

CITY OF PORT RICHEY, FLORIDA

Annual Comprehensive  
Financial Report

September 30, 2021

# CITY OF PORT RICHEY, FLORIDA

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## INTRODUCTORY SECTION

CITY OF PORT RICHEY, FLORIDA

Listing of City Officials

Council - Manager Form of Government

As of September 30, 2021

Elected Officials

Mayor	Scott Tremblay
Vice Mayor	William Dittmer
Council Member	Todd Maklary
Council Member	Tom Kinsella
Council Member	Jennie Sorrell

Appointed Officials

City Manager	John Dudte
City Attorney	James Mathieu

Department Directors

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

LETTER OF TRANSMITTAL

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



June 8, 2022

Honorable Mayor and City Council  
City of Port Richey, Florida

The Annual Comprehensive Financial Report of the City of Port Richey, Florida (the City), for the fiscal year ended September 30, 2021 is hereby submitted in compliance with Florida law. The staff of the Finance Department prepared this Annual Comprehensive Financial Report with assistance from other departments. The responsibility for both the integrity of the data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City’s management. The report summarizes the City’s financial position and results of operations for its citizens, the City Council, the financial community and any other persons interested in the financial affairs of the City. All data is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. We have included all necessary disclosures to enable the reader to gain the maximum understanding of the City’s financial activity.

The financial statements include the provisions of Governmental Accounting Standards Board Statement No. 34 - “Basic Financial Statements - Management’s Discussion and Analysis - for State and Local Governments.” This reporting format is further discussed in Management’s Discussion and Analysis beginning on page 11. This letter of transmittal is designed to complement Management’s Discussion and Analysis and should be read in conjunction with it.

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

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

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



The financial section of the report contains the government-wide financial statements, the fund financial statements - governmental funds and proprietary funds, notes to the financial statements, required supplementary information and other supplementary schedules which present fairly the financial position and results of the operations for the fiscal year ended September 30, 2021. These statements are divided into four parts.

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

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

#### The Reporting Entity

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

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

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

#### Local Economic Condition and Outlook

The City's revenue sources were negatively impacted by the decline in property values that began in fiscal year 2009 and which continued into fiscal year 2014. Beginning in fiscal year 2015, and now continuing into fiscal year 2021, the City is seeing an increase in property values that has resulted in an increase of Ad Valorem tax revenues. The City is continuing to develop programs through the use of funds available in Port Richey Community Redevelopment Agency (CRA) to promote redevelopment and improve the community's economic condition and outlook.

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

## Major Initiatives

An initiative that was begun in fiscal year 2011 that has continued into fiscal year 2021 is the revitalization of the City's financial well-being. The City ended fiscal year 2010 with a deficit balance of \$342,617 in the Governmental Activities Unrestricted Net Position and a deficit balance of \$867,969 in the Business-type Activities Unrestricted Net Position. Additionally, the Water and Sewer Fund had a history of many years of continued losses. Through initiatives such as Water and Sewer utility rate increases, the re-instatement of the Electric Utility tax that went into effect January 1, 2011, and the ability to utilize Red Light Cameras, the City has been able to considerably improve upon its financial position. A new rate structure for the City Water and Sewer Utility was adopted on October 15, 2013 which will help increase net position for the Water and Sewer Utility fund.

As of September 30, 2021, the Governmental Activities Unrestricted Net Position had a negative balance of \$3,900,232, and the Business-type Activities Unrestricted Net Position had a positive balance of \$1,794,506. It is very important for the user of the City's Annual Comprehensive Financial Report to understand why the Governmental Activities Unrestricted Net Position now has a negative balance of \$3,900,232. The City adopted Governmental Accounting Standards Board (GASB) Statement No. 68 - "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date," in fiscal year ended September 30, 2015. As a result of the implementation of GASB Statements 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2014 for the City's proportionate interest in the Florida Retirement System cost sharing - multiple employer plan. This has resulted in the City now having to report a net pension liability for the Florida Retirement System pension plan in the statement of net position as of September 30, 2021 of \$1,505,204 in the Governmental Activities and \$258,391 in the Business-type Activities.

Additionally, the City adopted GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," in the fiscal year ended September 30, 2018. As a result of the implementation of GASB Statement 75, the City reported a net other postemployment benefits liability in the statement of net position of \$1,676,202 in the Governmental Activities and \$755,212 in the Business-type Activities as of September 30, 2021.

Another very important indicator of the significant improvement that has been achieved since 2011 in the City's financial condition is that the General Fund Unassigned Fund Balance was \$1,717,922 as of September 30, 2021. The General Fund Unassigned Fund Balance is that portion of the fund equity that is available to pay for the on-going activities of the City.

The City expended \$1,203,367 in fiscal year 2021 for capital improvement additions including \$222,774 of equipment for new police vehicles, \$532,395 for a new fire truck, and \$311,807 on land purchases.

## Financial Information

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

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

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

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

#### Budgeting Controls

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

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

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

### Enterprise Operations

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

### Water and Sewer Fund

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

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

### Debt Administration

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

The balance outstanding on the Revenue Bonds Payable, Series 2016 as of September 30, 2021, and the balance pertaining to the Business-type Activities (Water and Sewer Fund) is \$2,010,000. There is no Government Activities balance outstanding.

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

### Perspective

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

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

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

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

### Independent Audit

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

### Acknowledgements

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

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

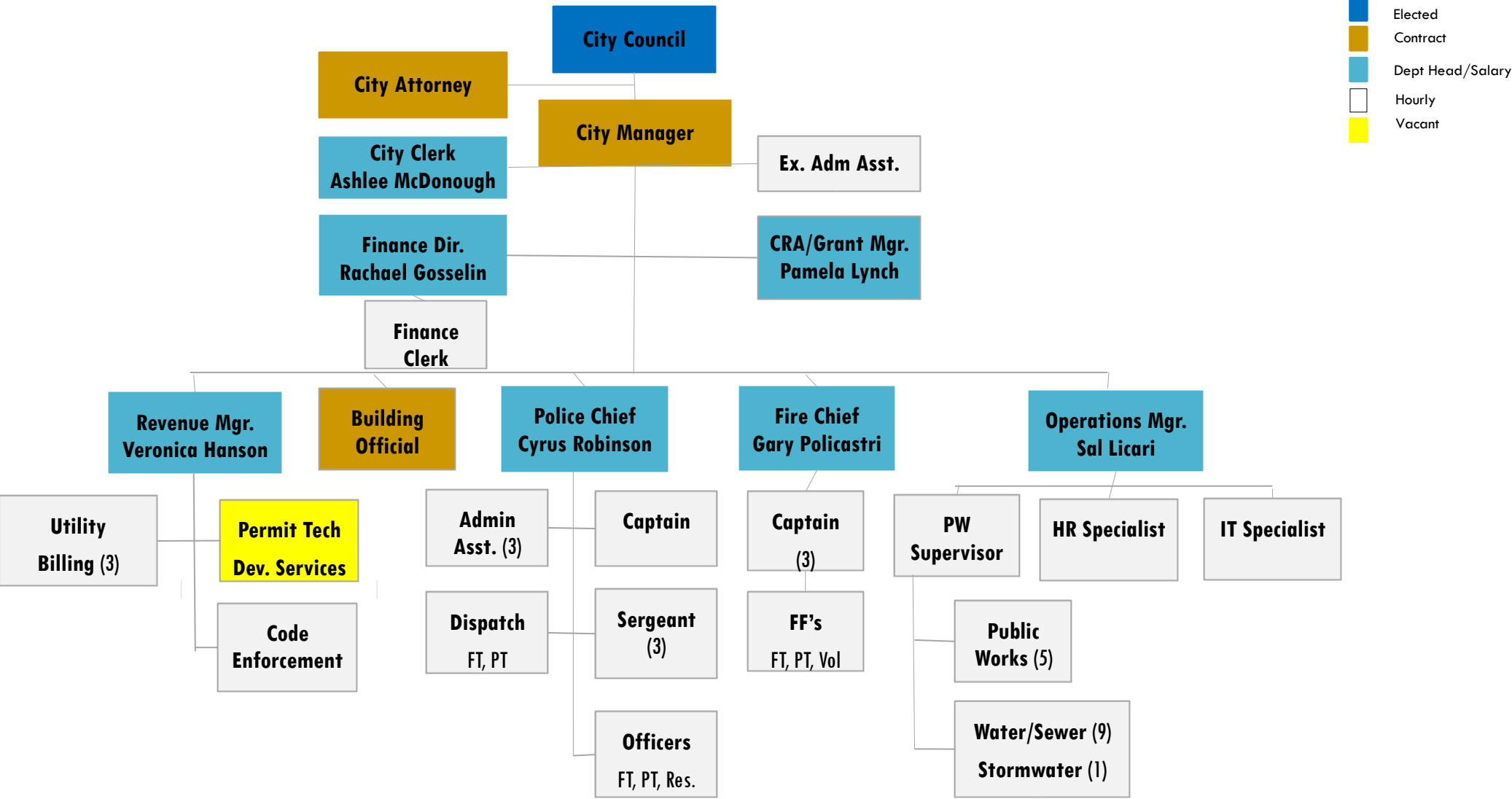
Respectfully submitted,



John Dudte  
City Manager

## ORGANIZATION CHART

# City of Port Richey Organizational Chart



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

## FINANCIAL SECTION

This section contains the following subsections:

Independent Auditors' Report

Required Supplemental Information  
Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information Other Than  
Management's Discussion and Analysis

Other Supplementary Schedules



## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and  
Members of the City Council  
City of Port Richey, 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 Port Richey, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to 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.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## 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 of Port Richey, Florida, 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.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information on pages 63 through 67, 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, other supplementary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary schedule on page 68 is the responsibility of management and was 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 other supplementary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 June 8, 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.

EFPR Group, CPAs, PLLC

Jupiter, Florida  
June 8, 2022

CITY OF PORT RICHEY, FLORIDA  
Management's Discussion and Analysis  
September 30, 2021

The City of Port Richey's (the City) discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements (beginning on page 23).

Financial Highlights

Financial Highlights

- Government-wide unrestricted cash and equivalents totaled \$4,858,021 at September 30, 2021. Restricted cash and equivalents totaled \$4,603,037 at September 30, 2021.
- For the fiscal year ended September 30, 2021, citywide expenses of \$9,739,571 net of program revenue of \$6,177,605 resulted in a net cost of providing city services of \$3,561,966. This net cost amount is generally the amount that needs to be funded by the general revenue of the City. The net cost of providing city services for September 30, 2020 was \$4,962,536. The decrease in the net cost of providing city services of \$1,400,570 compared to the prior year is primarily attributable to a decrease in public safety expenses of \$705,486.
- The net cost of providing city services in the governmental activities was \$3,975,911 compared to \$4,626,499 in 2020. This decrease in cost is attributable to the decrease public safety as noted above.
- For the business-type activities (water and sewer utility and stormwater utility operations) program revenue exceeded program expenses by \$413,945. In 2020, program expenses exceeded revenue by \$336,037. Program revenue increased in 2021 by \$447,345 compared to 2020 and program expenses decreased in 2021 by \$302,637 compared to 2020.
- The City's net position increased \$1,697,103 from fiscal year 2021 activities compared to a decrease of \$78,655 for 2020. The governmental net position increased by \$1,199,119 or 21% and the business-type (Water and Sewer Fund Utility and Stormwater Utility Fund) net position increased by \$497,984 or 5%.

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

- The net position of the City (overall equity) exceeded its liabilities at the close of fiscal 2021 by \$16,606,660 (net position). The governmental activities unrestricted net position was a negative amount of \$3,900,232 as of September 30, 2021. Business-type activities unrestricted net position was \$1,794,506 as of September 30, 2021. The negative balance in the governmental activities unrestricted net position is directly as a result of recording the City's proportionate interest in the net pension liability of the Florida Retirement System of \$1,505,204 and the total OPEB liability of \$1,876,202 as explained below.
- During fiscal year 2015, the City was required to implement Governmental Accounting Standards Board (GASB) Statement No. 68 - "Accounting and Financial Reporting for Pensions." This necessitated the City reporting a net pension liability of \$1,763,595 at that time for the City's proportionate share of the Florida Retirement System (FRS). The net pension liability as of September 30, 2021 of which \$1,505,204 (noted above) pertains to governmental activities and \$258,391 pertains to business-type activities. The implementation of GASB 68 did not impact the governmental fund financial statements that are presented on pages 25 and 27 of this report.

City Highlights

- The City expended \$1,203,367 in fiscal year 2021 for capital improvement additions including \$222,774 of equipment for new police vehicles, \$532,395 for a new fire truck, and \$311,807 on land purchases.
- The City expended \$183,112 on capital improvements for business-type activities during fiscal year 2021 pertaining to approximately \$148,720 on vehicles.

Using This Annual Report

The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

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

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

Government-wide Financial Statements

The government-wide financial statements (see pages 23 and 24) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The focus of the statement of net position (the unrestricted net position) is designed to be similar to a bottom line for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The statement of activities (see page 24) is focused on both the gross and net cost of various activities (including governmental and business-type) which are provided by the government's general tax and other revenues. This statement is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or the subsidy to various business-type activities.

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

Fund Financial Statements

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

The governmental major fund (see pages 25 and 27) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith (beginning on page 63).

While the amounts on the business-type fund financial statements (see pages 29 through 33) are the same as those within the business-type column in the government-wide financial statements, the governmental major funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 26 and 28). The flow of current financial resources will reflect capital expenditures and debt repayment. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column (in the government-wide financial statements).

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

Infrastructure Assets

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

Government-Wide Statements

Statement of Net Position

The following table reflects the condensed statement of net position as of September 30, 2021.

