electric Distribution System	4,495,353	379,759	-	8,700	4,883,812
Water and Sewer Distribution System	21,988,742	689,009	(2,053)	-	22,675,698
Vehicles and Equipment	1,113,414	71,864	-	42,251	1,227,529
Total Capital Assets, Being Depreciated	<u>27,597,509</u>	<u>1,140,632</u>	<u>(2,053)</u>	<u>50,951</u>	<u>28,787,039</u>
Less Accumulated Depreciation:					
Electric Distribution System	(2,530,976)	(172,110)	-	-	(2,703,086)
Water and Sewer Distribution System	(9,765,028)	(649,096)	2,053	-	(10,412,071)
Vehicles and Equipment	(591,042)	(129,251)	-	(50,951)	(771,244)
Total Accumulated Depreciation	<u>(12,887,046)</u>	<u>(950,457)</u>	<u>2,053</u>	<u>(50,951)</u>	<u>(13,886,401)</u>
Total Capital Assets Being Depreciated, Net	<u>14,710,463</u>	<u>190,175</u>	<u>-</u>	<u>-</u>	<u>14,900,638</u>
Business-Type Activities Capital Assets, Net	<u>\$ 15,211,729</u>	<u>\$ 1,844,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,055,811</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General Government	\$ 83,235
Public Safety	184,981
Transportation	420,875
Culture and Recreation	379,233
Total	<u>\$ 1,068,324</u>

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Business-Type Activities	
Electric	\$ 275,593
Water and Sewer	669,463
Mosquito Control	1,814
Internal Service Fund	<u>3,587</u>
Total	<u>\$ 950,457</u>

Note 4 - Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables at September 30, 2021:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Wild Spaces Public Places	\$ 401,428
General Fund	Non-Major Governmental Funds	7,000
General Fund	Water and Sewer Fund	203,955
Electric Fund	Internal Service Fund	<u>234,495</u>
Total		<u>\$ 846,878</u>

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

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

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

Interfund Transfers

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

<u>Transfers Out</u>	<u>Transfers In</u> <u>General Fund</u>
Electric Fund	<u>\$ 219,852</u>
Total	<u>\$ 219,852</u>

Transfers are normally recurring and are approved by the City Commission during the budget process. Transfers from the Electric Fund to the General Fund are to recover costs provided by the general fund and to support general fund operations.

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Note 5 - Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities					
Compensated Absences	\$ 285,834	\$ 186,478	\$ (160,120)	\$ 312,192	\$ 240,388
Total OPEB Liability	288,603	26,692	-	315,295	-
Net Pension Liability	5,184,102	-	(3,280,970)	1,903,132	-
Governmental Activity Long-Term Liabilities	<u>\$ 5,758,539</u>	<u>\$ 213,170</u>	<u>\$ (3,441,090)</u>	<u>\$ 2,530,619</u>	<u>\$ 240,388</u>
Business-Type Activities					
State Revolving Fund Loans	\$ 2,329,157	\$ 40,560	\$ (566,867)	\$ 1,802,850	\$ 127,036
Compensated Absences	84,413	92,522	(67,824)	109,111	73,909
Total OPEB Liability	129,113	8,324	-	137,437	-
Net Pension Liability	1,141,414	-	(967,890)	173,524	-
Business-Type Activity Long-Term Liabilities	<u>\$ 3,684,097</u>	<u>\$ 141,406</u>	<u>\$ (1,602,581)</u>	<u>\$ 2,222,922</u>	<u>\$ 200,945</u>

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

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

Business-Type Activities

■ **Drinking Water State Revolving Fund Loan, Direct Borrowing**

In February 2009, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of improvements to the water distribution system for a total amended amount of \$714,610. The City paid the remaining balance due in full during the current period and the debt is no longer outstanding as of September 30, 2021.

■ **Clean Water State Revolving Fund Loan, Direct Borrowing**

In September 2006, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of improvements to the wastewater treatment plant for a total amended amount of \$2,636,266. Interest accrues at annual rates ranging from 1.83% to 2.33%. Principal and interest are due semiannually on August 15 and February 15 of each year until maturity on August 15, 2034. Pledged revenues consist of the net revenues of the water and sewer system.

■ **Clean Water State Revolving Fund Planning Loan, Direct Borrowing**

In June 2019, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of planning and administrative work necessary for the City to qualify for Clean Water State Revolving Fund financing for construction of wastewater transmission,

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collection, reuse, and treatment facilities for a total amended amount of \$275,000. The loan is structured so that 50% of the loan is eligible for principal forgiveness in the form of a capital grant and the remaining 50% is debt of the City. Principal forgiveness is recognized as eligible costs are incurred. Interest accrues at an annual rate of 2.12%. Principal and interest payments in the amount of \$4,488 are due semiannually on January 15 and July 15 of each year until all amounts due under the agreement have been fully paid, beginning July 15, 2022. The total amount drawn down as of September 30, 2021, is \$81,119 of which \$40,560 is recorded as a loan payable. Pledged revenues consist of the net revenues of the water and sewer system.

Annual Debt Service

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

Year Ending September 30,	Business-Type Activities	
	Principal	Interest
2022	\$ 127,036	\$ 17,600
2023	136,779	16,020
2024	139,412	14,616
2025	142,096	13,184
2026	136,068	11,513
2027-2031	732,372	37,788
2032-2034	389,087	5,559
Total	\$ 1,802,850	\$ 116,280

Debt Covenants

The City has covenanted to establish, maintain, and collect fees from users of the water and sewer system, which, after payment of the costs of operation and maintenance, result in net revenues equal to or exceeding 115% of the bond service requirements of the State Revolving Fund Loans. As of September 30, 2021, the City has met its debt covenants.

Default Provisions

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

Interest Expense

The total interest cost incurred by the City during the current fiscal year was \$42,015.

Note 6 - Pledged Revenues

The City has pledged certain revenues to repay loans 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 the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the loans at September 30, 2021:

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Pledged Revenue	Description of Bonds	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Net Water and Sewer System Revenues	Drinking Water SRF Loan, Clean Water SRF Loan	\$ 1,567,703	\$ 609,582	38.88%	\$ 1,919,130	2034

Note 7 - Retirement Plans

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

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

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

Benefits Provided

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

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

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The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2021, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	9.16%	1.66%
Special Risk Class	24.23%	1.66%
Senior Management Service Class	27.35%	1.66%
Elected Officials	49.76%	1.66%
DROP from FRS	16.68%	1.66%

The City's contributions for the year ended September 30, 2021, were \$490,296 to the FRS Pension Plan and \$59,144 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2021, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2021. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>	<u>Investment Plan</u>
Net Pension Liability	\$ 904,136	\$ 1,172,520	N/A
Proportion at:			
Current Measurement Date	0.0119691864%	0.0095587141%	N/A
Prior Measurement Date	0.0120171076%	0.0091493817%	N/A
Pension Expense	\$ 52,559	\$ 105,361	\$ -

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions After Measurement Date	\$ 136,866	\$ -	\$ 15,789	\$ -
Difference Between Expected and Actual Experience	154,970	-	39,235	491
Change of Assumptions	618,651	-	92,134	48,311
Changes of Proportion and Difference Between City Contributions and Proportionate Share of Contributions	91,440	78,148	72,302	5,674
Net Difference Between Projected and Actual Earnings on Pension Investments	-	3,154,305	1,222	-
Total	<u>\$ 1,001,927</u>	<u>\$ 3,232,453</u>	<u>\$ 220,682</u>	<u>\$ 54,476</u>

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Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2022. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>FRS Amount</u>	<u>HIS Amount</u>
2022	\$ (380,997)	\$ 46,306
2023	(480,881)	22,097
2024	(661,458)	26,895
2025	(847,358)	28,192
2026	3,302	21,309
Thereafter	-	5,618
Total	<u>\$ (2,367,392)</u>	<u>\$ 150,417</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2021. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2021. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2020.

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

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary Increases	3.25%	3.25%
Long-Term Expected Rate of Return	6.80%	N/A
Discount Rate	6.80%	2.16%

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

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

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Assumed Inflation – Mean			2.4%	1.2%

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

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Discount Rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability for the HIS Pension Plan was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

The following changes in actuarial assumptions occurred in 2021:

- HIS—The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 2.21% to 2.16%.

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

<i>FRS</i>	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City’s Proportionate Share of the Net Pension Liability	\$ 4,043,357	\$ 904,136	\$ (1,719,901)
<i>HIS</i>	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
City’s Proportionate Share of the Net Pension Liability	\$ 1,355,547	\$ 1,172,520	\$ 1,022,571

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

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FRS – Defined Contribution Pension Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2021, totaled \$118,692.

Note 8 - Other Postemployment Benefits (OPEB)

Plan Description

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

Benefits Provided

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

At October 1, 2019, the date of the latest actuarial valuation, plan participation consisted of:

Active Employees	66
Retirees and Beneficiaries Receiving Benefits	-
	66

Funding Policy

For the OPEB Plan, contribution requirements of the City are established and may be amended through action from the City Commission. To-date, the City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit cost and expenses. There is no separate Trust fund or equivalent into which the City would make contributions to advance-fund the obligation. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the City, which are invested in very short-term fixed income instruments according to its current investment policy. The discount rate is based on the S&P Municipal 20 Year High Grade Rate Index. The discount rate is 2.43% as of the September 30, 2021, value of the index.

Total OPEB Liability

The City’s total OPEB liability of \$452,732 was measured as of September 30, 2021. The actuarial valuation date was October 1, 2019.