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total Primary</u> <u>Government</u>
Current assets	\$ 2,049,823	3,513,785	5,563,608
Capital assets, net	7,367,923	8,827,634	16,195,557
Noncurrent assets - cash and investments	3,402,669	1,200,368	4,603,037
Noncurrent assets - other	-	28,783	28,783
Total assets	<u>12,820,415</u>	<u>13,570,570</u>	<u>26,390,985</u>
Deferred outflows of resources	<u>987,278</u>	<u>181,865</u>	<u>1,169,143</u>
Total assets and deferred outflows of resources	<u>13,807,693</u>	<u>13,752,435</u>	<u>27,560,128</u>
Current liabilities	165,786	438,229	604,015
Noncurrent liabilities:			
Total OPEB liability	1,676,202	755,212	2,431,414
Net pension liability	1,505,204	258,391	1,763,595
Capital leases payable	150,491	-	150,491
Revenue bonds payable	-	1,930,884	1,930,884
Accrued compensated absences	<u>586,074</u>	<u>73,413</u>	<u>659,487</u>
Total liabilities	4,083,757	3,456,129	7,539,886
Deferred inflows of resources	<u>2,917,037</u>	<u>496,545</u>	<u>3,413,582</u>
Total liabilities and deferred inflows of resources	<u>7,000,794</u>	<u>3,952,674</u>	<u>10,953,468</u>

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Net position:			
Net investment in capital assets	\$ 7,217,432	6,804,887	14,022,319
Restricted	3,489,699	1,200,368	4,690,067
Unrestricted	<u>(3,900,232)</u>	<u>1,794,506</u>	<u>(2,105,726)</u>
Total net position	<u>\$ 6,806,899</u>	<u>9,799,761</u>	<u>16,606,660</u>

At the end of fiscal year 2021, the city-wide net position increased \$1,697,103 from current year operations. These changes resulted in an ending balance of \$16,606,660 compared to the net position of \$14,909,557 at the end of fiscal year 2020. Net position for Governmental Activities was \$6,806,899 and net position for Business-type Activities was \$9,799,761. The total net position includes the amount of \$14,022,319 which represents the City's net investment in capital assets and \$4,690,067 which represents current and other assets restricted for specific purposes. The portion of net position that is unrestricted equals a negative amount of \$2,105,726. As previously explained, the negative unrestricted net position is directly associated with recording the net pension liability of \$ 1,763,595 for the City's proportionate share of the Florida Retirement System (FRS) as required by GASB 68 and the total OPEB liability of \$2,431,414 required by GASB 75.

Normal Impacts - Statement of Net Position

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

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

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

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

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

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



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

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

Current Year Impacts

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

Statement of Activities

The following schedule compares the revenue and expenses for years ended September 30, 2021 and 2020.

Statements of Activities  
Years ended September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue:						
Program revenue:						
Charges for services:						
Water and sewer utility	\$ -	-	3,738,007	3,293,113	3,738,007	3,293,113
Stormwater utility	-	-	129,450	126,999	129,450	126,999
General government	303,379	52,907	-	-	303,379	52,907
Public safety	2,006,769	1,616,566	-	-	2,006,769	1,616,566
Physical environment	-	67,443	-	-	-	67,443
Operating grants - physical environment	-	79,712	-	-	-	79,712
Capital grants - physical environment	-	138,789	-	-	-	138,789
General revenue:						
Property taxes	2,892,873	2,424,945	-	-	2,892,873	2,424,945
Franchise fees	346,399	341,645	-	-	346,399	341,645
Communications service tax	489,936	185,126	-	-	489,936	185,126
Other utility taxes	184,990	478,239	-	-	184,990	478,239
Half-cent sales tax	232,829	212,828	-	-	232,829	212,828
Local option gas tax	169,985	136,616	-	-	169,985	136,616
Discretionary surtax - infrastructure	576,617	520,615	-	-	576,617	520,615
Other taxes	64,664	73,876	-	-	64,664	73,876
State revenue sharing	153,703	103,340	-	-	153,703	103,340
Impact fees	5,444	36,845	50,177	249,340	55,621	286,185
Investment income	5,625	39,224	3,956	32,635	9,581	71,859
Miscellaneous	51,965	32,317	29,906	18,139	81,871	50,456
Loss on the sale of capital assets	-	(1,849)	-	-	-	(1,849)
Total revenue	<u>7,485,178</u>	<u>6,539,184</u>	<u>3,951,496</u>	<u>3,720,226</u>	<u>11,436,674</u>	<u>10,259,410</u>

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

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Expenses:						
Governmental activities:						
General government support	\$2,544,099	2,004,452	-	-	2,544,099	2,004,452
Public safety	3,145,554	3,851,040	-	-	3,145,554	3,851,040
Physical environment	387,030	510,521	-	-	387,030	510,521
Culture and recreation	208,403	204,359	-	-	208,403	204,359
Interest expense	973	11,544	-	-	973	11,544
Business-type activities:						
Water and sewer	-	-	3,062,753	3,590,289	3,062,753	3,590,289
Stormwater utility	-	-	<u>390,759</u>	<u>165,860</u>	<u>390,759</u>	<u>165,860</u>
Total expenses	<u>6,286,059</u>	<u>6,581,916</u>	<u>3,453,512</u>	<u>3,756,149</u>	<u>9,739,571</u>	<u>10,338,065</u>
Change in net position	1,199,119	(42,732)	497,984	(35,923)	1,697,103	(78,655)
Net position at beginning of year	<u>5,607,780</u>	<u>5,650,512</u>	<u>9,301,777</u>	<u>9,337,700</u>	<u>14,909,557</u>	<u>14,988,212</u>
Net position at end of year	<u>\$6,806,899</u>	<u>5,607,780</u>	<u>9,799,761</u>	<u>9,301,777</u>	<u>16,606,660</u>	<u>14,909,557</u>

Normal Impacts - Statement of Activities

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

Revenue

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

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

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

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

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

Expenses

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

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

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

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

Fund Statements

Revenue

<u>Governmental Funds Revenue</u>	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenue:				
Taxes	\$ 4,958,293	4,373,890	584,403	13.36%
Licenses and permits	303,629	334,615	(30,986)	-9.26%
Intergovernmental revenue	153,703	512,248	(358,545)	-69.99%
Impact fees	5,444	36,845	(31,401)	-85.22%
Charges for services	21,647	22,871	(1,224)	-5.35%
Fines and forfeitures	1,984,872	1,379,430	605,442	43.89%
Interest	5,625	39,224	(33,599)	-85.66%
Miscellaneous	<u>51,965</u>	<u>32,317</u>	<u>19,648</u>	60.80%
Total revenue	<u>\$ 7,485,178</u>	<u>6,731,440</u>	<u>753,738</u>	11.20%

Overall, revenue in the City's governmental funds increased \$753,738 or 11.20% from last year. The primary source of the increase was from an increase in taxes of \$584,403 and fines and forfeitures revenue of \$605,442.

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

Expenditures

<u>Governmental Funds Expenditures</u>	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Expenditures:				
General government	\$ 2,439,338	1,822,982	616,356	33.81%
Public safety	3,133,360	2,923,014	210,346	7.20%
Physical environment	290,736	336,910	(46,174)	-13.71%
Culture and recreation	137,051	133,066	3,985	2.99%
Debt service	31,779	176,052	(144,273)	-81.95%
Capital outlay	<u>1,249,680</u>	<u>404,643</u>	<u>845,037</u>	208.84%
Total expenditures	<u>\$ 7,281,944</u>	<u>5,796,667</u>	<u>1,485,277</u>	25.62%

Total expenditures for the governmental funds increased by \$1,485,277 or 25.62% for the fiscal year ended September 30, 2021. The largest source of the increase was due to an increase in capital outlay due to new capital asset purchases.

Total expenditures in the governmental funds was \$7,281,944 for the fiscal year ended September 30, 2021. This compares to \$6,286,059 of expenses that are reported in the Statement of Activities for Governmental Activities. The main differences in arriving in the amounts per the Statement of Activities is the provision for noncash depreciation of \$362,810, the removing of capital expenditures of \$1,203,367, the removing of principal payments of \$30,806 made on long-term debt, the decrease in pension expense of \$424,375 related to the City's proportionate share of the Florida Retirement System pension liability, the recording of the increase in compensated absences of \$80,047 and an increase in the OPEB liability of \$362,810.

Proprietary Fund (Business Type Funds)

The combined net position of the Water and Sewer Utility and Stormwater Utility enterprise funds increased \$497,984 in 2021. This increase is comprised of operating gain of \$509,489, plus impact fee income of \$50,177, less nonoperating expenses of \$61,682.

Operating gain (loss) from operations is a measure of profit (loss) before nonoperating revenues and expenses and contributions, and measures only the revenue and costs associated with the operation of the business activity. For fiscal 2021, the Water and Sewer Fund Utility and Stormwater Utility Fund combined operating gain was \$509,489 compared to operating loss of \$254,431 in 2020.

Budgetary Highlights - General Fund

There was no change to the total final budgeted appropriations for the General Fund compared to the original budgeted total. Actual revenue was \$20,626 less than the amount budgeted, and expenditures (including transfers - out) were less than the amount budgeted by \$392,581.

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

Budgeted revenue was \$6,080,687 compared to actual revenue of \$6,060,061. Revenue budgets are based on projections using historic trend analysis. Actual amounts collected may vary significantly depending on changing domestic and global economic conditions and consumer spending habits.

A review of the financial statements will reveal that total taxes were \$96,136 in excess of the amount budgeted, licenses and permits were below the amount budgeted by \$50,171, intergovernmental charges were \$851,908 below budget, impact fees were \$36,056 below budget, and fines and forfeitures were \$816,872 in excess of the amount budgeted.

Budgeted expenditures totaled \$5,678,739 compared to \$5,292,166 in actual expenditures, resulting in a positive variance of \$386,573.

The significant favorable variances that occurred when comparing the final budgeted expenditures to the actual expenditures for 2021 include culture and recreation expenditures being under budget by \$903,975, primarily due to the COVID-19 pandemic.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2021, the City had \$16,195,557 in net capital assets as compared to \$15,664,603 in the prior year. This represents a net increase of \$530,954 from the prior year.

	Capital Assets at September 30, 2021 and 2020					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land, improvements and rights	\$ 3,324,595	3,012,788	27,000	27,000	3,351,595	3,039,788
Construction in progress	262,204	262,204	-	-	262,204	262,204
Buildings and improvements	2,128,590	2,139,151	467,738	464,050	2,596,328	2,603,201
Improvements and infrastructure other than buildings	4,965,716	4,965,717	18,217,806	18,217,806	23,183,522	23,183,523
Equipment and vehicles	3,296,726	2,882,666	510,788	331,364	3,807,514	3,214,030
Software	17,593	16,604	-	-	17,593	16,604
Total cost of assets	13,995,424	13,279,130	19,223,332	19,040,220	33,218,756	32,319,350
Less accumulated depreciation	<u>(6,627,501)</u>	<u>(6,751,764)</u>	<u>(10,395,698)</u>	<u>(9,902,983)</u>	<u>(17,023,199)</u>	<u>(16,654,747)</u>
Total	<u>\$ 7,367,923</u>	<u>6,527,366</u>	<u>8,827,634</u>	<u>9,137,237</u>	<u>16,195,557</u>	<u>15,664,603</u>

The following reconciliation summarizes the change in capital assets, which is presented in detail in the financial statement notes (See note 4 capital assets).

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

	Change in Capital Assets, net		
	Governmental <u>Activities</u>	Business-type <u>Activities</u>	Total Primary <u>Government</u>
Additions/transfers in	\$ 1,203,367	183,112	1,386,479
Retirements/transfers out	(487,073)	-	(487,073)
Depreciation	(362,810)	(492,715)	(855,525)
Accumulated depreciation retirements	<u>487,073</u>	<u>-</u>	<u>487,073</u>
Ending balance	<u>\$ 840,557</u>	<u>(309,603)</u>	<u>530,954</u>

Debt Outstanding

As of September 30, 2021, the City had \$2,858,843 of outstanding debt, including compensated absences, as compared to \$2,780,605 as of September 30, 2020. This represents a net increase of \$78,238 from the end of last year.

	Debt Outstanding at September 30, 2021 and 2020					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue bonds, Series 2016	\$ -	-	2,010,000	2,125,000	2,010,000	2,125,000
Bond premium	<u>-</u>	<u>-</u>	<u>38,865</u>	<u>43,832</u>	<u>38,865</u>	<u>43,832</u>
Total bonds payable	-	-	2,048,865	2,168,832	2,048,865	2,168,832
Capital leases payable	150,491	30,806	-	-	150,491	30,806
Compensated absences	<u>586,074</u>	<u>506,027</u>	<u>73,413</u>	<u>74,940</u>	<u>659,487</u>	<u>580,967</u>
Total	<u>\$ 736,565</u>	<u>536,833</u>	<u>2,122,278</u>	<u>2,243,772</u>	<u>2,858,843</u>	<u>2,780,605</u>

For more information regarding the City's debt, please refer to note 5 to the financial statements - Long-term Debt.

Economic Factors

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

- After six years of decline, fiscal years 2015 through 2021 have marked an upward trend in which real estate property values have increased within the City and also within the Tampa Bay area. Looking to the future it does appear that property values are stabilizing with the expectation that values will continue to increase.

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

- The state of Florida, by constitution, does not have a state personal income tax and, therefore, the state operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of other taxes (sales, gasoline, utilities services) and fees (franchise, business tax, and permits) for their governmental activities. There are a limited number of state-shared revenues and recurring and nonrecurring (one-time) grants from both the state and federal governments.
- The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on the City and its future results and financial position is not presently determinable.

The City will continue to operate within the operating constraints imposed by the annual budget and will provide and maintain the levels of service requested by its citizens with the minimal required tax assessments.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City's Finance Department at City Hall at 6333 Ridge Road, Port Richey, Florida 34668, telephone (727) 816-1900.

## BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The government-wide financial statements present financial information about the reporting government as a whole. The fund financial statements present financial information about major funds individually for the governmental and enterprise funds. The notes to the financial statements present information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements.