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Changes in the Total OPEB Liability

Total OPEB Liability,		
Beginning of Year	\$	417,715
Service Cost		40,104
Interest on Total OPEB Liability		9,779
Difference Between Actual and Expected Experience		-
Change of Assumptions		(13,214)
Benefit Payments		<u>(1,652)</u>
Net Change in Total OPEB Liability		<u>35,017</u>
Total OPEB Liability, End of Year	\$	<u>452,732</u>

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>1.43%</u>	<u>2.43%</u>	<u>3.43%</u>
Total OPEB Liability	<u>\$ 498,904</u>	<u>\$ 452,732</u>	<u>\$ 408,737</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 healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 374,012</u>	<u>\$ 452,732</u>	<u>\$ 549,492</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 \$66,138. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions and Other Inputs	\$ 55,836	\$ 11,746
Difference Between Expected and Actual Experience	<u>164,847</u>	<u>137,611</u>
Total	<u>\$ 220,683</u>	<u>\$ 149,357</u>

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

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Fiscal Year Ending September 30,	Amount
2022	\$ 14,655
2023	14,655
2024	14,655
2025	14,655
2026	14,655
Thereafter	(1,949)
Total	\$ 71,326

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2019	
Measurement Date:	September 30, 2021	
Reporting Date:	September 30, 2021	
Actuarial Cost Method:	Entry Age Normal Cost	
Discount Rate:	2.43%	
Projected Salary Increases:	2.00%	
Retirement Age:	General Employees are assumed to retire at age 62 and Special Risk employees at age 55	
Mortality:	Mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. Rates are based on those outlined in Milliman's July 1, 2019 FRS Valuation	
Healthcare Cost Trend Rate:	Initial Trend Rate	7.50%
	Ultimate Trend Rate	4.00%
Expenses:	Included in the premiums used	

Changes of Assumptions reflect a change in the discount rate from 2.14% for the reporting period ended September 30, 2020, to 2.43% for the reporting period ended September 30, 2021. Also reflected as assumption changes are updated health care costs and premiums and updated health care cost trend rates, and updated retirement rates.

Note 9 - Commitments and Contingencies

A. Commitments

Interlocal Agreement

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

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Construction Commitments

As of September 30, 2021, the City had various construction projects in progress that were not completed with remaining balances that totaled approximately \$718,271.

B. Contingent Liabilities

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

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

Note 10 - Stewardship, Compliance and Accountability

Deficit Fund Balances or Net Positions

At September 30, 2021, the following funds had deficit fund balances or net positions:

<u>Fund</u>	<u>Type</u>	<u>Deficit</u>
Community Development Block Grant	Non-Major Governmental	\$ (13,499)
Customer Service	Internal Service	(18,215)
Utility Administration	Internal Service	(22,383)

Excess of Expenditures Over Budget Appropriations of Individual Funds

For the year ended September 30, 2021, the Community Development Block Grant (CDBG) special revenue fund had an excess of expenditures over appropriations in the amount of \$60,064. These amounts were budgeted and encumbered in a prior year but were not expended until 2021.

Note 11 - Risk Management

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

Note 12 - Related Party Transactions

During the year, the City purchased a 2.5-acre parcel for \$36,319 from a relative of a member of the City Commission. The related commissioner recused himself from the vote. No amounts payable were outstanding as of September 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWBERRY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 4,082,900	\$ 4,082,900	\$ 4,282,056	\$ 199,156
Permits, Fees, and Special Assessments	1,128,460	1,208,460	1,247,573	39,113
Intergovernmental	578,900	603,900	907,188	303,288
Fines and Forfeitures	8,000	8,000	4,751	(3,249)
Charges for Services	1,076,714	1,089,214	941,473	(147,741)
Investment Earnings	-	-	13,058	13,058
Miscellaneous	103,250	103,250	20,341	(82,909)
Interfund Charges	123,070	123,070	113,807	(9,263)
Total Revenues	<u>7,101,294</u>	<u>7,218,794</u>	<u>7,530,247</u>	<u>311,453</u>
Expenditures				
General Government:				
Legislative	99,000	98,739	91,983	6,756
Executive	474,564	479,089	453,101	25,988
Finance and Administrative	505,580	499,352	464,010	35,342
Legal Counsel	98,522	127,011	110,840	16,171
Comprehensive Planning	242,760	280,428	238,451	41,977
Other General Government Services	705,800	682,646	579,117	103,529
Public Safety:				
Fire Control	1,434,825	1,505,062	1,492,501	12,561
Law Enforcement	1,005,480	1,005,480	868,251	137,229
Building and Zoning	374,660	377,976	340,765	37,211
Code Enforcement	79,750	87,890	87,971	(81)
Transportation	868,360	880,419	733,609	146,810
Culture and Recreation	936,305	961,090	934,027	27,063
Economic Environment	111,875	158,000	156,939	1,061
Physical Environment	626,175	638,125	644,567	(6,442)
(Total Expenditures)	<u>(7,563,656)</u>	<u>(7,781,307)</u>	<u>(7,196,132)</u>	<u>585,175</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(462,362)</u>	<u>(562,513)</u>	<u>334,115</u>	<u>896,628</u>
Other Financing Sources				
Transfer from Other Funds	219,852	219,852	219,852	-
Total Other Financing Sources	<u>219,852</u>	<u>219,852</u>	<u>219,852</u>	<u>-</u>
Net Change in Fund Balance	(242,510)	(342,661)	553,967	896,628
Fund Balances, Beginning of Year	<u>1,686,485</u>	<u>1,686,485</u>	<u>3,007,541</u>	<u>1,321,056</u>
Fund Balances, End of Year	<u>\$ 1,443,975</u>	<u>\$ 1,343,824</u>	<u>\$ 3,561,508</u>	<u>\$ 2,217,684</u>

CITY OF NEWBERRY, FLORIDA
WILD SPACES PUBLIC PLACES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 350,000	\$ 350,000	\$ 430,470	\$ 80,470
Investment Earnings	-	-	1,180	1,180
Total Revenues	<u>350,000</u>	<u>350,000</u>	<u>431,650</u>	<u>81,650</u>
Expenditures				
Culture and Recreation	223,775	223,775	107,157	116,618
(Total Expenditures)	<u>(223,775)</u>	<u>(223,775)</u>	<u>(107,157)</u>	<u>116,618</u>
Excess of Revenues Over Expenditures	<u>126,225</u>	<u>126,225</u>	<u>324,493</u>	<u>198,268</u>
Net Change in Fund Balance	126,225	126,225	324,493	198,268
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>(233,502)</u>	<u>(233,502)</u>
Fund Balances, End of Year	<u>\$ 126,225</u>	<u>\$ 126,225</u>	<u>\$ 90,991</u>	<u>\$ (35,234)</u>

**CITY OF NEWBERRY, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021**

Note 1 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

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

1. Prior to September 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in August and September to obtain taxpayer comments.
3. Prior to November 1, the budget is legally enacted through passage of an ordinance.
4. The legal level of budgetary control is the department level; however, the City Commission may, by formal motion, transfer appropriations between departments and may use surplus revenues not appropriated in the budget for any municipal purpose.
5. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America for governmental fund types.

Excess of Expenditures Over Budget Appropriations

For the year ended September 30, 2021, the general fund experienced an excess of expenditures over budget appropriations as follows:

Department	Excess Expenditures Over Budget
Code Enforcement	\$ 81
Physical Environment	6,442

**CITY OF NEWBERRY, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2021**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City of Newberry's Proportion of the FRS Net Pension Liability	0.011969186%	0.012017108%	0.012387818%	0.012419319%	0.011896231%	0.010542663%	0.009341129%
City of Newberry's Proportionate Share of the FRS Net Pension Liability	\$ 904,136	\$ 5,208,392	\$ 4,266,192	\$ 3,740,763	\$ 3,518,825	\$ 2,662,031	\$ 1,206,552
City of Newberry's Covered Payroll (for the Year Ended June 30)	3,384,396	3,176,145	3,120,843	2,986,205	2,816,687	2,408,663	2,471,327
City of Newberry's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	26.71%	163.98%	136.70%	125.27%	124.93%	110.52%	48.82%
FRS 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%

Note: The amounts shown above, as reported on the date indicated, have a measurement date three months prior.

* Additional years will be added to this schedule annually until 10 years of data are presented.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City of Newberry's Proportion of the HIS Net Pension Liability	0.009558714%	0.009149382%	0.009222925%	0.009140888%	0.008834977%	0.008752638%	0.007939591%
City of Newberry's Proportionate Share of the HIS Net Pension Liability	\$ 1,172,520	\$ 1,117,125	\$ 1,031,953	\$ 967,482	\$ 944,676	\$ 1,020,084	\$ 809,713
City of Newberry's Covered Payroll (for the Year Ended June 30)	3,384,396	3,176,145	3,120,843	2,986,205	2,816,687	2,408,663	2,471,327
City of Newberry's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	34.64%	35.17%	33.07%	32.40%	33.54%	42.35%	32.76%
HIS 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%

Note: The amounts shown above, as reported on the date indicated, have a measurement date three months prior.

* Additional years will be added to this schedule annually until 10 years of data are presented.