CITY OF PORT RICHEY, FLORIDA  
Statement of Net Position  
September 30, 2021

<u>Assets</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Current assets:			
Cash and equivalents - unrestricted	\$ 1,804,445	3,053,576	4,858,021
Receivables:			
Accounts	12,249	451,544	463,793
Due from other governments	219,072	-	219,072
Prepaid expenses	14,057	8,665	22,722
Total current assets	<u>2,049,823</u>	<u>3,513,785</u>	<u>5,563,608</u>
Noncurrent assets:			
Cash and equivalents - restricted	3,402,669	1,200,368	4,603,037
Capital assets:			
Land, improvements and land rights	3,324,595	27,000	3,351,595
Construction in progress	262,204	-	262,204
Buildings and improvements	2,128,590	467,738	2,596,328
Infrastructure and improvements	4,965,716	18,217,806	23,183,522
Equipment and vehicles	3,296,726	510,788	3,807,514
Software	17,593	-	17,593
Accumulated depreciation	(6,627,501)	(10,395,698)	(17,023,199)
Unamortized debt costs - insurance	-	28,783	28,783
Total noncurrent assets	<u>10,770,592</u>	<u>10,056,785</u>	<u>20,827,377</u>
Total assets	<u>12,820,415</u>	<u>13,570,570</u>	<u>26,390,985</u>
<u>Deferred Outflows of Resources</u>			
Pension	942,874	161,858	1,104,732
OPEB	44,404	20,007	64,411
Total deferred outflows of resources	<u>987,278</u>	<u>181,865</u>	<u>1,169,143</u>
Total assets and deferred outflows of resources	<u>13,807,693</u>	<u>13,752,435</u>	<u>27,560,128</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	17,206	78,851	96,057
Accrued liabilities	148,580	37,625	186,205
Customer deposits	-	203,772	203,772
Revenue bonds payable	-	117,981	117,981
Total current liabilities	<u>165,786</u>	<u>438,229</u>	<u>604,015</u>
Noncurrent liabilities:			
Total OPEB liability	1,676,202	755,212	2,431,414
Net pension liability	1,505,204	258,391	1,763,595
Capital leases payable	150,491	-	150,491
Revenue bonds payable	-	1,930,884	1,930,884
Accrued compensated absences	586,074	73,413	659,487
Total noncurrent liabilities	<u>3,917,971</u>	<u>3,017,900</u>	<u>6,935,871</u>
Total liabilities	<u>4,083,757</u>	<u>3,456,129</u>	<u>7,539,886</u>
<u>Deferred Inflows of Resources</u>			
Advances	40,028	-	40,028
Pension	2,877,009	493,880	3,370,889
Gain on refunding	-	2,665	2,665
Total deferred inflows of resources	<u>2,917,037</u>	<u>496,545</u>	<u>3,413,582</u>
<u>Net Position</u>			
Net investment in capital assets	7,217,432	6,804,887	14,022,319
Restricted:			
Police benevolence	106,177	-	106,177
Police confiscation	26,511	-	26,511
Police training	21,345	-	21,345
Police \$5 fund	55,369	-	55,369
Capital projects - transportation	621,900	-	621,900
Capital projects - public safety	47,118	-	47,118
Capital projects - infrastructure	1,144,852	-	1,144,852
Community redevelopment	1,466,427	-	1,466,427
Water, sewer and stormwater improvements	-	1,200,368	1,200,368
Unrestricted (deficit)	<u>(3,900,232)</u>	<u>1,794,506</u>	<u>(2,105,726)</u>
Total net position	<u>\$ 6,806,899</u>	<u>9,799,761</u>	<u>16,606,660</u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA  
Statement of Activities  
Year ended September 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenue		Net Revenue (Expense) and Changes in Net Position			
		Charges for <u>Services</u>	Operating Grants and <u>Contributions</u>	Capital Grants and <u>Contributions</u>	<u>Government Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:							
General government support	\$ 2,544,099	303,379	-	-	(2,240,720)	-	(2,240,720)
Public safety	3,145,554	2,006,769	-	-	(1,138,785)	-	(1,138,785)
Physical environment	387,030	-	-	-	(387,030)	-	(387,030)
Culture and recreation	208,403	-	-	-	(208,403)	-	(208,403)
Interest and fiscal charges on long-term debt	973	-	-	-	(973)	-	(973)
Total governmental activities	<u>6,286,059</u>	<u>2,310,148</u>	<u>-</u>	<u>-</u>	<u>(3,975,911)</u>	<u>-</u>	<u>(3,975,911)</u>
Business-type activities:							
Water and sewer utility	3,062,753	3,738,007	-	-	-	675,254	675,254
Stormwater utility	390,759	129,450	-	-	-	(261,309)	(261,309)
Total business-type activities	<u>3,453,512</u>	<u>3,867,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,945</u>	<u>413,945</u>
Total	<u>\$ 9,739,571</u>	<u>6,177,605</u>	<u>-</u>	<u>-</u>	<u>(3,975,911)</u>	<u>413,945</u>	<u>(3,561,966)</u>
General revenue:							
Taxes:							
Ad valorem					2,892,873	-	2,892,873
Franchise fees					346,399	-	346,399
Utility taxes					489,936	-	489,936
Communication service tax					184,990	-	184,990
Half-cent tax					232,829	-	232,829
Local option gas tax					169,985	-	169,985
Discretionary sales surtax - infrastructure					576,617	-	576,617
Other taxes					64,664	-	64,664
State revenue sharing					153,703	-	153,703
Impact fees					5,444	50,177	55,621
Investment income					5,625	3,956	9,581
Miscellaneous					51,965	29,906	81,871
Total general revenue					<u>5,175,030</u>	<u>84,039</u>	<u>5,259,069</u>
Change in net position					1,199,119	497,984	1,697,103
Net position at beginning of year					<u>5,607,780</u>	<u>9,301,777</u>	<u>14,909,557</u>
Net position at end of year					<u>\$ 6,806,899</u>	<u>9,799,761</u>	<u>16,606,660</u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA  
Balance Sheet - Governmental Funds  
September 30, 2021

	<u>General</u>	<u>Community Redevelopment</u>	<u>Capital Improvement</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and equivalents - unrestricted	\$ 1,804,445	-	-	1,804,445
Cash and equivalents - restricted	878,420	1,484,575	1,039,674	3,402,669
Receivables:				
Accounts	12,249	-	-	12,249
Due from other governments	113,894	-	105,178	219,072
Prepaid expenditures	8,024	-	78,316	86,340
Total assets	<u>\$ 2,817,032</u>	<u>1,484,575</u>	<u>1,223,168</u>	<u>5,524,775</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
Liabilities:				
Accounts payable	16,726	480	-	17,206
Accrued liabilities	130,912	17,668	-	148,580
Total liabilities	<u>147,638</u>	<u>18,148</u>	<u>-</u>	<u>165,786</u>
Deferred inflows of resources	<u>40,028</u>	<u>-</u>	<u>-</u>	<u>40,028</u>
Fund balances:				
Nonspendable	8,024	-	78,316	86,340
Restricted:				
Police benevolence	106,177	-	-	106,177
Police confiscation	26,511	-	-	26,511
Police training	21,345	-	-	21,345
Police \$5 fund	55,369	-	-	55,369
Capital projects - transportation	621,900	-	-	621,900
Capital projects - public safety	47,118	-	-	47,118
Capital projects - infrastructure	-	-	1,144,852	1,144,852
Community redevelopment	-	1,466,427	-	1,466,427
Committed	25,000	-	-	25,000
Unassigned	1,717,922	-	-	1,717,922
Total fund balance	<u>2,629,366</u>	<u>1,466,427</u>	<u>1,223,168</u>	<u>5,318,961</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,817,032</u>	<u>1,484,575</u>	<u>1,223,168</u>	<u>5,524,775</u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA  
 Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Position  
 September 30, 2021

Total Governmental Fund Balances		\$5,318,961
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$13,995,424	
Less accumulated depreciation	<u>(6,627,501)</u>	7,367,923
Capital lease principal payment for next fiscal year is recognized on the governmental funds' Balance Sheet as a prepaid expenditure, however this reduces the capital lease liability on the Statement of Net Position.		
		(72,283)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.		
Total OPEB liability	(1,676,202)	
Net pensions liability	(1,505,204)	
Capital leases	(150,491)	
Accrued compensated absences	<u>(586,074)</u>	(3,917,971)
Deferred inflows and outflows of resources related to pensions are not reported in the governmental funds but will be recognized in pension expense on a long-term basis and are therefore reported in the statement of net position.		
Deferred outflows of resources - pension	942,874	
Deferred inflows of resources - pension	<u>(2,877,009)</u>	(1,934,135)
Deferred outflows of resources related to total OPEB liability are not reported in the governmental funds, but will be recognized in OPEB expense on a long-term basis, and are therefore reported in the statement of net position.		
		<u>44,404</u>
Net Position of Governmental Activities		<u><u>\$6,806,899</u></u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA  
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds  
Year ended September 30, 2021

	<u>General</u>	<u>Community Redevelopment</u>	<u>Capital Improvement</u>	<u>Total Governmental Funds</u>
Revenue:				
Taxes	\$ 3,546,812	834,864	576,617	4,958,293
Licenses and permits	303,629	-	-	303,629
Intergovernmental revenue	153,703	-	-	153,703
Impact fees	5,444	-	-	5,444
Charges for services	21,647	-	-	21,647
Fines and forfeitures	1,984,872	-	-	1,984,872
Interest	2,919	1,442	1,264	5,625
Miscellaneous	41,035	-	10,930	51,965
Total revenue	<u>6,060,061</u>	<u>836,306</u>	<u>588,811</u>	<u>7,485,178</u>
Expenditures:				
General government support	2,296,779	142,559	-	2,439,338
Public safety	2,643,483	436,920	52,957	3,133,360
Physical environment	276,144	14,592	-	290,736
Culture and recreation	33,525	103,526	-	137,051
Debt service:				
Principal	-	-	30,806	30,806
Interest	-	-	973	973
Capital outlay	42,235	346,807	860,638	1,249,680
Total expenditures	<u>5,292,166</u>	<u>1,044,404</u>	<u>945,374</u>	<u>7,281,944</u>
Excess (deficiency) of revenue over expenditures	<u>767,895</u>	<u>(208,098)</u>	<u>(356,563)</u>	<u>203,234</u>
Other financing sources (uses):				
Proceeds from capital lease obligations	-	-	222,774	222,774
Transfers in	-	25,638	-	25,638
Transfers out	(25,638)	-	-	(25,638)
Total other financing sources (uses)	<u>(25,638)</u>	<u>25,638</u>	<u>222,774</u>	<u>222,774</u>
Net change in fund balance	742,257	(182,460)	(133,789)	426,008
Fund balance at beginning of year	<u>1,887,109</u>	<u>1,648,887</u>	<u>1,356,957</u>	<u>4,892,953</u>
Fund balance at end of year	<u>\$ 2,629,366</u>	<u>1,466,427</u>	<u>1,223,168</u>	<u>5,318,961</u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA  
 Reconciliation of the Statement of Revenue, Expenditures and Changes in  
 Fund Balances - Governmental Funds to the Statement of Activities  
 Year ended September 30, 2021

Net change in fund balances - Total Governmental Funds		\$ 426,008
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>		
Capital outlay	\$1,203,367	
Depreciation expense	<u>(362,810)</u>	840,557
<p>Capital lease process provide current financial resources to governmental funds, by issuing debt, this increases long-term liabilities in the Statement of Net Position.</p>		
		(222,774)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position - capital lease payments.</p>		
		30,806
<p>Some revenue (expenses) reported in the statement of activities do not result in the receipt (use) of current financial resources, and therefore, are not reported as revenues (expenditures) in governmental funds.</p>		
Change in accrued compensated absences	(80,047)	
Change in total other OPEB liability	(219,806)	
Pension expense	<u>424,375</u>	<u>124,522</u>
Change in Net Position of Governmental Activities		<u><u>\$1,199,119</u></u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA  
Statement of Net Position  
Proprietary Funds  
September 30, 2021

<u>Assets and Deferred Outflows of Resources</u>	Business-type Activities Enterprise Fund		
	<u>Water and Sewer Utility</u>	<u>Stormwater Utility</u>	<u>Total</u>
Current assets:			
Cash and equivalents - unrestricted	\$ 2,869,080	184,496	3,053,576
Accounts receivable	436,788	14,756	451,544
Prepaid expenses	8,665	-	8,665
Total current assets	3,314,533	199,252	3,513,785
Noncurrent assets:			
Cash and equivalents - restricted	1,117,539	82,829	1,200,368
Capital assets:			
Land, improvements and land rights	27,000	-	27,000
Buildings and improvements	467,738	-	467,738
Infrastructure and improvements	17,948,390	269,416	18,217,806
Equipment and vehicles	488,586	22,202	510,788
Accumulated depreciation	(10,195,562)	(200,136)	(10,395,698)
Unamortized debt costs - insurance	28,783	-	28,783
Total noncurrent assets	9,882,474	174,311	10,056,785
Total assets	13,197,007	373,563	13,570,570
Deferred outflows of resources:			
Pension	136,503	25,355	161,858
OPEB	15,243	4,764	20,007
Total deferred outflows of resources	151,746	30,119	181,865
Total assets and deferred outflows of resources	\$13,348,753	403,682	13,752,435

(Continued)

See accompanying notes to financial statements.