**CITY OF NEWBERRY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2021**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 490,926	\$ 411,646	\$ 388,567	\$ 359,768	\$ 312,743	\$ 256,615	\$ 228,396
FRS Contribution in Relation to the Contractually Required Contribution	<u>(490,926)</u>	<u>(411,646)</u>	<u>(388,567)</u>	<u>(359,768)</u>	<u>(312,743)</u>	<u>(256,615)</u>	<u>(228,396)</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (for the Year Ended September 30)	\$ 3,562,892	\$ 3,241,145	\$ 3,130,392	\$ 2,975,542	\$ 2,874,096	\$ 2,647,212	\$ 2,471,327
FRS Contributions as a Percentage of Covered Payroll	13.78%	12.70%	12.41%	12.09%	10.88%	9.69%	9.24%

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 59,144	\$ 53,803	\$ 51,806	\$ 49,394	\$ 47,710	\$ 43,895	\$ 33,584
HIS Contribution in Relation to the Contractually Required Contribution	<u>(59,144)</u>	<u>(53,803)</u>	<u>(51,806)</u>	<u>(49,394)</u>	<u>(47,710)</u>	<u>(43,895)</u>	<u>(33,584)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (for the Year Ended September 30)	\$ 3,562,892	\$ 3,241,145	\$ 3,130,392	\$ 2,975,542	\$ 2,874,096	\$ 2,647,212	\$ 2,471,327
HIS Contributions as a Percentage of Covered Payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%

CITY OF NEWBERRY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 40,104	\$ 31,649	\$ 13,163	\$ 12,905
Interest on the Total OPEB Liability	9,779	12,940	16,549	14,955
Changes of Assumptions	(13,214)	51,192	-	-
Difference Between Expected and Actual Experience	-	(176,929)	18,943	16,977
Benefit Payments	(1,652)	(3,803)	(1,273)	(797)
Net Change in Total OPEB Liability	<u>35,017</u>	<u>(84,951)</u>	<u>47,382</u>	<u>44,040</u>
Total OPEB Liability - Beginning	<u>417,715</u>	<u>502,666</u>	<u>455,284</u>	<u>411,244</u>
Total OPEB Liability - Ending	<u>\$ 452,732</u>	<u>\$ 417,715</u>	<u>\$ 502,666</u>	<u>\$ 455,284</u>
Covered-Employee Payroll	<u>\$ 2,689,420</u>	<u>\$ 2,636,687</u>	<u>\$ 2,338,750</u>	<u>\$ 2,292,892</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	16.83%	15.84%	21.49%	19.86%

Notes to the Schedule

10 years of data will be presented as available.

Covered Employee Payroll was projected two years forward from the valuation date of the reporting period ending September 30, 2021.

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

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

The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2021	2.43%
Fiscal Year Ending September 30, 2020	2.14%
Fiscal Year Ending September 30, 2019	3.64%
Fiscal Year Ending September 30, 2018	3.64%

SUPPLEMENTARY INFORMATION

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

	<u>Special Revenue Funds</u>			Total Non-Major Governmental Funds
	Champions Park Special Revenue Fund	Community Development Block Grant	Capital Improvement Fund	
Assets				
Cash and Cash Equivalents	\$ 39,157	\$ -	\$ 3,273	\$ 42,430
Due from Other Governments	11,790	-	-	11,790
Total Assets	<u>50,947</u>	<u>-</u>	<u>3,273</u>	<u>54,220</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts Payable	-	6,499	-	6,499
Due to Other Funds	-	7,000	-	7,000
Total Liabilities	<u>-</u>	<u>13,499</u>	<u>-</u>	<u>13,499</u>
Fund Balance:				
Restricted for:				
Culture and Recreation	50,947	-	-	50,947
Assigned for:				
Capital Projects - Public Safety	-	-	3,273	3,273
Unassigned	-	(13,499)	-	(13,499)
Total Fund Balance	<u>50,947</u>	<u>(13,499)</u>	<u>3,273</u>	<u>40,721</u>
Total Liabilities and Fund Balance	<u>\$ 50,947</u>	<u>\$ -</u>	<u>\$ 3,273</u>	<u>\$ 54,220</u>

**CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Special Revenue Funds</u>			<u>Total Non-Major Governmental Funds</u>
	<u>Champions Park Special Revenue Fund</u>	<u>Community Development Block Grant</u>	<u>Capital Improvement Fund</u>	
Revenues				
Intergovernmental	\$ -	\$ 104,265	\$ -	\$ 104,265
Charges for Services	5,000	-	-	5,000
Investment Earnings	98	-	-	98
Miscellaneous	12,872	-	323	13,195
Total Revenues	<u>17,970</u>	<u>104,265</u>	<u>323</u>	<u>122,558</u>
Expenditures				
Current:				
Culture and Recreation	2,950	-	-	2,950
Economic Development	-	100,064	-	100,064
(Total Expenditures)	<u>(2,950)</u>	<u>(100,064)</u>	<u>-</u>	<u>(103,014)</u>
Excess of Revenues Over Expenditures	<u>15,020</u>	<u>4,201</u>	<u>323</u>	<u>19,544</u>
Fund Balance, Beginning of Year	<u>35,927</u>	<u>(17,700)</u>	<u>2,950</u>	<u>21,177</u>
Fund Balance, End of Year	<u>\$ 50,947</u>	<u>\$ (13,499)</u>	<u>\$ 3,273</u>	<u>\$ 40,721</u>

**CITY OF NEWBERRY, FLORIDA
 CHAMPIONS PARK SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Charges for Services	\$ 25,000	\$ 5,000	\$ (20,000)
Investment Earnings	-	98	98
Miscellaneous	-	12,872	12,872
Total Revenues	<u>25,000</u>	<u>17,970</u>	<u>(7,030)</u>
Expenditures			
Culture and Recreation	25,000	2,950	22,050
(Total Expenditures)	<u>(25,000)</u>	<u>(2,950)</u>	<u>22,050</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>15,020</u>	<u>15,020</u>
Net Change in Fund Balance	-	15,020	15,020
Fund Balance, Beginning of Year	<u>-</u>	<u>35,927</u>	<u>35,927</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 50,947</u>	<u>\$ 50,947</u>

**CITY OF NEWBERRY, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 40,000	\$ 104,265	\$ 64,265
Total Revenues	<u>40,000</u>	<u>104,265</u>	<u>64,265</u>
Expenditures			
Economic Development	40,000	100,064	(60,064)
(Total Expenditures)	<u>(40,000)</u>	<u>(100,064)</u>	<u>(60,064)</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>4,201</u>	<u>4,201</u>
Net Change in Fund Balance	-	4,201	4,201
Fund Balance, Beginning of Year	<u>-</u>	<u>(17,700)</u>	<u>(17,700)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ (13,499)</u>	<u>\$ (13,499)</u>

CITY OF NEWBERRY, FLORIDA
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Miscellaneous	\$ -	\$ 323	\$ 323
Excess of Revenues Over Expenditures	<u>-</u>	<u>323</u>	<u>323</u>
Net Change in Fund Balance	-	323	323
Fund Balance, Beginning of Year	<u>-</u>	<u>2,950</u>	<u>2,950</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 3,273</u>	<u>\$ 3,273</u>

CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
WATER AND SEWER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Charges for Services	\$ 2,011,308	\$ 2,028,898
Fees, Rentals, and Other	5,358	8,199
Total Operating Revenues	<u>2,016,666</u>	<u>2,037,097</u>
Operating Expenses		
Personnel Services	376,378	526,746
Materials, Supplies, and Other	594,191	490,310
Billing and Administration	356,590	335,692
Depreciation	669,463	649,822
(Total Operating Expenses)	<u>(1,996,622)</u>	<u>(2,002,570)</u>
Operating Income	<u>20,044</u>	<u>34,527</u>
Non-Operating Revenues (Expenses)		
Development Charge	565,772	651,842
Grant Revenue	298,449	88,434
Interest Income	13,975	32,453
Interest Expense	(42,015)	(49,541)
Loss on Disposal of Capital Assets	-	(577)
Total Non-Operating Revenues (Expenses)	<u>836,181</u>	<u>722,611</u>
Income Before Contributions and Transfers	856,225	757,138
Capital Contributions	<u>167,942</u>	<u>387,358</u>
Change in Net Position	1,024,167	1,144,496
Net Position, Beginning of Year	<u>14,765,225</u>	<u>13,620,729</u>
Total Net Position, End of Year	<u>\$ 15,789,392</u>	<u>\$ 14,765,225</u>

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

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 744	\$ 160,391	\$ 7,190	\$ 168,325
Accounts Receivable	1,967	-	979	2,946
Prepays	85	-	-	85
Total Current Assets	2,796	160,391	8,169	171,356
Non-Current Assets:				
Property, Plant and Equipment (Accumulated Depreciation)	17,897 (7,513)	559,302 (197,747)	15,784 (4,209)	592,983 (209,469)
Capital Assets, Net	10,384	361,555	11,575	383,514
Total Non-Current Assets	10,384	361,555	11,575	383,514
Total Assets	13,180	521,946	19,744	554,870
Liabilities				
Current Liabilities:				
Accounts Payable	7,900	-	4,773	12,673
Accrued Expenses	4,293	-	6,158	10,451
Due to Other Funds	-	-	-	-
Compensated Absences	12,097	-	21,837	33,934
Total Current Liabilities	24,290	-	32,768	57,058
Non-Current Liabilities:				
Compensated Absences	7,105	-	9,359	16,464
Advances from Other Funds	-	234,495	-	234,495
Total Non-Current Liabilities	7,105	234,495	9,359	250,959
Total Liabilities	31,395	234,495	42,127	308,017
Net Position				
Net Investment in Capital Assets Unrestricted	10,384 (28,599)	361,555 (74,104)	11,575 (33,958)	383,514 (136,661)
Total Net Position	\$ (18,215)	\$ 287,451	\$ (22,383)	\$ 246,853