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

Liabilities, Deferred Inflows of <u>Resources and Net Position</u>	Business-type Activities Enterprise Fund		
	Water and Sewer Utility	Stormwater Utility	Total
Current liabilities:			
Accounts payable	\$ 78,851	-	78,851
Accrued liabilities	32,623	5,002	37,625
Customer deposits	203,772	-	203,772
Revenue bonds payable - current portion	117,981	-	117,981
Total current liabilities	433,227	5,002	438,229
Noncurrent liabilities:			
Total OPEB liability	575,394	179,818	755,212
Net pension liability	217,914	40,477	258,391
Revenue bonds payable	1,930,884	-	1,930,884
Accrued compensated absences	59,499	13,914	73,413
Total noncurrent liabilities	2,783,691	234,209	3,017,900
Total liabilities	3,216,918	239,211	3,456,129
Deferred inflows of resources:			
Pension	416,514	77,366	493,880
Gain on refunding	2,665	-	2,665
Total deferred inflows of resources	419,179	77,366	496,545
Net position:			
Net investment in capital assets	6,713,405	91,482	6,804,887
Restricted	1,117,539	82,829	1,200,368
Unrestricted	1,881,712	(87,206)	1,794,506
Total net position	9,712,656	87,105	9,799,761
Total liabilities, deferred inflows of resources and net position	\$13,348,753	403,682	13,752,435

See accompanying notes to financial statements.



CITY OF PORT RICHEY, FLORIDA  
Statement of Revenue, Expenses and Changes in Net Position  
Proprietary Funds  
Year ended September 30, 2021

	Business-type Activities Enterprise Fund		
	<u>Water and Sewer Utility</u>	<u>Stormwater Utility</u>	<u>Total</u>
Operating revenue:			
Charges for services	\$3,738,007	129,450	3,867,457
Other	<u>29,906</u>	<u>-</u>	<u>29,906</u>
Total operating revenue	<u>3,767,913</u>	<u>129,450</u>	<u>3,897,363</u>
Operating expenses:			
Personal services	969,032	359,238	1,328,270
General and administrative	107,903	18,069	125,972
Water treatment and distribution	412,124	-	412,124
Wastewater collection and treatment	1,028,793	-	1,028,793
Depreciation	<u>479,263</u>	<u>13,452</u>	<u>492,715</u>
Total operating expenses	<u>2,997,115</u>	<u>390,759</u>	<u>3,387,874</u>
Operating gain (loss)	<u>770,798</u>	<u>(261,309)</u>	<u>509,489</u>
Nonoperating revenue (expenses):			
Interest income	3,664	292	3,956
Interest and fiscal charges	<u>(65,638)</u>	<u>-</u>	<u>(65,638)</u>
Total nonoperating revenue (expenses)	<u>(61,974)</u>	<u>292</u>	<u>(61,682)</u>
Gain (loss) before capital contributions	708,824	(261,017)	447,807
Capital contributions - impact fees	<u>42,077</u>	<u>8,100</u>	<u>50,177</u>
Change in net position	750,901	(252,917)	497,984
Net position at beginning of year	<u>8,961,755</u>	<u>340,022</u>	<u>9,301,777</u>
Net position at end of year	<u><u>\$9,712,656</u></u>	<u><u>87,105</u></u>	<u><u>9,799,761</u></u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA  
Statement of Cash Flows  
Proprietary Funds  
Year ended September 30, 2021

	Business-type Activities Enterprise Fund		
	Water and Sewer Utility	Stormwater Utility	Total
Cash flows from operating activities:			
Receipts from customers	\$3,704,405	129,174	3,833,579
Payments for goods and services	(1,586,479)	(19,233)	(1,605,712)
Payments to employees	<u>(845,116)</u>	<u>(173,690)</u>	<u>(1,018,806)</u>
Net cash provided by (used in) operating activities	<u>1,272,810</u>	<u>(63,749)</u>	<u>1,209,061</u>
Cash flows from capital and related financing activities:			
Capital contributions	42,077	8,100	50,177
Principal paid on revenue bonds	(115,000)	-	(115,000)
Acquisition and construction of capital assets	(183,112)	-	(183,112)
Interest and fiscal charges paid on indebtedness	<u>(68,895)</u>	<u>-</u>	<u>(68,895)</u>
Net cash provided by (used in) capital and related financing activities	<u>(324,930)</u>	<u>8,100</u>	<u>(316,830)</u>
Cash flows from investing activities - interest income	<u>3,664</u>	<u>292</u>	<u>3,956</u>
Changes in cash and equivalents	951,544	(55,357)	896,187
Cash and equivalents at beginning of year	<u>3,035,075</u>	<u>322,682</u>	<u>3,357,757</u>
Cash and equivalents at end of year	<u><u>\$3,986,619</u></u>	<u><u>267,325</u></u>	<u><u>4,253,944</u></u>
Supplemental schedule of cash flow information - classification of cash and equivalents:			
Cash and equivalents - unrestricted	\$2,869,080	184,496	3,053,576
Cash and equivalents - restricted	<u>1,117,539</u>	<u>82,829</u>	<u>1,200,368</u>
	<u><u>\$3,986,619</u></u>	<u><u>267,325</u></u>	<u><u>4,253,944</u></u>

See accompanying notes to financial statements.

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

	Business-type Activities Enterprise Fund		
	Water and Sewer Utility	Stormwater Utility	Total
	Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities: Operating gain (loss) Adjustments to reconcile operating gain (loss) to net cash provided by (used in) operating activities: Depreciation Changes in: Accounts receivable Prepaid expenses Deferred outflows - pension Deferred outflows - OPEB Accounts payable Accrued liabilities Customer deposits Total OPEB liability Net pension liability Compensated absences Deferred inflows - pension Net cash provided by (used in) operating activities	\$ 770,798  479,263  (59,160) (8,665) 121,306 (2,779) (28,994) 11,248 (4,348) 200,876 (596,502) 710 389,057  <u>\$1,272,810</u>	(261,309)  13,452  (276) - (5,523) (3,517) (1,164) 1,378 - 142,364 (22,171) (2,237) 75,254  <u>(63,749)</u>

See accompanying notes to financial statements.

CITY OF PORT RICHEY, FLORIDA

Notes to Financial Statements

September 30, 2021

(1) Summary of Significant Accounting Policies

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

(a) Reporting Entity

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

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

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

(1) Summary of Significant Accounting Policies, Continued

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

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

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

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

The government-wide Statement of Activities reports the gross and net cost for the various functional categories of the City that are otherwise supported by general government revenues. The expenses for each functional category are reduced by program revenues to ascertain the net costs for that function. Program revenues are defined as charges for services, operating grants, and capital grants that specifically relate to a specific program function. Charges for services include revenues arising from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Operating grants and capital grants consist of revenues received from other governments, organizations, or individuals that are specifically attributable to a program and are restricted for either operating expenditures/expenses or capital expenditures/expenses associated with a specific program.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues 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 services. Operating expenses for the City's enterprise funds include cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

(1) Summary of Significant Accounting Policies, Continued

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

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

(c) Measurement Focus

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

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

(d) Fund Accounting

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

Governmental Fund Types

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

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

(1) Summary of Significant Accounting Policies, Continued

(d) Fund Accounting, Continued

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

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

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

(e) Basis of Accounting

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

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

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

(1) Summary of Significant Accounting Policies, Continued

(e) Basis of Accounting, Continued

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

(f) Budget and Budgetary Accounting

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

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

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



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

(1) Summary of Significant Accounting Policies, Continued

(g) Property Taxes

Under Florida law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pasco County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for fiscal year ending September 30, 2021 was 6.7847.

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

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

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Pasco County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by Pasco County.

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

(h) Assets, Liabilities, and Fund Equity

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

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

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

(1) Summary of Significant Accounting Policies, Continued

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

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

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

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

- Accrued Compensated Absences - Regular, full-time, permanent employees earn vacation and sick leave starting 30 days after their date of employment.

Vacation leave is earned based on years of continuous and creditable service as follows:

<u>Years of Service</u>	<u>Total Hours Per Year - Nonpolice Employee</u>	<u>Total Hours Per Year Police Employees</u>
1 to 5	80	132
6	120	144
7	120	156
8	120	168
9	120	180
10 or More	120	192
Through 15 Years	120	192
16 Years or More	160	192

The maximum amount of vacation leave that a nonpolice employee may accrue is equal to 220 hours. An employee who has served one year or more and who terminates employment with the City is paid for any unused vacation leave accumulated to the time of termination up to the capped amount. The maximum amount of vacation leave that a police employee may accrue is 240 hours. Upon separation the police employee is paid for all unused vacation time.

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

(1) Summary of Significant Accounting Policies, Continued

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

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as a component of long-term liabilities. No expenditure is reported for these amounts in the governmental funds. Vested or accumulated vacation and sick leave of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees.

Sick leave is earned based on years of continuous and creditable service as follows:

<u>Years of Service</u>	<u>Maximum Days Credited All Employees</u>
0 to 5	30
6 to 10	60
11 or More	90

Employees may accrue sick leave benefits to a maximum amount of 90 days (720 hours). Employees, except police, terminating employment by resignation, in good stead and with two-week's notice, shall be paid for accrued sick leave at the rate of 50% times the number of hours accrued not to exceed the maximum days.

Police employees terminating employment by resignation, in good stead and with two-week's notice, shall be paid for all accrued sick leave not to exceed the maximum amount. Employees retiring from the City shall be paid for 100% of accrued sick leave not to exceed the maximum accrual limit plus 33% of any time in excess of the limit.

- Postretirement Health and Life Insurance Benefits - The City provides postemployment health insurance benefits to employees upon completion of 25 years of continuous service or 20 years of continuous service upon reaching age 60. These benefits are discontinued upon the employee reaching age 65. The City does not provide any postretirement life insurance benefits.
- Net Position - The government-wide and business-type fund financial statements utilize a net position presentation. Net position is presented in three components - net investment in capital assets, restricted, and unrestricted.
  - (1) Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets.

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

(1) Summary of Significant Accounting Policies, Continued

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

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

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

(1) Summary of Significant Accounting Policies, Continued

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

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

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

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

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

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

(1) Summary of Significant Accounting Policies, Continued

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

Business-Type Activities/Proprietary Funds

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

Fund Balance Committed

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

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

(i) Bond Premium/Issuance Costs

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

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

(j) Deferred Inflows of Resources

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

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

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

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

(1) Summary of Significant Accounting Policies, Continued

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

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

(m) Interfund Transactions

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

(n) Use of Estimates

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

(o) New GASB Pronouncements

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

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

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

(1) Summary of Significant Accounting Policies, Continued

(o) New GASB Pronouncements, Continued

- Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.
- Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.
- Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.
- Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.
- Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.
- Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

(2) Cash, Equivalents and Investments

(a) Pooled Cash

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

(b) Deposits

Florida Statutes and City policy require that all City demand accounts be in financial institutions that pledge collateral with the State Treasurer pursuant to Chapter 280, Florida Statutes. The City is required to verify that monies are on deposit with “qualified public depositories” as defined in Florida Statutes Section 280.02. Florida Statutes require that all qualified public depositories provide collateral each month equal to at least 50% of the public funds on deposit with the institution that are in excess of deposit insurance amounts. The carrying amount of the City’s deposits as of September 30, 2021 was \$1,868,957, and the bank balance was \$1,995,971.

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

(c) Qualifying Investment Pools

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



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

(2) Cash, Equivalents and Investments, Continued

(c) Qualifying Investment Pools, Continued

During the fiscal year ending September 30, 2021, the City maintained balances in two local government investment pools (LGIPs). According to the City's investment policy, Florida LGIPs have no maximum holding limits in relation to the City's total cash and investment portfolio, and no more than 70% may invested in any individual LGIP.

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

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

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

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

(2) Cash, Equivalents and Investments, Continued

(c) Qualifying Investment Pools, Continued

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

As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City’s daily access to 100% of its account value.

A reconciliation of the amount of petty cash and deposits to the statement of net position as of September 30, 2021, is as follows:

Petty cash	\$	1,264
Bank deposits		1,868,957
Local government investment pools		<u>7,590,837</u>
Total		<u>9,461,058</u>
As reported in statement of net position:		
Cash and equivalents - unrestricted		4,858,021
Cash and equivalents - restricted		<u>4,603,037</u>
Total	\$	<u>9,461,058</u>

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

(3) Receivables

Receivables and related allowances for uncollectible accounts at September 30, 2021 were as follows:

	Receivables <u>Taxes</u>	Accounts <u>Receivables</u>	Allowances for <u>Uncollectibles</u>	<u>Total</u>
Government funds	\$ 219,072	12,249	-	231,321
Enterprise funds	<u>          -</u>	<u>521,739</u>	<u>(70,195)</u>	<u>451,544</u>
Total	\$ <u>219,072</u>	<u>533,988</u>	<u>(70,195)</u>	<u>682,865</u>

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

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

(4) Capital Assets

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

	<u>Beginning Balance at October 1, 2020</u>	<u>Additions and Transfers</u>	<u>Deletions and Transfers</u>	<u>Ending Balance at September 30, 2021</u>
Governmental Activities:				
Nondepreciable assets:				
Land and rights	\$ 3,012,788	311,807	-	3,324,595
Construction in progress	262,204	-	-	262,204
Depreciable assets:				
Building and improvements	2,139,151	-	(10,561)	2,128,590
Infrastructure and improvements	4,965,717	-	(1)	4,965,716
Equipment and vehicles	2,882,666	891,560	(477,500)	3,296,726
Software	<u>16,604</u>	<u>          -</u>	<u>989</u>	<u>17,593</u>
Total at historical cost	<u>13,279,130</u>	<u>1,203,367</u>	<u>(487,073)</u>	<u>13,995,424</u>
Less accumulated depreciation for:				
Building and improvements	972,512	60,050	-	1,032,562
Infrastructure and improvements	3,637,362	140,120	-	3,777,482
Equipment and vehicles	2,126,852	161,082	(487,073)	1,800,861
Software	<u>15,038</u>	<u>1,558</u>	<u>          -</u>	<u>16,596</u>
Total accumulated depreciation	<u>6,751,764</u>	<u>362,810</u>	<u>(487,073)</u>	<u>6,627,501</u>
Capital assets, net	<u>\$ 6,527,366</u>	<u>840,557</u>	<u>          -</u>	<u>7,367,923</u>

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

(4) Capital Assets, Continued

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

General government support	\$ 70,779
Public safety	91,475
Physical environment	129,204
Culture and recreation	<u>71,352</u>
Total	\$ <u>362,810</u>

	Beginning Balance at <u>October 1, 2020</u>	Additions and <u>Transfers</u>	Deletions and <u>Transfers</u>	Ending Balance at <u>September 30, 2021</u>
Business-type Activities:				
Nondepreciable assets - Land and rights	\$ 27,000	-	-	27,000
Depreciable assets:				
Building and improvements	464,050	3,688	-	467,738
Infrastructure and improvements	18,217,806	-	-	18,217,806
Equipment and vehicles	<u>331,364</u>	<u>179,424</u>	-	<u>510,788</u>
Total at historical cost	<u>19,040,220</u>	<u>183,112</u>	-	<u>19,223,332</u>
Less accumulated depreciation for:				
Building and improvements	272,783	10,845	-	283,628
Infrastructure and improvements	9,366,036	331,192	-	9,697,228
Equipment and vehicles	<u>264,164</u>	<u>150,678</u>	-	<u>414,842</u>
Total accumulated depreciation	<u>9,902,983</u>	<u>492,715</u>	-	<u>10,395,698</u>
Capital assets, net	<u>\$ 9,137,237</u>	<u>(309,603)</u>	-	<u>8,827,634</u>

Depreciation expense of \$479,263 and \$13,452 was charged to the Water and Sewer Fund and Stormwater Fund, respectively.

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

(5) Long-Term Debt

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

	Beginning Balance at <u>October 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance at <u>September 30, 2021</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Direct borrowing - capital lease payable	\$ 30,806	222,774	(103,089)	150,491	-
Other liabilities - compensated absences	<u>506,027</u>	<u>80,047</u>	<u>-</u>	<u>586,074</u>	<u>-</u>
Total long-term liabilities - governmental activities	<u>\$ 536,833</u>	<u>302,821</u>	<u>(103,089)</u>	<u>736,565</u>	<u>-</u>
	Beginning Balance at <u>October 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance at <u>September 30, 2021</u>	Amounts Due Within <u>One Year</u>
Business-type Activities:					
Direct borrowing:					
Revenue Bonds, Series 2016	\$ 2,125,000	-	(115,000)	2,010,000	115,000
Bond premium	<u>43,832</u>	<u>-</u>	<u>(4,967)</u>	<u>38,865</u>	<u>2,981</u>
Total bonds payable	2,168,832	-	(119,967)	2,048,865	117,981
Other liabilities - compensated absences	<u>74,940</u>	<u>-</u>	<u>(1,527)</u>	<u>73,413</u>	<u>-</u>
Total long-term liabilities - business-type activities	<u>\$ 2,243,772</u>	<u>-</u>	<u>(121,494)</u>	<u>2,122,278</u>	<u>117,981</u>

Long-term debt for the governmental activities at September 30, 2021:

Effective October 30, 2020, the City (Lessee) entered into a lease agreement with NCC Governmental Equipment (Lessor) for the acquisition, purchase, and financing of certain property consisting of six police department vehicles (2020 Ford Utility Interceptors AWD with accessories). The aggregate principal component of rent payments shall not exceed \$222,774, with the first payment due October 1, 2021 in the amount of \$78,136, which includes interest rate of 2.708%. With payments due the first day of the City's fiscal year, the payment is recorded as a prepaid asset on the government funds and a reduction of debt on the government-wide statements. Therefore, the next fiscal year's payment is paid and no current portion is recognized.

Capital Lease - The City currently leases six Ford Police Interceptors under a capital lease - purchase agreement within the governmental activities. The lease matures in October 2023. The lease generally provides that the City pay the taxes, insurance and maintenance expenses related to the leased asset.

\$ 150,491

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

(5) Long-Term Debt, Continued

<u>Accrued Compensated Absences</u> - Consisting of the vested portion of accumulated vacation and sick pay benefits due employees.	\$ <u>586,074</u>
Total long-term debt - governmental activities	\$ <u>736,565</u>

Revenue Bonds, Series 2016 - Revenue Bonds in the amount of \$2,550,000 were issued to advance refund the Revenue Bonds, Series 2005D. Please see the additional disclosure on the refunding provided below. The outstanding bonds mature in various amounts annually, ranging from \$100,000 to \$170,000 through October 1, 2035. Interest accrues on the bonds at rates ranging from 2.0% to 5.0% and is payable semi-annually on April 1 and October 1. The City has covenanted to appropriate in its annual budget from non - ad valorem revenues, amounts sufficient to pay annual principal and interest installments on the bonds. 2,010,000

<u>Accrued Compensated Absences</u> - Consisting of the vested portion of accumulated vacation and sick pay benefits due employees.	<u>73,413</u>
Total long-term debt - business-type activities	\$ <u>2,083,413</u>

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

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

The remaining unamortized premium on the Series 2005D Bonds as of September 30, 2021 is \$2,665 and is reported in the accompanying Statement of Net Position as a deferred inflow of resources - deferred amount on refunding. This deferred inflow is amortized to income using the effective-interest method.

The remaining combined balance to be amortized as of September 30, 2021 for the 2005D and 2016 Series Revenue Bonds unamortized debt issuance costs is \$28,783. This amount is reported in the accompanying Statement of Net Position as unamortized debt costs. The remaining bond premium from the Series 2016 Revenue Bonds as of September 30, 2021 of \$38,865 is reported in the accompanying statement of net position as a part of long-term debt - revenue bonds payable. The debt issuance costs, and bond premium are amortized into operations using the effective-interest method.

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

(5) Long-Term Debt, Continued

The annual long-term debt repayment schedule for governmental activities as of September 30, 2021 is as follows:

<u>Capital lease</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending September 30,			
2023	\$ 74,240	4,076	78,316
2024	<u>76,251</u>	<u>2,065</u>	<u>78,316</u>
Total	\$ <u>150,491</u>	<u>6,141</u>	<u>156,632</u>

The annual long-term debt repayment schedule for business-type activities as of September 30, 2021 is as follows:

<u>Revenue Bonds, Series 2016</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending September 30,			
2022	\$ 115,000	62,225	177,225
2023	120,000	57,625	177,625
2024	130,000	55,225	185,225
2025	130,000	52,625	182,625
2026	130,000	49,700	179,700
2027 - 2031	720,000	186,225	906,225
2032 - 2035	<u>665,000</u>	<u>50,400</u>	<u>715,400</u>
Total	\$ <u>2,010,000</u>	<u>514,025</u>	<u>2,524,025</u>

The following is an analysis of the property under capital lease:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
Governmental Activities:			
Fire truck	\$ 299,000	176,908	122,092
Ford interceptor	<u>222,774</u>	<u>9,208</u>	<u>213,566</u>
Total	\$ <u>521,774</u>	<u>186,116</u>	<u>335,658</u>

(6) Employee Retirement Systems

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

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

(6) Employee Retirement Systems, Continued

FRS Pension Plan

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

Funding Policy - Effective July 1, 2011, the FRS Pension Plan requires contributions from covered members at a rate of 3%. The City is required by State Statute to contribute, on a monthly basis, an actuarially determined rate. The current rates, effective July 1, 2021 and continuing through June 30, 2022, based on employees' gross earnings are 10.82% for regular employees, 29.01% for senior management, and 25.89% for special risk (fire and police) service classes. The rates for the period July 1, 2020 to June 30, 2021 were 10.00% for regular employees, 27.29% for senior management, and 24.45% for special risk (fire and police) service classes. The employer contribution rates for all classes of employees for both the July 2020 and July 1, 2021 effective dates include the HIS Program employer contribution rate of 1.66%. The City's contributions to the FRS Pension Plan for the fiscal years ending September 30, 2021, 2020, and 2019 were \$406,120, \$405,965 and \$366,200, respectively, and were equal to the required contributions for each year.

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

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



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

(6) Employee Retirement Systems, Continued

During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn compounded monthly interest equivalent to an effective annual rate of 1.3%. The member must cease employment after a maximum of 60 months, must satisfy the termination requirements for retirement, and is subject to reemployment restrictions thereafter. The member's DROP accumulation may be paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. During the DROP eligibility period, the City is required to make contributions to FRS. The current rate, effective July 1, 2021 and continuing through June 30, 2022, based upon employees' gross earnings is 16.98%. The rate for the period July 1, 2020 to June 30, 2021 was 14.60%.

HIS Program

The HIS Program (HIS) is a cost-sharing multiple-employer public employee retirement system (PERS) defined benefit pension plan controlled by the State Legislature and administered by the Florida Department of Management Services, Division of Retirement. The HIS Program is administered in accordance with section 112.363, Florida Statutes. The Program provides a monthly payment benefit to retirees of the Florida Retirement System to assist them in paying their health insurance costs, including Medicare. For the fiscal year ending June 30, 2020 eligible retirees received a monthly HIS benefit equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month. To be eligible to receive the HIS benefit a retiree must provide proof of eligible health insurance coverage.

Funding Policy - The City is required, by State Statute, to contribute on a monthly basis at a rate established by Florida Department of Management Services, Division of Retirement. The current rate, effective July 1, 2021 and continuing through June 30, 2022, is 1.66%. This was the same rate that was effective for the period July 1, 2020 to June 30, 2021. The City's contributions to the HIS Program for the fiscal years ending September 30, 2021, 2020, and 2019 were \$47,802, \$47,053 and \$44,404, respectively, and were equal to the required contributions for each year.

Pension Liabilities, Pension Expense and Deferred Outflows (Inflows) of Resources Related to Pensions - At September 30, 2021, the City reported a total net pension liability of \$1,763,595 comprised of \$805,283 for the FRS Plan component and \$958,312 for the HIS Plan component for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 for the FRS Plan and for the HIS Plan. The City's proportionate share at June 30, 2021 for the FRS Plan component was 0.0106605%. The City's proportionate share at June 30, 2021 for the HIS Plan component was 0.0078127%. The City's proportionate share of the FRS and HIS Plan components changed by (0.0014919) and (0.0003577), respectively. For the fiscal year ending September 30, 2021 the City recognized pension expense of \$(53,342) and \$59,978 for the FRS and HIS Plan components, respectively. Deferred Outflows and Inflows of resources related to pensions are from the following sources:

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

(6) Employee Retirement Systems, Continued

<u>FRS Plan Component</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 138,027	-
Changes of assumptions	551,014	-
Net difference between projected and actual investment earnings on investments	-	2,809,428
Changes in proportion and differences between the City's contributions and proportionate share of contributions	134,219	456,507
Contributions subsequent to the measurement date	<u>123,776</u>	<u>-</u>
Total	\$ <u>947,036</u>	<u>3,265,935</u>

<u>HIS Plan Component</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 32,068	401
Changes of assumptions	75,302	39,485
Net difference between projected and actual investment earnings on investments	999	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	36,063	65,068
Contributions subsequent to the measurement date	<u>13,264</u>	<u>-</u>
Total	\$ <u>157,696</u>	<u>104,954</u>

The deferred outflows of resources related to employer contributions made subsequent to the measurement date will be recognized as a reduction in the net pension liability in the fiscal year ending September 30, 2022. Other amounts related to deferred outflows and inflows of resources will be recognized as pension expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>FRS Component</u>	<u>HIS Component</u>
2022	\$ (757,949)	(14,682)
2023	(343,122)	16,303
2024	(615,565)	(3,871)
2025	(705,438)	41,877
2026	(28,712)	(2,302)
Thereafter	<u>8,111</u>	<u>2,153</u>
Total	\$ <u>(2,442,675)</u>	<u>39,478</u>

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

(6) Employee Retirement Systems, Continued

Actuarial Assumptions - The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

	<u>FRS Component</u>	<u>HIS Component</u>
Valuation Date	July 1, 2021	July 1, 2021
Measurement Date	June 30, 2021	June 30, 2021
Inflation	2.40%	2.40%
Salary Increases	3.25%, average, includes inflation	3.25%, average, includes inflation
Investment Rate of Return	6.80%, net of expense, includes inflation	2.16%, Municipal Bond Rate
Mortality Tables	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018	Generational PUB-2010 with Projection Scale MP-2018
Discount Rate	6.80%	2.16%

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the most recent actuarial experience study, which was done for the FRS Pension Plan for the period July 1, 2013 through June 30, 2018.

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

	1% Decrease	Current Assumption	1% Increase
<u>FRS Component</u>	<u>(5.8%)</u>	<u>(6.8%)</u>	<u>(7.8%)</u>
City's proportionate share of the net pension asset (liability)	\$ <u>(3,601,277)</u>	<u>(805,283)</u>	<u>1,531,856</u>
<u>HIS Component</u>	<u>(1.16%)</u>	<u>(2.16%)</u>	<u>(3.16%)</u>
City's proportionate share of the net pension asset (liability)	\$ <u>(1,107,940)</u>	<u>(958,312)</u>	<u>(835,786)</u>

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

(7) Other Postemployment Benefits Plan

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

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

Employees Covered by Benefit Terms - To be eligible to participate in the Plan, General employees must have completed 25 years of continuous service or 20 years of continuous service and 60 years of age. Police and Fire employees are eligible to participate in the Plan if they retire at age 55 with 20 years of service or at any age with 25 years of service. At September 30, 2019, the valuation date, the following employees were covered by the benefit terms:

Retirees, beneficiaries and disabled members	3
Active plan members	<u>51</u>
Total	<u>54</u>

Total OPEB Liability

The City's total OPEB liability of \$2,431,414 was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2019.

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

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

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

(7) Other Postemployment Benefits Plan, Continued

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of September 30, 2019 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	2.14%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	55

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

Discount rate - Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.14%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by the S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

OPEB expense - For the year ended September 30, 2021, the City recognized OPEB expense of \$621,167.