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Operating Revenues				
Fees, Rentals, and Other	\$ 25,012	\$ -	\$ 5,225	\$ 30,237
Interfund Charges	261,900	120,540	356,863	739,303
Total Operating Revenues	<u>286,912</u>	<u>120,540</u>	<u>362,088</u>	<u>769,540</u>
Operating Expenses				
Personnel Services	229,087	-	333,382	562,469
Materials, Supplies, and Other	65,912	-	48,592	114,504
Depreciation	2,009	87,247	1,578	90,834
(Total Operating Expenses)	<u>(297,008)</u>	<u>(87,247)</u>	<u>(383,552)</u>	<u>(767,807)</u>
Operating Income	<u>(10,096)</u>	<u>33,293</u>	<u>(21,464)</u>	<u>1,733</u>
Non-Operating Revenues (Expenses)				
Interest Income	-	518	-	518
Interest Expense	-	(1,462)	-	(1,462)
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>(944)</u>	<u>-</u>	<u>(944)</u>
Change in Net Position	(10,096)	32,349	(21,464)	789
Net Position, Beginning of Year	<u>(8,119)</u>	<u>255,102</u>	<u>(919)</u>	<u>246,064</u>
Total Net Position, End of Year	<u>\$ (18,215)</u>	<u>\$ 287,451</u>	<u>\$ (22,383)</u>	<u>\$ 246,853</u>

**CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Cash Flows from Operating Activities				
Receipts from Interfund Services Provided	\$ 259,933	\$ 120,540	\$ 355,434	\$ 735,907
Cash Received from Other Sources	25,012	-	5,225	30,237
Cash Payments to Suppliers for Goods and Services	(67,629)	-	(52,974)	(120,603)
Cash Payments to Employees for Services	(227,699)	-	(326,782)	(554,481)
Net Cash Provided by (Used in) Operating Activities	<u>(10,383)</u>	<u>120,540</u>	<u>(19,097)</u>	<u>91,060</u>
Cash Flows from Non-Capital Financing Activities				
Loans/Advances and Repayments from (to) Other Funds	1,780	(57,897)	26,287	(29,830)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>1,780</u>	<u>(57,897)</u>	<u>26,287</u>	<u>(29,830)</u>
Cash Flows from Capital and Related Financing Activities				
Interest Expense	-	(1,462)	-	(1,462)
Net Cash (Used in) Capital and Related Financing Activities	<u>-</u>	<u>(1,462)</u>	<u>-</u>	<u>(1,462)</u>
Cash Flows from Investing Activities				
Interest on Investments	-	518	-	518
Net Cash Provided by Investing Activities	<u>-</u>	<u>518</u>	<u>-</u>	<u>518</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,603)	61,699	7,190	60,286
Cash and Cash Equivalents, Beginning of Year	<u>9,347</u>	<u>98,692</u>	<u>-</u>	<u>108,039</u>
Cash and Cash Equivalents, End of Year	<u>\$ 744</u>	<u>\$ 160,391</u>	<u>\$ 7,190</u>	<u>\$ 168,325</u>
<u>Presented on the Statement of Net Position as</u>				
Cash and Cash Equivalents	<u>\$ 744</u>	<u>\$ 160,391</u>	<u>\$ 7,190</u>	<u>\$ 168,325</u>

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(Concluded)

	<u>Customer Service Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Utility Administration Fund</u>	<u>Total Internal Service Funds</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income	\$ (10,096)	\$ 33,293	\$ (21,464)	\$ 1,733
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	2,009	87,247	1,578	90,834
(Increase) Decrease in:				
Accounts Receivable	(1,967)	-	(979)	(2,946)
Increase (Decrease) in:				
Accounts Payable	(1,717)	-	(4,382)	(6,099)
Compensated Absences	1,388	-	6,600	7,988
Customer Deposits	-	-	(450)	(450)
Total Adjustments	<u>(287)</u>	<u>87,247</u>	<u>2,367</u>	<u>89,327</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (10,383)</u></u>	<u><u>\$ 120,540</u></u>	<u><u>\$ (19,097)</u></u>	<u><u>\$ 91,060</u></u>

STATISTICAL SECTION

STATISTICAL SECTION (Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends Information	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	60
Revenue Capacity Information	
These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, which is property taxes.	65
Debt Capacity Information	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. The City has no legal debt margin, thus it is not reported in these schedules.	71
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	75
Operating Information	
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	77

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

FINANCIAL TRENDS INFORMATION

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
Net investment in capital assets	\$ 10,130,638	\$ 10,020,646	\$ 10,484,429	\$ 10,288,387	\$ 12,169,576	\$ 17,069,358	\$ 17,603,706	\$ 18,443,352	\$ 17,985,746	\$ 17,582,337
Restricted	209,622	156,147	143,438	359,734	360,014	361,699	789,730	104,928	158,284	254,770
Unrestricted	(85,319)	14,462	70,143	(1,377,088)	(1,310,479)	(1,016,322)	(1,125,151)	(1,965,452)	(1,760,727)	(609,192)
Total governmental activities net position	<u>10,254,941</u>	<u>10,191,255</u>	<u>10,698,010</u>	<u>9,271,033</u>	<u>11,219,111</u>	<u>16,414,735</u>	<u>17,268,285</u>	<u>16,582,828</u>	<u>16,383,303</u>	<u>17,227,915</u>
Business-Type Activities										
Net investment in capital assets	7,761,258	7,822,767	8,056,468	8,340,063	9,303,739	9,929,798	11,913,865	12,501,327	12,882,572	15,252,961
Restricted	45,168	46,190	9,514	9,340	9,518	9,700	9,885	10,169	11,762	1,377,103
Unrestricted	7,367,619	7,475,240	7,321,146	7,256,727	7,682,231	7,708,661	6,912,238	7,267,982	8,302,467	5,947,922
Total business-type net position	<u>15,174,045</u>	<u>15,344,197</u>	<u>15,387,128</u>	<u>15,606,130</u>	<u>16,995,488</u>	<u>17,648,159</u>	<u>18,835,988</u>	<u>19,779,478</u>	<u>21,196,801</u>	<u>22,577,986</u>
Total Government										
Invested in capital assets, net of related debt	17,891,896	17,843,413	18,540,897	18,628,450	21,473,315	26,999,156	29,517,571	30,944,679	30,868,318	32,835,298
Restricted	254,790	202,337	152,952	369,074	369,532	371,399	799,615	115,097	170,046	1,631,873
Unrestricted	7,282,300	7,489,702	7,391,289	5,879,639	6,371,752	6,692,339	5,787,087	5,302,530	6,541,740	5,338,730
Total government net position	<u>\$ 25,428,986</u>	<u>\$ 25,535,452</u>	<u>\$ 26,085,138</u>	<u>\$ 24,877,163</u>	<u>\$ 28,214,599</u>	<u>\$ 34,062,894</u>	<u>\$ 36,104,273</u>	<u>\$ 36,362,306</u>	<u>\$ 37,580,104</u>	<u>\$ 39,805,901</u>