Change in Total OPEB Liability:

	<u>Total OPEB Liability</u>
Reporting period ending September 30, 2020	\$ 1,872,578
Changes for the year:	
Service cost	85,197
Interest	69,045
Changes of assumptions	463,069
Benefit payments	<u>(58,475)</u>
Net changes	<u>558,836</u>
Reporting period ending September 30, 2021	\$ <u>2,431,414</u>

Changes in assumptions reflect a change in the discount rate from 3.58% for the reporting period ending September 30, 2020, to 2.14% for the reporting period ending September 30, 2021.

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

(7) Other Postemployment Benefits Plan, Continued

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

	1% Decrease (1.14 %)	Current Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB Liability	\$ (2,843,599)	(2,431,414)	(2,096,028)

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

	1% Decrease (3.00-6.50%)	Current Discount Rate (4.00-7.50%)	1% Increase (5.00-8.50%)
Total OPEB Liability	\$ (2,064,237)	(2,431,414)	(2,884,263)

Deferred Outflows of Resources Related to OPEB

The deferred outflows of resources are related to employer contributions subsequent to the measurement date of \$44,404 which will be recognized as an adjustment to the Total OPEB Liability for the fiscal year ending September 30, 2021 measurement date.

(8) Deferred Compensation Plan

The City offers an optional deferred compensation plan, created in accordance with Internal Revenue Code Section 457, to all employees in addition to the pension plan. The City is not the trustee of the deferred compensation plan. Therefore, under the provisions of Internal Revenue Code Section Deferred Compensation Plans and GASB Statement No. 32, Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans, the assets and liabilities of the plan are not to be reported within the City’s financial statements as of September 30, 2021.

(9) Other Employee Benefits

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

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

(10) Interfund Transactions

The purpose of the interfund advances made by the Community Redevelopment Fund and the Capital Improvement Fund to the General Fund and Water and Sewer Utility Fund was to provide working capital to these funds in prior years. The purpose of the interfund advance made by the Water and Sewer Utility Fund to the Stormwater Utility Fund was to provide working capital in prior years. All interfund amounts have been fully repaid during the fiscal year and there are no outstanding interfund balances as of September 30, 2021.

Interfund transfers consist of the following for the year ending September 30, 2021. The General Fund transfer to the Community Redevelopment Fund was for operating purposes and consists of the Tax Increment Funding pertaining to the Community Redevelopment district.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	25,638
Community Redevelopment Fund	<u>25,638</u>	<u>-</u>
Total	\$ <u>25,638</u>	<u>25,638</u>

(11) Risk Management

The City is subject to losses in the normal course of operations resulting from general liability; property and casualty; workers' compensation; employee health and accident; environmental, and antitrust matters. The City has purchased commercial insurance to protect against employee health losses. The City participates in Public Risk Management of Florida for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; and general liability, including malpractice and errors and omissions. The City does not self-insure against any risks. To the extent that the City has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter. In addition, no settlements have exceeded the City's insurance coverage in the last three years.

(12) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on the City and its future results and financial position is not presently determinable.

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

(13) Subsequent Events

Effective October 30, 2021, the City (Lessee) entered into a lease agreement with NCL Governmental Equipment (Lessor) for the acquisition, purchase, and financing of certain property consisting of six police department vehicles (2020 Ford Utility Interceptors AWD with accessories). The aggregate principal component of rent payments shall not exceed \$448,538, with the first payment due January 15, 2022 in the amount of \$68,130, which includes interest rate of 1.953%. Rent payments are due annually, January 15 and the lease is set to mature January 15, 2028.



REQUIRED SUPPLEMENTARY INFORMATION OTHER  
THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

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

CITY OF PORT RICHEY, FLORIDA  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year ended September 30, 2021

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenue:				
Taxes	\$ 3,450,676	3,450,676	3,546,812	96,136
Licenses and permits	353,800	353,800	303,629	(50,171)
Intergovernmental charges	1,005,611	1,005,611	153,703	(851,908)
Impact fees	41,500	41,500	5,444	(36,056)
Charges for services	22,500	22,500	21,647	(853)
Fines and forfeitures	1,168,000	1,168,000	1,984,872	816,872
Interest	20,000	20,000	2,919	(17,081)
Miscellaneous	18,600	18,600	41,035	22,435
Total revenue	<u>6,080,687</u>	<u>6,080,687</u>	<u>6,060,061</u>	<u>(20,626)</u>
Expenditures:				
General government support	1,810,148	1,815,316	2,296,779	(481,463)
Public safety	2,649,487	2,649,487	2,643,483	6,004
Physical environment	276,436	276,436	276,144	292
Culture and recreation	937,500	937,500	33,525	903,975
Capital outlay	-	-	42,235	(42,235)
Total expenditures	<u>5,673,571</u>	<u>5,678,739</u>	<u>5,292,166</u>	<u>386,573</u>
Excess (deficiency) of revenue over expenditures	407,116	401,948	767,895	365,947
Other financing uses - transfers out	<u>(31,646)</u>	<u>(31,646)</u>	<u>(25,638)</u>	<u>6,008</u>
Net change in fund balance	<u>\$ 375,470</u>	<u>370,302</u>	742,257	<u>371,955</u>
Fund balance at beginning of year			<u>1,887,109</u>	
Fund balance at end of year			<u>\$ 2,629,366</u>	

CITY OF PORT RICHEY, FLORIDA  
Required Supplementary Information  
Budgetary Comparison Schedule - Special Revenue Fund  
Community Redevelopment  
Year ended September 30, 2021

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenue:				
Taxes	\$ 1,010,623	1,010,623	834,864	(175,759)
Interest income	<u>1,500</u>	<u>1,500</u>	<u>1,442</u>	<u>(58)</u>
Total revenue	<u>1,012,123</u>	<u>1,012,123</u>	<u>836,306</u>	<u>(175,817)</u>
Expenditures:				
General government support	125,051	125,051	142,559	(17,508)
Public safety	410,471	410,471	436,920	(26,449)
Physical environment	170,033	170,033	14,592	155,441
Culture and recreation	65,175	65,175	103,526	(38,351)
Capital outlay	<u>575,000</u>	<u>575,000</u>	<u>346,807</u>	<u>228,193</u>
Total expenditures	<u>1,345,730</u>	<u>1,345,730</u>	<u>1,044,404</u>	<u>301,326</u>
Excess (deficiency) of revenue over expenditures	(333,607)	(333,607)	(208,098)	125,509
Other financing sources - transfers in	<u>31,646</u>	<u>31,646</u>	<u>25,638</u>	<u>(6,008)</u>
Net change in fund balance	<u>\$ (301,961)</u>	<u>(301,961)</u>	(182,460)	<u>119,501</u>
Fund balance at beginning of year			<u>1,648,887</u>	
Fund balance at end of year			<u>\$ 1,466,427</u>	

CITY OF PORT RICHEY, FLORIDA  
Required Supplementary Information  
Schedule of City's Proportionate Share of the Net Pension Liability  
September 30, 2021

FRS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.0106605%	0.0121524%	0.0116040%	0.0119657%	0.0114610%	0.0124431%	0.0115217%
City's proportionate share of the net pension liability	\$ 805,283	5,267,040	3,996,251	3,604,146	3,390,097	3,141,886	1,488,189
City's covered payroll	\$2,962,940	2,896,373	2,462,579	2,712,763	2,492,370	2,526,408	2,448,673
City's proportionate share of the net pension liability as a percentage of its covered payroll	27.2%	181.8%	162.3%	132.9%	136.0%	124.4%	60.8%
Plan fiduciary net position as a percentage of the total pension liability	96.4%	78.9%	82.6%	84.3%	83.9%	84.9%	92.0%

HIS

City's proportion of the net pension liability	0.0078127%	0.0081704%	0.0080369%	0.0083057%	0.0077411%	0.0082267%	0.0082004%
City's proportionate share of the net pension liability	\$ 958,312	997,604	899,247	879,085	827,717	958,790	836,717
City's covered payroll	\$2,962,940	2,896,373	2,756,977	2,693,568	2,492,370	2,526,408	2,448,673
City's proportionate share of the net pension liability as a percentage of its covered payroll	32.3%	34.4%	32.6%	32.6%	33.2%	38.0%	34.2%
Plan fiduciary net position as a percentage of the total pension liability	3.6%	3.0%	2.6%	2.2%	1.6%	1.0%	0.5%

\* This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

CITY OF PORT RICHEY, FLORIDA  
Required Supplementary Information  
Schedule of City's Pension Contributions  
September 30, 2021

FRS							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 406,120	405,965	366,200	264,454	324,830	326,466	326,466
Contributions in relation to the contractually required contribution	<u>406,120</u>	<u>405,965</u>	<u>366,200</u>	<u>264,454</u>	<u>324,830</u>	<u>326,466</u>	<u>326,466</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	\$2,962,940	2,899,440	2,419,169	2,693,568	2,574,241	2,566,439	2,566,439
Contributions as a percentage of covered payroll	13.71%	14.00%	15.14%	9.82%	12.62%	12.72%	12.72%
HIS							
Contractually required contribution	\$ 47,082	47,053	44,404	44,713	42,732	42,603	42,603
Contributions in relation to the contractually required contribution	<u>47,082</u>	<u>47,053</u>	<u>44,404</u>	<u>44,713</u>	<u>42,732</u>	<u>42,603</u>	<u>42,603</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	\$2,962,940	2,899,440	2,751,029	2,693,568	2,574,241	2,566,439	2,566,439
Contributions as a percentage of covered payroll	1.59%	1.62%	1.61%	1.66%	1.66%	1.66%	1.66%

\* This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

CITY OF PORT RICHEY, FLORIDA  
 Required Supplementary Information  
 Schedule of Changes in the City's Total OPEB Liability and Related Ratios  
 Year ended September 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 85,197	79,053	85,963	94,224
Interest	69,045	63,647	55,991	48,041
Differences between expected and actual experience	-	61,460	-	-
Changes of assumptions or other inputs	463,069	241,424	(118,976)	(136,695)
Benefit payments	<u>(58,475)</u>	<u>(32,918)</u>	<u>(30,345)</u>	<u>(27,903)</u>
Net change in total OPEB liability	558,836	412,666	(7,367)	(22,333)
Total OPEB liability - beginning	<u>1,872,578</u>	<u>1,459,912</u>	<u>1,467,279</u>	<u>1,489,612</u>
Total OPEB liability- ending	<u>\$2,431,414</u>	<u>1,872,578</u>	<u>1,459,912</u>	<u>1,467,279</u>
Covered payroll	\$2,416,053	2,357,125	2,522,862	2,461,329
Total OPEB liability as a percentage of covered payroll	100.64%	79.44%	57.87%	59.61%

Notes to schedule:

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

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
2.14%	3.58%	4.18%	3.64%

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

Also reflected as assumption changes are updated mortality rates, updated health care costs and premiums, and updated health care cost trend rates.

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

## OTHER SUPPLEMENTARY SCHEDULES

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

CITY OF PORT RICHEY, FLORIDA  
Other Supplementary Information  
Budgetary Comparison Schedule - Capital Improvement Fund  
Year ended September 30, 2021

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenue:				
Taxes	\$ 400,000	400,000	576,617	176,617
Interest	1,200	1,200	1,264	64
Miscellaneous	-	-	10,930	10,930
Total revenue	<u>401,200</u>	<u>401,200</u>	<u>588,811</u>	<u>187,611</u>
Expenditures:				
Public safety	32,990	55,174	52,957	2,217
Debt service:				
Principal	29,819	30,784	30,806	(22)
Interest	1,960	996	973	23
Capital outlay	<u>721,173</u>	<u>719,940</u>	<u>860,638</u>	<u>(140,698)</u>
Total expenditures	<u>785,942</u>	<u>806,894</u>	<u>945,374</u>	<u>(138,480)</u>
Excess (deficiency) of revenue over expenditures	(384,742)	(405,694)	(356,563)	49,131
Other financing sources - issuance of long-term debt - capital lease	<u>-</u>	<u>-</u>	<u>222,774</u>	<u>222,774</u>
Net change in fund balance	<u>\$ (384,742)</u>	<u>(405,694)</u>	(133,789)	<u>271,905</u>
Fund balance at beginning of year			<u>1,356,957</u>	
Fund balance at end of year			<u>\$ 1,223,168</u>	



## STATISTICAL SECTION

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

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

The City has no general bonded debt outstanding.