Source: City of Newberry Financial Reports

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
Governmental activities:										
General government	\$ 1,118,735	\$ 1,148,997	\$ 953,180	\$ 993,353	\$ 1,200,185	\$ 1,355,008	\$ 1,336,282	\$ 1,673,641	\$ 1,837,268	\$ 1,719,382
Public safety	1,132,622	1,178,625	1,106,462	1,136,809	1,431,214	2,345,314	2,389,694	2,755,444	2,964,167	2,671,992
Physical Environment	-	-	-	406,715	524,304	559,465	540,304	541,135	585,667	629,904
Transportation	734,686	739,018	735,308	675,343	730,779	826,538	889,778	948,642	1,007,222	1,021,898
Culture and Recreation	1,171,970	1,579,900	1,304,502	1,301,168	1,239,440	1,281,447	1,248,616	2,305,954	1,263,738	1,284,123
Health and Welfare	47,029	41,475	41,864	17,975	15,469	35,713	35,474	28,995	-	-
Economic Development	-	-	-	-	85,871	87,214	130,980	162,606	781,281	249,142
Interest on long-term debt	250,063	22,646	1,538	7,097	6,248	5,656	14,262	3,637	2,744	-
Total governmental activities expenses	<u>4,455,105</u>	<u>4,710,661</u>	<u>4,142,854</u>	<u>4,538,460</u>	<u>5,233,510</u>	<u>6,496,355</u>	<u>6,585,390</u>	<u>8,420,054</u>	<u>8,442,087</u>	<u>7,576,441</u>
Business-Type Activities										
Electric	3,523,667	4,062,132	3,887,834	3,916,988	3,854,346	3,933,270	3,887,764	4,340,112	4,176,763	4,325,963
Water and sewer	1,291,051	1,324,918	1,476,559	1,449,549	1,527,571	1,644,813	1,717,709	1,938,281	2,059,466	2,056,316
Mosquito control	-	-	-	-	21,153	14,607	18,531	27,591	34,790	21,754
Total business-type activities	<u>4,814,718</u>	<u>5,387,050</u>	<u>5,364,393</u>	<u>5,366,537</u>	<u>5,403,070</u>	<u>5,592,690</u>	<u>5,624,004</u>	<u>6,305,984</u>	<u>6,271,019</u>	<u>6,404,033</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	43,989	35,885	83,107	24,057	27,998	281,634	320,875	301,078	315,002	366,616
Public safety	467,576	583,729	540,334	617,936	736,760	838,564	982,526	980,542	1,082,788	1,044,370
Physical Environment	-	-	-	476,581	561,460	545,933	538,545	596,764	636,315	710,301
Health and Welfare	15,275	21,321	18,848	12,235	11,326	17,152	15,496	15,808	-	-
Transportation	-	19,030	22,447	24,341	26,501	27,294	27,354	29,613	30,473	31,356
Culture and recreation	307,308	319,661	330,225	366,112	336,189	393,786	403,278	239,224	222,512	279,693
Operating grants and contributions	409,828	800,943	803,432	1,014,090	1,691,777	4,590,683	199,598	270,774	742,437	282,733
Capital grants and contributions	774,874	250,340	147,828	91,945	975,527	881,013	639,061	569,648	296,316	327,208
Total governmental activities program revenues	<u>2,018,850</u>	<u>2,030,909</u>	<u>1,946,221</u>	<u>2,627,297</u>	<u>4,367,538</u>	<u>7,576,059</u>	<u>3,126,733</u>	<u>3,003,451</u>	<u>3,325,843</u>	<u>3,042,277</u>
Business-type activities:										
Charges for services:										
Electric	3,819,008	4,064,249	3,976,064	4,040,798	4,084,388	4,008,652	4,099,826	4,559,920	4,443,894	4,687,948
Water and sewer	1,339,845	1,474,260	1,413,314	1,588,494	1,900,800	1,931,674	2,101,204	2,257,349	2,692,876	2,016,666
Mosquito control	-	-	-	-	22,917	23,689	24,856	26,085	27,259	28,831
Operating grants and contributions	-	24,098	14,117	11,302	1,080	14,348	99,261	57,460	88,434	-
Capital grants and contributions	722,280	203,142	-	91,943	1,025,779	437,750	654,990	428,545	594,023	1,243,904
Total business-type activities program revenues	<u>5,881,133</u>	<u>5,765,749</u>	<u>5,403,495</u>	<u>5,732,537</u>	<u>7,034,964</u>	<u>6,416,113</u>	<u>6,980,137</u>	<u>7,329,359</u>	<u>7,846,486</u>	<u>7,977,349</u>
Total Revenues	<u>7,899,983</u>	<u>7,796,658</u>	<u>7,349,716</u>	<u>8,359,834</u>	<u>11,402,502</u>	<u>13,992,172</u>	<u>10,106,870</u>	<u>10,332,810</u>	<u>11,172,329</u>	<u>11,019,626</u>
Net (Expense) Revenue										
Governmental activities	(2,436,255)	(2,679,752)	(2,196,633)	(1,911,163)	(865,972)	1,079,704	(3,458,657)	(5,416,603)	(5,116,244)	(4,534,164)
Business-type activities	1,066,415	378,699	39,102	366,000	1,631,894	823,423	1,356,133	1,023,375	1,575,467	1,573,316
Total government net expense	<u>\$ (1,369,840)</u>	<u>\$ (2,301,053)</u>	<u>\$ (2,157,531)</u>	<u>\$ (1,545,163)</u>	<u>\$ 765,922</u>	<u>\$ 1,903,127</u>	<u>\$ (2,102,524)</u>	<u>\$ (4,393,228)</u>	<u>\$ (3,540,777)</u>	<u>\$ (2,960,848)</u>

Source: City of Newberry Financial Reports

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

General Revenues and Other Changes in Net Position

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities:										
Taxes:										
Property taxes	\$ 1,161,785	\$ 1,045,409	\$ 1,237,900	\$ 1,278,988	\$ 1,276,772	\$ 2,156,399	\$ 2,324,614	\$ 2,445,196	\$ 2,691,642	\$ 2,857,603
Sales Tax	344,311	330,833	357,075	394,874	420,010	693,818	842,390	912,419	860,645	1,045,354
Utility taxes	587,485	639,895	895,089	733,357	816,835	814,060	761,772	797,823	819,318	976,302
Communications services taxes	166,089	161,620	151,579	148,453	147,131	153,247	167,616	176,431	182,305	178,484
Business license tax	33,728	30,706	34,172	35,170	32,530	38,117	41,995	31,092	28,937	43,976
Unrestricted investment earnings	3,282	1,524	15	51	4,045	12,084	40,172	83,014	27,087	14,336
Other	23,402	284,902	27,558	31,350	39,478	33,725	61,277	64,691	84,425	42,869
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Special Revenue	-	-	-	-	-	-	-	-	-	-
Transfers	495,554	218,000	-	(195,000)	205,163	214,470	217,080	220,480	222,360	219,852
Total governmental activities	<u>2,815,636</u>	<u>2,712,889</u>	<u>2,703,388</u>	<u>2,427,243</u>	<u>2,941,964</u>	<u>4,115,920</u>	<u>4,456,916</u>	<u>4,731,146</u>	<u>4,916,719</u>	<u>5,378,776</u>
Business-Type Activities										
Unrestricted investment earnings	13,758	9,453	3,829	8,367	35,371	43,718	83,313	140,595	64,216	27,721
Other	-	-	-	-	-	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(495,554)	(218,000)	-	195,000	(205,163)	(214,470)	(217,080)	(220,480)	(222,360)	(219,852)
Total business-type activities	<u>(481,796)</u>	<u>(208,547)</u>	<u>3,829</u>	<u>203,367</u>	<u>(169,792)</u>	<u>(170,752)</u>	<u>(133,767)</u>	<u>(79,885)</u>	<u>(158,144)</u>	<u>(192,131)</u>
Total primary government	<u>2,333,840</u>	<u>2,504,342</u>	<u>2,707,217</u>	<u>2,630,610</u>	<u>2,772,172</u>	<u>3,945,168</u>	<u>4,323,149</u>	<u>4,651,261</u>	<u>4,758,575</u>	<u>5,186,645</u>
Change in Net Position										
Governmental activities	379,381	33,137	506,755	516,080	2,075,992	5,195,624	998,259	(685,457)	(199,525)	844,612
Business-type activities	584,619	170,152	42,931	569,367	1,462,102	652,671	1,222,366	943,490	1,417,323	1,381,185
Total government	<u>\$ 964,000</u>	<u>\$ 203,289</u>	<u>\$ 549,686</u>	<u>\$ 1,085,447</u>	<u>\$ 3,538,094</u>	<u>\$ 5,848,295</u>	<u>\$ 2,220,625</u>	<u>\$ 258,033</u>	<u>\$ 1,217,798</u>	<u>\$ 2,225,797</u>

Source: City of Newberry Financial Reports

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Non-spendable	\$ -	\$ -	\$ -	\$ 1,957	\$ -	\$ 15,436	\$ 21,781	\$ 602,695	\$ 520,159	\$ 404,639
Restricted	194,868	124,554	105,617	141,268	229,484	128,835	194,480	72,763	122,357	112,832
Assigned	27,514	-	50,385	173,106	185,484	42,072	45,531	241,444	242,510	408,892
Unassigned	231,127	484,955		428,585	657,935	1,429,098	1,584,781	1,463,052	2,122,515	2,635,145
Total general fund	<u>453,509</u>	<u>609,509</u>	<u>156,002</u>	<u>744,916</u>	<u>1,072,903</u>	<u>1,615,441</u>	<u>1,846,573</u>	<u>2,379,954</u>	<u>3,007,541</u>	<u>3,561,508</u>
All other Government Funds										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	246,103	31,593	37,821	218,466	130,530	232,864	595,250	32,165	35,927	141,938
Assigned	-	39	250,126	245,071	264,552	142,336	50,305	2,950	2,950	3,273
Unassigned	-	-	-	-	-	-	-	(494,658)	(251,202)	(13,499)
Total all other governmental funds	<u>\$ 246,103</u>	<u>\$ 31,632</u>	<u>\$ 287,947</u>	<u>\$ 463,537</u>	<u>\$ 395,082</u>	<u>\$ 375,200</u>	<u>\$ 645,555</u>	<u>\$ (459,543)</u>	<u>\$ (212,325)</u>	<u>\$ 131,712</u>