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

## SCHEDULES OF 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.

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

	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)	2014	2013	2012
Governmental activities:										
Net investment in capital assets	\$ 7,217,432	6,436,744	6,290,467	7,948,145	7,578,819	7,431,860	7,430,706	7,486,882	7,430,569	7,454,455
Restricted	3,489,699	3,843,346	2,918,272	2,112,381	2,147,879	2,286,967	2,103,829	2,132,055	2,736,422	3,055,857
Unrestricted	<u>(3,900,232)</u>	<u>(4,672,310)</u>	<u>(3,558,227)</u>	<u>(3,217,407)</u>	<u>(1,586,050)</u>	<u>(2,080,596)</u>	<u>(1,759,331)</u>	903,014	1,057,613	499,028
Total governmental activities net position	<u>\$ 6,806,899</u>	<u>5,607,780</u>	<u>5,650,512</u>	<u>6,843,119</u>	<u>8,140,648</u>	<u>7,638,231</u>	<u>7,775,204</u>	<u>10,521,951</u>	<u>11,224,604</u>	<u>11,009,340</u>
Business-type activities:										
Net investment in capital assets	\$ 6,804,887	6,965,394	7,161,128	7,556,109	7,779,484	8,141,408	8,333,348	8,533,906	8,868,776	8,397,729
Restricted	1,200,368	1,164,915	907,096	559,608	662,504	810	60,712	-	1,078	840,858
Unrestricted	<u>1,794,506</u>	<u>1,171,468</u>	<u>1,269,476</u>	<u>1,492,265</u>	<u>1,285,144</u>	<u>861,979</u>	<u>475,489</u>	<u>298,466</u>	<u>551,908</u>	<u>166,996</u>
Total business-type activities net position	<u>\$ 9,799,761</u>	<u>9,301,777</u>	<u>9,337,700</u>	<u>9,607,982</u>	<u>9,727,132</u>	<u>9,004,197</u>	<u>8,869,549</u>	<u>8,832,372</u>	<u>9,421,762</u>	<u>9,405,583</u>
Primary government:										
Net investment in capital assets	\$14,022,319	13,402,138	13,451,595	15,504,254	15,358,303	15,573,268	15,764,054	16,020,788	16,299,345	15,852,184
Restricted	4,690,067	5,008,261	3,825,368	2,671,989	2,810,383	2,287,777	2,164,541	2,132,055	2,737,500	3,896,715
Unrestricted	<u>(2,105,726)</u>	<u>(3,500,842)</u>	<u>(2,288,751)</u>	<u>(1,725,142)</u>	<u>(300,906)</u>	<u>(1,218,617)</u>	<u>(1,283,842)</u>	<u>1,201,480</u>	<u>1,609,521</u>	<u>666,024</u>
Total governmental activities net position	<u>\$16,606,660</u>	<u>14,909,557</u>	<u>14,988,212</u>	<u>16,451,101</u>	<u>17,867,780</u>	<u>16,642,428</u>	<u>16,644,753</u>	<u>19,354,323</u>	<u>20,646,366</u>	<u>20,414,923</u>

(1) The negative unrestricted net position amount for the governmental activities is a result of implementing GASB 68 in 2015 and GASB 75 in 2018.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General revenue and other changes in net position										
Governmental Activities:										
Taxes:										
Ad valorem	\$2,892,873	2,424,945	2,257,211	2,027,984	1,944,855	1,843,791	1,710,641	1,679,769	1,678,730	1,662,086
Franchise fees	346,399	341,645	346,772	317,873	294,965	302,133	304,574	352,568	326,650	304,713
Utility taxes	489,936	478,239	457,661	417,278	392,946	392,298	364,249	324,164	314,897	345,236
Communication service tax	184,990	185,126	169,352	176,472	181,964	145,681	137,442	144,171	190,187	185,064
Half-cent tax	232,829	212,828	200,039	177,277	168,869	163,992	154,080	146,394	138,214	132,247
Local option gas tax	169,985	136,616	95,714	78,966	69,412	66,713	62,299	135,918	124,580	116,949
Discretionary sales surtax - infrastructure	576,617	520,615	512,756	425,647	401,332	386,170	353,551	316,892	295,688	270,236
Other taxes	64,664	73,876	69,773	29,917	34,549	36,286	28,506	29,260	29,502	32,241
State revenue sharing	153,703	103,340	103,704	102,840	102,044	101,277	101,057	100,046	99,749	100,727
Impact fees	5,444	36,845	43,732	27,177	93,257	62,015	-	277	24,508	428
Investment income	5,625	39,224	22,873	13,806	2,989	298	4,235	902	516	1,068
Miscellaneous	51,965	32,317	26,578	79,577	43,949	53,871	22,440	12,122	12,889	37,900
Loss on sale of capital assets	-	(1,849)	(3,713)	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	(21,486)
Total governmental activities	<u>5,175,030</u>	<u>4,583,767</u>	<u>4,302,452</u>	<u>3,874,814</u>	<u>3,731,131</u>	<u>3,554,525</u>	<u>3,243,074</u>	<u>3,242,483</u>	<u>3,236,110</u>	<u>3,167,409</u>
Business-type Activities:										
Impact fees	50,177	249,340	309,320	49,137	715,659	11,760	82,750	5,700	6,504	7,800
Investment income	3,956	32,635	6,717	-	7,983	-	-	-	481	3,913
Miscellaneous	29,906	18,139	11,098	5,776	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	21,486
Total business-type activities	<u>84,039</u>	<u>300,114</u>	<u>327,135</u>	<u>54,913</u>	<u>723,642</u>	<u>11,760</u>	<u>82,750</u>	<u>5,700</u>	<u>6,985</u>	<u>33,199</u>
Total primary government	<u>\$5,259,069</u>	<u>4,883,881</u>	<u>4,629,587</u>	<u>3,929,727</u>	<u>4,454,773</u>	<u>3,566,285</u>	<u>3,325,824</u>	<u>3,248,183</u>	<u>3,243,095</u>	<u>3,200,608</u>
Change in net position										
Governmental activities	1,199,119	(42,732)	615,293	(254,989)	502,417	(136,973)	(427,356)	(702,653)	226,024	145,674
Business-type activities	497,984	(35,923)	(270,282)	141,011	722,935	134,648	249,690	(589,390)	58,883	405,612
Total primary government	<u>\$1,697,103</u>	<u>(78,655)</u>	<u>345,011</u>	<u>(113,978)</u>	<u>1,225,352</u>	<u>(2,325)</u>	<u>(177,666)</u>	<u>(1,292,043)</u>	<u>284,907</u>	<u>551,286</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:										
Nonspendable	\$ 8,024	3,500	25,177	31,811	25,911	19,126	18,259	375	3,235	3,413
Restricted	878,420	837,502	838,802	814,186	829,768	868,143	1,003,701	970,334	950,387	914,339
Committed	25,000	25,000	25,000	25,000	25,000	25,000	-	-	-	-
Unassigned	<u>1,717,922</u>	<u>1,021,107</u>	<u>986,905</u>	<u>1,201,812</u>	<u>1,524,174</u>	<u>1,119,427</u>	<u>1,152,156</u>	<u>1,585,368</u>	<u>1,627,157</u>	<u>1,010,659</u>
Total general fund	<u>2,629,366</u>	<u>1,887,109</u>	<u>1,875,884</u>	<u>2,072,809</u>	<u>2,404,853</u>	<u>2,031,696</u>	<u>2,174,116</u>	<u>2,556,077</u>	<u>2,580,779</u>	<u>1,928,411</u>
All Other Governmental Funds:										
Nonspendable	78,316	-	2,826	-	-	-	-	-	-	-
Restricted	<u>2,611,279</u>	<u>3,005,844</u>	<u>2,082,296</u>	<u>1,302,314</u>	<u>1,318,111</u>	<u>1,095,361</u>	<u>837,026</u>	<u>972,915</u>	<u>1,673,968</u>	<u>2,064,764</u>
Total all other governmental funds	<u>\$2,689,595</u>	<u>3,005,844</u>	<u>2,085,122</u>	<u>1,302,314</u>	<u>1,318,111</u>	<u>1,095,361</u>	<u>837,026</u>	<u>972,915</u>	<u>1,673,968</u>	<u>2,064,764</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenue:										
Taxes	\$ 4,958,293	4,373,890	4,109,278	2,939,607	2,814,730	2,683,903	2,516,906	2,500,672	2,510,464	2,497,099
Licenses and permits	303,629	334,615	308,393	260,896	567,724	218,668	229,989	157,095	174,848	181,826
Intergovernmental revenue	153,703	512,248	127,055	873,314	815,309	754,438	718,806	728,510	769,500	668,307
Impact fees	5,444	36,845	43,732	27,177	93,257	62,015	-	277	24,508	428
Charges for services	21,647	22,871	20,442	358,985	358,642	361,916	358,860	357,479	355,479	376,800
Fines and forfeitures	1,984,872	1,379,430	1,317,820	1,054,378	1,158,287	1,183,927	646,416	746,505	1,553,501	1,741,341
Interest	5,625	39,224	22,873	13,806	2,990	298	4,235	902	516	1,069
Miscellaneous	51,965	32,317	65,186	74,512	37,732	52,046	20,198	9,498	9,961	34,744
Total revenue	<u>7,485,178</u>	<u>6,731,440</u>	<u>6,014,779</u>	<u>5,602,675</u>	<u>5,848,671</u>	<u>5,317,211</u>	<u>4,495,410</u>	<u>4,500,938</u>	<u>5,398,777</u>	<u>5,501,614</u>
Expenditures:										
General government support	2,439,338	1,822,982	1,548,137	1,604,588	1,644,059	1,799,171	1,627,106	1,694,339	1,870,619	2,102,661
Public safety	3,133,360	2,923,014	2,647,662	2,678,722	2,534,702	2,447,476	2,459,087	2,489,721	2,248,857	2,240,574
Physical environment	290,736	336,910	370,322	545,645	486,685	468,153	444,829	436,531	488,999	262,677
Transportation	-	-	-	-	-	-	-	-	-	151,783
Human services	-	-	-	30,949	24,478	21,766	19,877	18,840	17,444	19,037
Culture and recreation	137,051	133,066	304,258	-	-	-	-	-	-	106,374
Debt service:										
Principal	30,806	164,863	153,949	153,062	251,006	180,203	167,514	388,800	165,804	181,522
Interest	973	11,189	13,699	18,333	24,253	37,182	46,090	56,044	68,644	67,981
Capital outlay	<u>1,249,680</u>	<u>404,643</u>	<u>393,695</u>	<u>919,217</u>	<u>287,581</u>	<u>256,755</u>	<u>248,757</u>	<u>363,310</u>	<u>280,342</u>	<u>476,110</u>
Total expenditures	<u>7,281,944</u>	<u>5,796,667</u>	<u>5,431,722</u>	<u>5,950,516</u>	<u>5,252,764</u>	<u>5,210,706</u>	<u>5,013,260</u>	<u>5,447,585</u>	<u>5,140,709</u>	<u>5,608,719</u>
Excess of revenue over (under) expenditures	<u>203,234</u>	<u>934,773</u>	<u>583,057</u>	<u>(347,841)</u>	<u>595,907</u>	<u>106,505</u>	<u>(517,850)</u>	<u>(946,647)</u>	<u>258,068</u>	<u>(107,105)</u>
Other financing sources (uses):										
Proceeds from sale of capital assets	-	-	-	-	-	7,629	-	-	3,204	8,686
Proceeds from capital lease obligations	222,774	-	-	-	-	-	-	220,892	-	153,962
Proceeds from issuance of refunding bonds	-	-	-	-	-	518,104	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(500,000)	-	-	-	-
Bond issuance costs	-	-	-	-	-	(16,323)	-	-	-	-
Transfers out, net	-	-	-	-	-	-	-	-	-	(6,386)
Total other financing sources (uses)	<u>222,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,410</u>	<u>-</u>	<u>220,892</u>	<u>3,204</u>	<u>156,262</u>
Net change in fund balances	426,008	934,773	583,057	(347,841)	595,907	115,915	(517,850)	(725,755)	261,272	49,157
Fund balances at beginning of year	<u>4,892,953</u>	<u>3,958,180</u>	<u>3,375,123</u>	<u>3,722,964</u>	<u>3,127,057</u>	<u>3,011,142</u>	<u>3,528,992</u>	<u>4,254,747</u>	<u>3,993,475</u>	<u>3,944,318</u>
Fund balances at end of year	<u>\$ 5,318,961</u>	<u>4,892,953</u>	<u>3,958,180</u>	<u>3,375,123</u>	<u>3,722,964</u>	<u>3,127,057</u>	<u>3,011,142</u>	<u>3,528,992</u>	<u>4,254,747</u>	<u>3,993,475</u>
Det service as a percentage of noncapital expenditures	0.5%	3.3%	3.3%	3.4%	5.5%	4.4%	4.5%	8.8%	4.8%	4.9%

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

<u>Function/Programs</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities:										
Charges for services:										
General government support	\$ 303,379	52,907	42,588	421,766	411,295	423,924	420,757	424,845	410,873	446,794
Public safety	2,006,769	1,616,566	1,525,806	1,054,378	1,158,287	1,183,927	646,416	746,505	1,553,501	1,741,341
Protective inspectors	-	67,443	78,261	198,115	515,071	156,660	168,093	89,728	120,116	111,832
Total charges for services	<u>2,310,148</u>	<u>1,736,916</u>	<u>1,646,655</u>	<u>1,674,259</u>	<u>2,084,653</u>	<u>1,764,511</u>	<u>1,235,266</u>	<u>1,261,078</u>	<u>2,084,490</u>	<u>2,299,967</u>
Operating grants and contributions:										
Physical environment	-	79,712	190,407	34,466	39,104	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	23,351	-	-	-	-	-	-	-
Total operating grants and contributions	<u>-</u>	<u>79,712</u>	<u>213,758</u>	<u>34,466</u>	<u>39,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital grants and contributions:										
Public safety	-	-	38,608	-	-	-	19,313	-	81,105	8,408
Physical environment	-	138,789	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	7,500
Public works	-	-	-	24,200	-	-	-	-	-	-
Total grants and contributions	<u>-</u>	<u>138,789</u>	<u>38,608</u>	<u>24,200</u>	<u>-</u>	<u>-</u>	<u>19,313</u>	<u>-</u>	<u>81,105</u>	<u>15,908</u>
Total governmental activities	<u>2,310,148</u>	<u>1,955,417</u>	<u>1,899,021</u>	<u>1,732,925</u>	<u>2,123,757</u>	<u>1,764,511</u>	<u>1,254,579</u>	<u>1,261,078</u>	<u>2,165,595</u>	<u>2,315,875</u>
Business-type activities:										
Charges for services:										
Water and sewer	3,738,007	3,293,113	3,402,942	3,449,932	3,476,326	3,254,263	3,092,095	2,493,124	3,010,883	2,935,362
Stormwater utility	129,450	126,999	125,237	125,301	123,279	121,098	119,878	120,879	119,481	118,774
Total grants and contributions	<u>3,867,457</u>	<u>3,420,112</u>	<u>3,528,179</u>	<u>3,575,233</u>	<u>3,599,605</u>	<u>3,375,361</u>	<u>3,211,973</u>	<u>2,614,003</u>	<u>3,130,364</u>	<u>3,054,136</u>
Capital grants and contributions - water and sewer	-	-	-	-	-	-	125,112	-	-	-
Total business-type activities	<u>3,867,457</u>	<u>3,420,112</u>	<u>3,528,179</u>	<u>3,575,233</u>	<u>3,599,605</u>	<u>3,375,361</u>	<u>3,337,085</u>	<u>2,614,003</u>	<u>3,130,364</u>	<u>3,054,136</u>
Total primary government revenue	<u>\$ 6,177,605</u>	<u>5,375,529</u>	<u>5,427,200</u>	<u>5,308,158</u>	<u>5,723,362</u>	<u>5,139,872</u>	<u>4,591,664</u>	<u>3,875,081</u>	<u>5,295,959</u>	<u>5,370,011</u>