Source: City of Newberry Financial Reports

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Taxes	\$ 1,781,820	\$ 2,021,805	\$ 2,261,009	\$ 2,552,982	\$ 2,439,243	\$ 3,568,507	\$ 3,798,474	\$ 4,013,059	\$ 4,254,379	\$ 4,712,526
Permits, fees, and special assessments	306,990	427,116	383,527	460,828	574,407	877,346	1,101,492	1,112,294	1,199,226	1,247,573
Intergovernmental revenues	2,581,973	1,359,205	1,255,788	1,454,239	2,465,871	5,151,998	864,666	913,475	1,149,602	1,011,453
Charges for services	302,779	380,826	438,567	885,268	943,522	1,013,101	966,372	828,987	1,081,510	946,473
Fines and forfeitures	8,187	7,654	5,420	5,865	10,804	11,622	17,856	8,854	8,926	4,751
Investment Earnings	3,282	1,524	15	51	4,045	12,084	40,172	83,014	27,087	14,336
Other	62,044	308,968	87,140	89,492	131,826	33,408	52,036	57,366	77,786	33,536
Interfund Charges	-	-	221,506	269,974	95,091	98,622	102,785	105,152	124,451	113,807
Total revenues	<u>5,047,075</u>	<u>4,507,098</u>	<u>4,652,972</u>	<u>5,718,699</u>	<u>6,664,809</u>	<u>10,766,688</u>	<u>6,943,853</u>	<u>7,122,201</u>	<u>7,922,967</u>	<u>8,084,455</u>
Expenditures										
General government	1,076,516	1,088,823	1,113,295	1,239,691	1,186,876	1,291,469	1,350,516	1,503,230	1,639,851	1,811,314
Public safety	1,088,628	1,138,053	1,072,336	1,152,480	1,295,294	2,160,332	2,292,888	2,454,617	2,570,642	2,730,983
Physical environment	-	-	-	410,032	520,209	550,183	537,445	528,235	578,879	634,038
Transportation	1,360,289	428,832	425,622	389,589	413,268	447,706	515,524	546,487	561,294	604,128
Health and Welfare	53,937	40,672	41,864	17,975	15,469	35,713	35,474	28,995	-	-
Economic Environment	-	-	-	-	83,395	82,151	123,546	147,360	714,307	257,003
Culture and recreation	7,220,398	980,349	750,863	775,092	802,517	831,385	896,476	1,866,555	845,900	934,474
Debt service:							-			
Principal	444,332	463,980	1,015,372	538,333	1,416,000	4,359,000	395,000	-	-	-
Bond Issuance Costs	-	-	-	46,796	-	-	-	-	-	-
Interest on long-term debt	259,797	261,970	239,972	220,859	84,178	82,954	14,262	3,637	2,744	-
Capital Outlay	-	547,901	190,840	356,681	793,234	1,012,609	453,315	835,282	356,905	434,363
Total expenditures	<u>11,503,897</u>	<u>4,950,580</u>	<u>4,850,164</u>	<u>5,147,528</u>	<u>6,610,440</u>	<u>10,853,502</u>	<u>6,614,446</u>	<u>7,914,398</u>	<u>7,270,522</u>	<u>7,406,303</u>
Excess (deficiency) of revenues over (under) expenditures	(6,456,822)	(443,482)	(197,192)	571,171	54,369	(86,814)	329,407	(792,197)	652,445	678,152
Other Financing Sources (Uses)										
Capital lease proceeds	-	167,011	-	-	-	-	-	-	-	-
Proceeds from sale of general fixed assets	-	-	-	-	-	-	-	-	-	-
Proceeds of Debt Issuance	-	-	-	5,775,000	-	395,000	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	(5,386,667)	-	-	-	-	-	-
Transfers in	1,503,460	834,713	862,571	6,138,762	1,734,093	4,668,768	762,612	220,480	222,360	219,852
Transfers out	(1,007,906)	(616,713)	(862,571)	(6,333,762)	(1,528,930)	(4,454,298)	(590,532)	-	-	-
Total other financing sources (uses)	<u>495,554</u>	<u>385,011</u>	<u>-</u>	<u>193,333</u>	<u>205,163</u>	<u>609,470</u>	<u>172,080</u>	<u>220,480</u>	<u>222,360</u>	<u>219,852</u>
Net change in fund balances	<u>\$ (5,961,268)</u>	<u>\$ (58,471)</u>	<u>\$ (197,192)</u>	<u>\$ 764,504</u>	<u>\$ 259,532</u>	<u>\$ 522,656</u>	<u>\$ 501,487</u>	<u>\$ (571,717)</u>	<u>\$ 874,805</u>	<u>\$ 898,004</u>
Debt service as a percentage of non capital expenditures	6.5%	23.2%	39.1%	22.2%	42.6%	101.3%	7.7%	0.1%	0.0%	0.0%

Source: City of Newberry Financial Reports

REVENUE CAPACITY INFORMATION

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

Fiscal Year Ended September 30	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Centrally Assessed Property for Operating Purposes	Gross Taxable Value	New Construction Taxable Value	Adjusted Taxable Value	Final Taxable Value	Millage Rate
2012	\$ 188,666,930	\$ 163,382,805	\$ 281,813	\$ 352,331,548	\$ (59,082,032)	\$ 293,249,516	\$ 311,691,462	3.8500
2013	181,916,400	186,169,485	843,733	368,929,618	(48,547,553)	320,382,065	369,228,448	3.8084
2014	184,014,110	164,068,361	851,514	348,933,985	(7,302,362)	341,631,623	349,764,767	3.8084
2015	187,723,126	147,383,150	929,178	336,035,454	(6,551,530)	329,483,924	337,176,963	3.9113
2016	196,220,126	136,956,523	941,359	334,118,008	(4,688,980)	329,429,028	334,295,760	3.9500
2017	205,113,150	163,218,847	2,102,281	370,434,278	(13,534,578)	356,899,700	373,402,916	5.9089
2018	225,503,073	140,506,668	2,098,176	368,107,917	(11,594,270)	356,513,647	422,385,827	5.9999
2019	257,417,663	170,781,145	2,253,187	430,451,995	(17,087,647)	413,364,348	430,451,995	5.9999
2020	286,754,126	153,517,653	2,032,911	442,304,690	(20,091,017)	422,213,673	464,618,207	5.9999
2021	320,126,713	171,865,376	2,106,375	494,098,464	(21,052,088)	473,046,376	492,929,695	5.9999

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

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

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

Fiscal Year Ended Sept. 30,	Direct			Overlapping							
	Basic Rate	General Obligation Debt Service	Total City	Alachua BOCC	Alachua BOCC GO Debt	Children's Trust of Alachua County	Alachua County Library District	Library Capital Outlay	Library Debt Service	School Board	Suwannee River Water Management District
2012	3.8500	0.0000	3.8500	8.3763	0.2500	0.0000	1.3638	0.0000	0.1098	9.1070	0.4399
2013	3.8084	0.0000	3.8084	8.5956	0.2500	0.0000	1.3638	0.0000	0.1130	8.5490	0.4143
2014	3.8084	0.0000	3.8084	8.7990	0.2500	0.0000	1.3638	0.0000	0.0950	8.4020	0.4143
2015	3.9113	0.0000	3.9113	8.7990	0.2500	0.0000	1.3638	0.0000	0.0950	8.4100	0.4141
2016	3.9500	0.0000	3.9500	8.7950	0.1595	0.0000	1.3638	0.0000	0.0900	8.3420	0.4104
2017	5.9089	0.0000	5.9089	8.9290	0.0000	0.0000	1.3371	0.0000	0.0750	7.9360	0.4093
2018	5.9999	0.0000	5.9999	8.4648	0.0000	0.0000	1.2655	0.0000	0.0000	7.6250	0.4027
2019	5.9999	0.0000	5.9999	8.2829	0.0000	0.0000	1.2303	0.0000	0.0000	7.2640	0.3948
2020	5.9999	0.0000	5.9999	8.2729	0.0000	0.0000	1.2303	0.0000	0.0000	7.1440	0.3840
2021	5.9999	0.0000	5.9999	7.8935	0.0000	0.5000	1.1289	0.0000	0.0000	6.9150	0.3696

Source: Alachua County Property Appraiser

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

Fiscal Year 2021

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Argos USA	\$ 142,748,090	1	29.08%
Sabal Trail Transmission LLC	11,638,725	2	2.37%
Watson Construction Co LLC	6,864,602	3	1.40%
Florida Rock Properties Inc	2,878,508	4	0.59%
Davis Heritage LTD	2,733,406	5	0.56%
Bella-Rue LLC	2,327,800	6	0.47%
Etco Animal Supplies Inc	2,104,114	7	0.43%
Norfleet-Green Development II	1,992,805	8	0.41%
Three Rose Ranch LLC	1,558,520	9	0.32%
DGH Holdings Two LLC	1,505,701	10	0.31%
	<u>\$ 176,352,271</u>		<u>35.94%</u>

Fiscal Year 2012

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Florida Rock Industries Inc	\$ 90,731,194	1	31.03%
Watson Construction Inc	4,659,637	2	1.59%
Bellsouth Telecommunications I	3,193,341	3	1.09%
Brant Properties LLC	2,772,841	4	0.95%
Hitchcock Enterprises Inc	2,559,058	5	0.88%
Davis Heritage Ltd	2,478,098	6	0.85%
Norfleet Construction Co Inc	2,475,887	7	0.85%
Confidential	1,540,769	8	0.53%
Watson Landholdings LLC	1,528,985	9	0.52%
Confidential	1,437,250	10	0.49%
	<u>\$ 113,377,060</u>		<u>38.78%</u>

Source: Alachua County Property Appraiser

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

Electric Customer	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021	
	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank
Alachua County School Board	4,287,805	1	3,309,784	1	3,402,466	1	3,728,160	1	3,719,752	1	3,672,076	1	4,091,790	1	4,494,990	1	4,096,163	1	4,967,337	1
Hitchcocks	2,019,000	2	1,974,887	2	1,931,002	2	1,931,437	2	1,984,870	2	1,982,031	2	1,979,229	2	1,933,200	2	1,834,000	2	1,852,400	2
City of Newberry	1,548,946	3	1,292,062	3	1,214,522	3	1,186,502	3	1,204,130	3	1,103,578	3	1,153,850	3	1,670,222	3	1,631,798	3	1,649,407	3
Southern Fuelwood	395,280	6	377,760	6	598,520	4	877,240	4	808,980	4	940,320	4	934,220	4	1,025,258	4	1,331,390	4	1,193,686	4
The Gourmet Rodent	490,377	4	566,242	4	285,496	9	585,615	5	519,098	6	616,886	5	505,565	7	554,260	7	931,600	5	890,573	5
Inspired Energy	316,351	7	345,423	7	369,237	7	397,804	9	425,394	8	478,763	7	630,643	5	713,880	5	712,280	6	756,480	6
Circle K Stores, Inc	310,380	8	311,560	8	445,800	5	537,220	6	531,400	5	566,780	6	564,760	6	645,339	6	548,120	7	512,260	7
Hudson Food Stores	-		-		338,216	8	450,262	7	456,507	7	449,689	8	432,669	8	418,560	8	430,080	8	452,200	8
Hardees Phase 3 Star	421,600	5	414,500	5	421,100	6	412,500	8	418,001	9	425,302	9	410,000	9	411,500	9	375,700	9	340,400	9
Watson Asphalt																			325,472	10
Bellsouth	221,120	9	207,760	10	201,360	10	211,200	10	237,920	10	242,560	10	238,160	10	246,560	10	266,080	10		
Dollar General	129,700	10																		

Source: City Utility Records

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

Water Customer	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021	
	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank
Smyrna Ready Mix Concrete	3,859	3							11,955	1	12,047	1	11,425	1	14,420	1	16,479	1	15,451	1
City of Newberry	8,497	1	7,100	1	4,338	2	8,269	2	9,850	2	7,163	3	3,196	3	3,772	3	7,584	3	10,696	2
Alachua County School Board	7,891	2	6,633	2	11,237	1	8,737	1	6,339	3	7,547	2	9,452	2	11,688	2	10,265	2	8,836	3
Newberry Car Wash																	1,915	4	1,488	4
Argos Ready Mix LLC			715	5							509	9	708	7	1,017	7	1,482	5	1,259	5
Scott's Laundry	639	7	600	7			948	3	1,028	5	616	7	1,088	4	1,242	4	1,016	6	1,070	6
McCall Pest Service																			860	7
Raymond King																			538	8
Woodyard Grill																	484	10	507	9
GPS Newberry West																			464	10
Booker T Hunt Funeral			598	8	538	8	339	9	575	7	810	5							523	9
Hitchcocks	579	8	573	9	658	6	445	7					467	9	419	9	964	7		
Maronda Homes					684	5													667	8
Watson Construction							758	4	362	11										
Hardees Phase 3 Star	1,267	5	1,259	3	972	6	415	8	546	8	443	10	969	5	1,078	5				
Inspired Energy													826	6	1,070	6				
Gourmet Rodent									1,111	4	539	8	608	8	510	8				
Mac Johnson Roofing	1,336	4									616	7	384	10	384	10				
J2 Engineering	689	6	883	4	325	10														
Newberry's Backyard BBQ	463	10	615	6	588	7					1,083	4								
B&K Carwash							335	10												
Villagio's Pizzeria												636	6							
Red Wok Buffet	485	9	474	10	434	9	568	6	450	9										
Mary Ellen					853	4														

Source: City Utility Records

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 1,196,985	\$ 1,157,528	96.7%	417	\$ 1,157,712	96.7%
2013	1,080,898	1,047,635	96.9%	396	1,047,827	97.0%
2014	1,281,311	1,238,473	96.7%	882	1,238,786	96.7%
2015	1,317,312	1,272,857	96.6%	788	1,273,096	96.7%
2016	1,321,096	1,275,872	96.6%	1111	1,276,070	96.6%
2017	2,229,962	2,150,778	96.4%	5306	2,151,592	96.5%
2018	2,369,571	2,321,570	98.0%	2771	2,324,341	98.0%
2019	2,648,528	2,445,196	94.7%	2136	2,445,196	94.7%
2020	2,792,045	2,684,664	96.2%	9409	2,694,073	96.5%
2021	2,957,529	2,844,220	96.2%	0	2,844,220	96.2%

Source: Alachua County Tax Collector

DEBT CAPACITY INFORMATION

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

Fiscal Year	Governmental Activities		Business-Type activities			Percent of Personal Income	Debt Per Capita
	General Government Bonds	Financing Loans/Capital Leases	Utility Revenue Bonds	Loans/Capital Leases	Total Government		
2012	\$ 7,178,560	\$ 58,781	\$ 1,410,232	\$ -	\$ 8,647,573	0.0%	1,658
2013	6,728,133	212,239	633,913	2,773,779	10,348,064	1.4%	1,949
2014	5,925,000	-	-	3,219,265	9,144,265	1.5%	1,678
2015	5,775,000	-	-	3,078,330	8,853,330	1.4%	1,580
2016	4,359,000	-	1,345,562	-	5,704,562	0.0%	1,262
2017	-	395,000	-	2,787,745	3,182,745	1.1%	536
2018	-	-	-	2,637,973	2,637,973	1.0%	422
2019	-	-	-	2,485,133	2,485,133	0.8%	378
2020	-	-	-	2,329,157	2,329,157	0.7%	339
2021	-	-	-	1,802,850	1,802,850	0.5%	235

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

Notes: There are no legal debt limits for Florida Municipalities.
Details regarding the City's per capita personal income can be found on Schedule 15.
Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 12
CITY OF NEWBERRY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
None	\$ -	100%	\$ -
Total Direct Debt Outstanding	<u>-</u>		<u>-</u>
Overlapping:			
Alachua County Board of County Commissioners			
Public Improvement Revenue Note, 2014	4,207,000	3.04%	127,893
Capital Improvement Revenue Note, 2015A	2,005,000	3.04%	60,952
Public Improvement Revenue Refunding Note, 2015B	8,523,000	3.04%	259,099
Public Improvement Revenue Refunding Note, 2016	9,615,000	3.04%	292,296
Public Improvement Revenue Note, 2017	1,295,000	3.04%	39,368
Capital Improvement Revenue Refunding Note, 2017	1,317,000	3.04%	40,037
Local Option Gas Tax Revenue Note, 2018	10,185,000	3.04%	309,624
2020A Capital Improvement Revenue Note	3,420,000	3.04%	103,968
2020B Capital Improvement Revenue Note	4,400,000	3.04%	133,760
2020C Capital Improvement Revenue Bond	12,500,000	3.04%	380,000
Tourist Development Tax Revenue Note, 2021AB	30,000,000	3.04%	912,000
School Board of Alachua County			
Bus Purchase 2020	6,305,230	3.04%	191,679
Certificates of Participation	122,682,196	3.04%	3,729,539
Qualified School Construction Bonds	11,211,997	3.04%	340,845
Build America Bonds	<u>3,384,016</u>	3.04%	<u>102,874</u>
Total Overlapping Debt	<u>231,050,439</u>		<u>7,023,933</u>
Total Government Activities Debt	<u>\$ 231,050,439</u>		<u>\$ 7,023,933</u>

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

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

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

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

Series 2008 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2012	\$ 92,504	\$ 72,904	\$ 19,600	1.00
2013	92,504	75,427	17,077	1.00
2014	92,504	78,036	14,467	1.00
2015	92,504	80,736	11,767	1.00
2016	92,504	83,530	8,974	1.00
2017	92,504	86,420	6,084	1.00
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-

Series 2015 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2012	\$ -	\$ -	\$ -	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	1,493,930	1,416,000	77,930	1.00
2017	4,436,298	4,359,000	77,298	1.00
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-

Nations Park Series 2010 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2012	\$ 761,970	\$ 506,316	\$ 255,654	1.00
2013	616,707	375,000	241,707	1.00
2014	612,571	385,000	227,571	1.00
2015	612,970	400,000	212,970	1.00
2016	5,965,425	5,925,000	40,425	1.00
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-

Source: City of Newberry Financial Reports

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

Fiscal Year	Operating Revenue (1)	Direct Operating Expenses (2)	Net Available for Debt Service (3)	Debt Service		Coverage
				Principal	Interest	
2012	\$ 1,346,500	\$ 847,235	\$ 499,265	\$ 12,853	\$ -	38.84
2013	1,424,320	782,113	642,207	42,452	65,690	5.94
2014	1,372,295	898,759	473,536	718,333	45,770	0.62
2015	1,521,106	797,352	723,754	140,935	64,581	3.52
2016	1,855,182	884,658	970,524	143,820	61,696	4.72
2017	1,862,949	1,046,593	816,356	146,765	58,752	3.97
2018	2,182,661	1,099,122	1,083,539	149,772	55,745	5.27
2019	2,309,052	1,250,893	1,058,159	152,841	52,675	5.15
2020	2,725,329	1,341,269	1,384,060	155,976	49,541	6.73
2021	2,894,862	1,327,159	1,567,703	566,867	42,015	2.57

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

- Notes:**
- (1) Operating Revenue includes investment earnings and other miscellaneous income (excludes capital contributions and grants)
 - (2) Direct Operating Expenses exclude depreciation and amortization.
 - (3) A large portion of Water and Wastewater Development Fees may be used to pay debt service and are included in the Net Available for Debt Service Figure.
 - (4) The City paid off the remainder of the outstanding SRF Water loan payable in FY2021

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 15
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	City Population	Gainesville MSA Population	Per Capita Personal Income	Total Personal Income	Unemployment Rate
2012	5,215	266,369	38,393	\$ 200,219,495	6.2%
2013	5,309	268,232	38,225	\$ 202,936,525	4.9%
2014	5,450	270,382	38,903	\$ 212,021,350	4.6%
2015	5,604	273,377	40,199	\$ 225,275,196	4.5%
2016	5,778	277,163	41,008	\$ 236,944,224	4.4%
2017	5,942	280,708	41,718	\$ 247,888,356	3.1%
2018	6,249	280,715	44,390	\$ 277,393,110	2.7%
2019	6,573	285,072	44,880	\$ 294,996,240	2.8%
2020	6,873	289,857	45,666	\$ 313,862,418	4.3%
2021	7,684	328,517	47,302	\$ 363,468,568	3.0%

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

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

Employer	2021	
	Number of Employees	Rank
School Board of Alachua County	226	1
Argos	114	3
Inspired Energy	101	2
Bounds Heating and Air	70	5
City of Newberry	66	6
Southern Fuelwood	65	4
Gourmet Rodent	46	7
Woodyard Grill	45	8
Watson Construction	32	9
Hitchcock's and Son Inc.	32	10

Employer	2012	
	Number of Employees	Rank
School Board of Alachua County	161	1
Southern Fuelwood	100	2
Florida Rock Industries, Inc.	78	3
Bounds Heating and Air	72	4
Inspired Energy	63	5
City of Newberry	56	6
Watson Construction	49	7

Unable to obtain additional historical data

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

OPERATING INFORMATION

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

Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Administration										
City Manager	4.7	5.5	5.5	2.7	2.0	2.0	2.0	2.0	2.0	2.0
City Clerk	2.0	1.0	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Finance	-	-	-	2.6	2.6	2.7	2.7	3.0	3.0	4.0
Human Resources	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
Planning	2.0	1.9	2.4	3.0	1.6	1.7	1.7	2.2	2.5	2.5
Facilities	2.0	2.0	1.4	2.2	2.7	2.9	2.2	3.0	3.0	3.0
Economic Development	-	-	-	-	1.0	1.0	1.0	0.5	0.5	0.5
Public Safety										
Fire	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	14.0
Building	2.6	2.7	2.5	2.9	2.2	2.9	3.2	3.2	3.0	3.0
Code Enforcement	-	-	-	-	1.1	1.0	0.5	0.5	0.5	1.0
Physical Environment										
Electric	6.3	6.7	6.1	5.9	4.7	4.9	4.9	4.9	5.0	5.0
Water	3.7	3.7	3.8	3.6	2.8	2.4	3.0	3.0	3.0	3.0
WasteWater	4.0	3.9	3.7	3.0	2.8	2.4	2.9	3.0	3.0	3.0
Utility Administration	-	-	-	-	-	3.0	3.0	4.0	4.0	4.0
Customer Service	-	-	-	-	-	3.5	3.5	3.5	3.5	3.5
Public Works										
Cemetery	0.8	0.8	0.8	0.3	0.3	0.5	0.4	0.4	0.4	0.4
Streets & Roads	4.5	4.4	4.8	4.7	4.4	3.1	2.8	2.8	3.0	3.0
Solid Waste	-	-	-	-	0.2	0.5	0.5	0.5	0.5	0.5
Mosquito Control	-	-	-	-	0.2	0.1	0.1	0.1	0.1	0.1
Culture and Recreation										
Parks & Recreation	10.7	9.7	9.0	8.4	9.4	9.5	7.2	6.7	6.7	7.5
Diamond Sports Park	2.9	2.4	2.9	2.6	2.5	2.3	1.4	-	-	-
MLK Community Center	-	-	-	0.9	1.0	1.0	1.1	1.1	1.1	1.1
Parks Maintenance	-	-	-	-	-	-	2.2	2.0	2.0	2.0
Total	<u>59.2</u>	<u>57.5</u>	<u>56.9</u>	<u>57.3</u>	<u>57.0</u>	<u>62.9</u>	<u>61.8</u>	<u>61.9</u>	<u>62.3</u>	<u>65.6</u>

Source: City of Newberry Annual Budget

*Departments added as needed to accommodate city growth

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

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Planning and Development:										
Local business tax receipts issued	485	466	509	360	485	421	279	278	238	260
Building permits issued	251	243	254	280	323	396	474	573	541	733
Fire:										
Number of Calls	844	816	840	853	937	933	918	1028	1035	1088
ISO Rating	5	5	3	3	3	3/3x	3/3x	3/3x	3/3x	3/3x
Culture and Recreation:										
Recreation Sports Programs	8	9	9	10	10	10	10	10	10	14
Recreation Sports Programs Participants	431	542	630	693	655	654	666	859	794	1003
Summer Program Participants	40	101	109	135	106	101	96	-	-	-
Electric Utility:										
Number of residential customers	1,256	1,319	1,384	1,409	1,469	1,512	1,587	1,665	1,785	1,913
Kilowatts per hour sold-residential	15,441,876	15,978,910	17,134,966	18,187,100	18,706,281	18,473,149	19,770,623	20,734,891	22,034,436	23,816,283
Number of commercial customers	302	312	317	310	311	319	319	303	318	325
Kilowatts per hour sold- commercial	15,511,862	14,574,965	14,957,584	15,641,552	15,703,703	15,576,182	16,327,580	16,814,325	16,268,108	17,684,088
Water Utility:										
Number of residential customers	1,407	1,464	1,528	1,567	1,666	1,729	1,846	1,955	2,072	2,224
Gallons sold	117,525,000	111,886,000	118,770,000	119,520,000	123,301,000	125,702,000	125,931,000	134,039,000	153,780,000	151,769,000
Number of commercial customers	180	185	190	190	194	197	198	194	198	205
Gallons sold	22,657,000	22,995,000	24,639,000	22,387,000	33,511,000	35,226,000	35,718,000	40,289,000	42,619,000	39,264,000
Wastewater Utility:										
Number of residential customers	1,274	1,321	1,399	1,452	1,539	1,601	1,702	1,815	1,929	2,055
Gallons of wastewater billed to customers	106,968,000	101,712,000	109,059,000	110,486,000	112,209,000	113,187,000	113,855,000	121,785,000	139,519,000	140,730,000
Number of commercial customers	140	144	151	155	158	160	162	161	162	168
Gallons of wastewater billed to customers	17,980,000	17,797,000	19,279,000	17,242,000	17,216,000	17,659,000	19,893,000	20,657,000	18,858,000	18,412,000
Irrigation:										
Number of residential customers	10	12	12	11	11	12	13	14	14	15
Gallons sold to residential customers	1,819,000	1,730,000	1,606,000	1,421,000	1,452,000	1,073,000	1,142,000	1,933,000	1,726,000	1,964,000
Number of commercial customers	31	32	38	44	43	39	38	36	35	36
Gallons sold to commercial customers	16,661,000	12,888,000	13,041,000	17,589,000	12,066,000	8,869,000	4,148,000	5,099,000	11,224,000	11,264,000
Solid Waste:										
Number of residential customers	1,359	1,424	1,501	1,551	1,632	1,696	1,798	1,918	2,033	2,168
Number of commercial customers	0	0	0	71	107	109	114	115	122	125

Source: Various City Departments

*Zeros in solid waste indicate time prior to commercial service

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Fire Station	1	1	1	1	1	1	1	1	1	1
Fire Apparatus	5	5	5	5	5	5	5	5	5	5
Public Services:										
Streets (miles)	38	38	38	38	38	38	40	40	40	40
Culture and Recreation:										
Parks	7	7	7	7	7	7	7	7	7	7
Baseball Fields	33	33	33	33	33	33	33	25	23	23
Community Centers	1	1	1	1	1	1	1	1	1	1
Water Utility:										
Wells	4	4	4	4	4	4	4	4	4	4
Elevated Tanks	2	2	2	2	2	2	2	2	2	2
Wastewater Utility:										
Treatment capacity (millions of gallons per day)	0.415	0.415	0.499	0.499	0.499	0.499	0.499	0.499	0.499	0.560
Lift Stations	25	25	25	25	26	26	26	26	26	26

Source: Various City Departments

**OTHER INDEPENDENT AUDITOR'S
REPORTS AND SCHEDULES**

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

To the Mayor and City Commissioners
City of Newberry, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newberry, Florida (the City) as of and for the year ended September 30, 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 May 18, 2022.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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To the Mayor and City Commissioners
City of Newberry, Florida

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



May 18, 2022
Gainesville, Florida

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

To the Mayor and City Commissioners
City of Newberry, Florida

We have examined the City of Newberry, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2021. City management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

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



May 18, 2022
Gainesville, Florida

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MANAGEMENT LETTER

To the Mayor and City Commissioners
City of Newberry, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Newberry, Florida (the City) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 18, 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; 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*; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 18, 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. There were no findings or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

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.

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To the Mayor and City Commissioners
City of Newberry, Florida

MANAGEMENT LETTER

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have the following recommendations.

2021-01 – Financial Close and Reporting

During the audit we noted errors in the calculation of the power cost adjustment and accounts payable accrual which resulted in material proposed audit adjustments that were subsequently corrected and posted by management. It is possible that if these items had not been detected during the audit process, the financial statements could have been materially misstated. We recommend the City evaluate its monthly and yearly financial close and reporting process to ensure that all transactions that should be recorded in the financial statements are properly recorded.

Special District Component Units

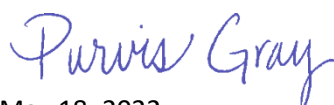
Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district to provide the financial information necessary for proper reporting of the component unit,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

Additional Matters

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

Purpose of this Letter

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



May 18, 2022
Gainesville, Florida

May 18, 2022

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

Re: City of Newberry FY20-21 10.550 Report

Dear Sir or Madam,

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

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

1) 2021-01 Financial Close and Reporting. Management accepts this finding. Management will develop a closing procedure checklist and additional policies to help ensure correct reporting.

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,



Mike New, PE
City Manager