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

Fiscal Year Ended <u>September 30,</u>	<u>Ad Valorem</u>	Franchise <u>Fees</u>	Utility <u>Tax</u>	Communications <u>Service Tax</u>	<u>Total</u>
2021	\$2,058,009	346,399	489,936	184,990	3,079,334
2020	1,684,832	341,645	478,239	185,126	2,689,842
2019	1,600,120	346,772	457,661	169,352	2,573,905
2018	1,477,808	317,873	417,278	176,472	2,389,431
2017	1,453,167	294,965	392,946	181,964	2,323,042
2016	1,397,320	302,133	392,298	145,681	2,237,432
2015	1,303,568	304,574	364,249	137,442	2,109,833
2014	1,286,745	352,568	324,164	144,171	2,107,648
2013	1,284,698	326,650	314,897	190,187	2,116,432
2012	1,250,148	304,713	345,236	185,064	2,085,161



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

Fiscal Year Ended <u>September 30,</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Less Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2021	\$ 290,396,358	21,514,209	311,910,567	50,857,585	261,052,982	6.7847
2020	277,893,769	21,086,917	298,980,686	49,795,835	249,184,851	5.7847
2019	262,993,747	18,468,436	281,462,183	41,220,723	240,241,460	5.8293
2018	287,379,650	23,027,158	310,406,808	38,874,327	271,532,481	5.7518
2017	283,212,534	24,394,607	307,607,141	39,029,794	268,577,347	5.7557
2016	275,218,903	23,705,191	298,924,094	42,716,242	256,207,852	5.7666
2015	267,225,271	23,015,775	290,241,046	46,402,689	243,838,357	5.4348
2014	281,576,479	23,249,898	304,826,377	56,818,927	248,007,450	5.4348
2013	297,673,379	24,886,748	322,560,127	41,734,759	280,825,368	5.3202
2012	300,232,741	27,427,479	327,660,220	50,286,285	277,373,935	5.0000

Note:

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

Source:

Pasco County Property Appraiser

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

Fiscal Year	City	Pasco County					Pasco County School Board					Other Taxing Districts				Total
		Operating	Library Bond	Parks Bond	Municipal County-Operating	Total County-Operating	School Board Operating	Capital Outlay	School Bond	West Pasco Bond	Total School Board	SW Fla. Wtr. Management District	Florida Coastal River Basin	Mosquito Control	Total Other	
2021	6.7847	7.6076	0.0161	0.0155	1.8036	9.4428	4.4220	0.0000	0.0000	0.0000	5.9220	0.0000	0.0000	0.0000	0.0000	22.1495
2020	5.7847	7.6076	0.0096	0.0100	1.8036	9.4308	4.6010	1.5000	0.0000	0.0000	6.1010	0.2801	0.0000	2.6460	2.9261	24.2426
2019	5.8293	7.6076	0.0000	0.0000	1.8036	9.4112	4.7790	1.5000	0.0000	0.0000	6.2790	0.2955	0.0000	0.2034	0.4989	22.0184
2018	5.7518	7.6076	0.0000	0.0000	1.8036	9.4112	5.0650	1.5000	0.0000	0.0000	6.5650	0.3131	0.0000	0.2154	0.5285	22.2565
2017	5.7557	7.6076	0.0000	0.0000	1.8036	9.4112	5.2770	1.5000	0.0000	0.0000	6.7770	0.3317	0.0000	0.2254	0.5571	22.5010
2016	5.7666	7.3441	0.0000	0.0000	1.7165	9.0606	5.6490	1.5000	0.0000	0.0000	7.1490	0.3658	0.0000	0.2400	0.6058	22.5820
2015	5.4348	7.3441	0.0000	0.0000	1.7165	9.0606	5.7857	1.5000	0.0000	0.0000	7.2857	0.3818	0.0000	0.1620	0.5438	22.3249
2014	5.4348	6.8623	0.0000	0.0000	1.5405	8.4028	5.8410	1.5000	0.0000	0.0000	7.3410	0.3928	0.0000	0.1630	0.5558	21.7344
2013	5.3202	6.3668	0.0000	0.0000	0.0000	6.3668	6.1440	1.5000	0.0000	0.0000	7.6440	0.3928	0.0000	0.1920	0.5848	19.9158
2012	5.0000	6.3668	0.0000	0.0000	0.0000	6.3668	6.2670	1.5000	0.0000	0.0000	7.7670	0.3770	0.1885	0.1989	0.7644	19.8982

Source:  
 Pasco County Property Appraiser

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

<u>Taxpayer</u>	<u>2021</u>			<u>2012</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Avila Bay 110 LLC	\$ 13,149,891	1	5.04%	-	0	0.00%
Cappo Management XXV Inc.	8,552,984	2	3.28%	-	0	0.00%
Wal-Mart Stores	8,018,679	3	3.07%	11,822,547	1	4.21%
NHC-FL 133 LLC	7,296,071	4	2.79%	5,805,195	2	2.07%
Deremer Gary A and Patricia S	3,351,406	5	1.28%	-	0	0.00%
New Florida Team Corp	3,208,733	6	1.23%	-	0	0.00%
Abigail Court LTD	2,774,527	7	1.06%	-	0	0.00%
4606 Taylor LLC	2,546,831	8	0.98%	-	0	0.00%
AIC Income Fund Sherwin LLC	2,532,071	9	0.97%	-	0	0.00%
Haverty Furniture Companies Inc.	2,130,683	10	0.82%	2,696,857	7	0.96%
NPR Hon LLC	-	0	0.00%	5,349,159	3	1.90%
Ridge Road Center LLC	-	0	0.00%	3,777,583	4	1.35%
Port Richey 1031, LLC	-	0	0.00%	3,648,335	5	1.30%
Progress Energy	-	0	0.00%	2,552,778	6	0.91%
U.S. 19 Property, LLC	-	0	0.00%	1,970,377	8	0.70%
Miller Richard A and Joann	-	0	0.00%	1,937,376	9	0.69%
Change Sing Long and Fond MEI	-	0	0.00%	1,764,086	10	0.63%
Total Principal Taxpayers	53,561,876		20.52%	41,324,293		14.72%
All Other Taxpayers	207,491,106		79.48%	239,501,075		85.28%
Total	<u>\$ 261,052,982</u>		<u>100.00%</u>	<u>280,825,368</u>		<u>100.00%</u>

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

Fiscal Year Ended <u>September 30,</u>	Taxes Levies for the <u>Fiscal Year</u>	<u>Collected Within the First Year of the Levy</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>
2021	2,062,286	2,058,009	99.79%
2020	1,724,049	1,684,832	97.73%
2019	1,640,728	1,600,120	97.53%
2018	1,503,535	1,477,808	98.29%
2017	1,478,641	1,453,167	98.28%
2016	1,438,891	1,397,320	97.11%
2015	1,325,624	1,303,568	98.34%
2014	1,325,213	1,286,745	97.10%
2013	1,319,449	1,250,148	94.75%
2012	1,287,230	1,248,882	97.02%

## Note:

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

## Source:

Pasco County Property Appraiser

## SCHEDULES OF 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.

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

Fiscal Year	Revenue	Revenue	Revenue	Promissory Note	Capital Leases	Business-type Activities		Total	Percentage of Personal Income	Per Capita
	Bonds Series 2000C	Bonds Series 2016	Note Series 2010			Bonds Series 2005D	Bonds Series 2016			
2021	-	-	-	-	150,491	-	2,010,000	2,160,491	N/A	775
2020	-	-	-	-	30,806	-	2,125,000	2,155,806	N/A	761
2019	-	135,000	-	-	60,669	-	2,235,000	2,430,669	N/A	872
2018	-	260,000	-	-	89,618	-	2,345,000	2,694,618	N/A	936
2017	-	385,000	-	-	117,680	-	2,445,000	2,947,680	N/A	1,104
2016	-	505,000	86,341	-	162,345	-	2,550,000	3,303,686	N/A	1,241
2015	615,000	-	107,143	-	206,746	2,615,000	-	3,543,889	N/A	1,284
2014	720,000	-	127,069	-	279,642	2,695,000	-	3,821,711	N/A	1,403
2013	820,000	-	146,154	-	328,464	2,770,000	-	4,064,618	N/A	1,522
2012	915,000	-	164,438	4,756	376,229	3,020,000	-	4,480,423	N/A	1,689

Note:

N/A - Information not available.

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

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

CITY OF PORT RICHEY, FLORIDA  
 Direct and Overlapping Governmental Activities Debt  
 September 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt - Pasco County School Board (1)	\$ 587,316,024	0.79%	4,667,918
City Direct Governmental Activities Debt	150,491	100%	<u>150,491</u>
Total Direct and Overlapping Debt			<u>\$ 4,818,409</u>
Total Direct and Overlapping Governmental Activities Debt Per Capital			<u>\$ 1,674</u>

Note:

(1) The City's share is calculated based on the ratio of the 2021 City Taxable Value of \$261,052,982 to the County's Taxable Value of \$32,845,608,390.

Source:

Pasco County School Board CAFR

## SCHEDULES OF 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.



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

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (3)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2021	3,185	38,333	52.3	75,018	3.50%
2020	2,831	36,441	52.1	76,214	3.50%
2019	2,788	39,375	52.6	74,324	3.80%
2018	2,879	38,911	44.6	73,063	7.00%
2017	2,669	46,010	44.7	71,554	8.20%
2016	2,663	36,187	44.1	69,611	5.20%
2015	2,761	33,953	44.1	68,116	5.80%
2014	2,723	32,975	43.8	72,139	6.70%
2013	2,671	26,738	46.0	66,417	4.90%
2012	2,652	32,102	52.0	65,976	9.70%

Note:

N/A = Information not available.

Sources:

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

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

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Wal-Mart Management Corporation	342	1	350	1
Seaway Mold and Engineering	126	2	112	2
The Cottages of Port Richey	125	3	46	10
Whiskey Joe's	106	4	-	
Ocean Honda (Gateway Honda)	76	5	70	6
Hooters Restaurant	74	6	80	4
Catches	66	7	55	9
City of Port Richey	64	8	64	7
Red Lobster	41	9	72	5
Sun Cruz	30	10	110	3
U.S. Post Office	-		56	8
Total	<u>1050</u>		<u>1015</u>	

## SCHEDULES OF OPERATING INFORMATION

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

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

<u>Function/Program</u>	<u>Full-Time Equivalent Employees as of September 30</u>									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government:										
Legislative	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Financial administration	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
City clerk/administration	5.0	3.0	3.5	4.0	3.0	3.0	4.0	4.0	5.0	5.0
IT	0.5	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0	0.0
Fire	7.0	7.0	7.0	6.0	7.0	7.0	7.0	7.0	7.0	6.5
Police	21.0	21.0	21.0	17.0	20.0	19.0	20.0	21.0	19.0	21.0
Public works:										
Parks/horticulture	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Administration building	5.0	4.0	6.0	7.0	7.0	5.0	5.0	5.0	10.0	5.5
Water/sewer	10.0	9.0	7.0	9.0	9.0	8.0	8.0	8.0	7.0	8.5
Administration building	3.0	3.0	2.5	2.0	3.0	3.0	3.0	4.0	3.0	0.0
Building permits/licenses:										
Administration	3.0	3.0	2.0	2.0	2.0	1.5	1.5	1.5	1.0	1.5
Inspectors	1.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Code enforcement	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.5</u>	<u>1.5</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>
Total	<u>63.5</u>	<u>58.0</u>	<u>58.0</u>	<u>58.5</u>	<u>62.5</u>	<u>57.5</u>	<u>61.5</u>	<u>63.5</u>	<u>65.0</u>	<u>59.0</u>

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

<u>Function/Program</u>	<u>2021</u>	<u>Full-Time Equivalent Employees as of September 30</u>								
		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Fire - Fire Department responses	1269	1035	1055	1024	910	1011	879	849	926	895
Water:										
Average daily consumption (thousand of gallons)	0.714	0.701	0.701	0.700	0.700	0.700	0.800	0.750	0.800	0.800
Residential customer accounts	2196	2128	2293	2046	1887	1914	2016	2007	2004	2155
Commercial customer accounts	372	362	394	238	367	358	377	355	361	359
Sewer - number of lift stations	44	44	44	56	54	54	48	48	48	48
Police:										
Number of criminal infractions	219	211	840	N/A	N/A	N/A	660	981	950	914
Traffic violations	1424	1437	1957	N/A	N/A	N/A	1047	3291	5354	5634

N/A - This information is not available.

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

<u>Function/Program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Fire - Stations	1	1	1	1	1	1	1	1	1	1
Public works - streets (miles)	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96
Recreation - parks (acres)	18.78	18.78	18.78	18.78	18.78	18.78	18.78	18.78	18.78	18.78
Water main (miles)	46	46	46	46	46	46	46	46	46	46
Wastewater - sanitary sewers (miles)	30	30	30	30	30	30	30	30	30	30

Note:

The Police Department is housed in City Hall.

OTHER REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Port Richey, Florida, (the City), as of and for the year ended September 30, 2021, and the related notes to the City's basic financial statements which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 8, 2022.

Internal Control Over Financial Reporting

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

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



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

#### Compliance and Other Matters

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

EFPR Group, CPAs, PLLC

Jupiter, New York  
June 8, 2022

## MANAGEMENT LETTER

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

We have audited the financial statements of the City of Port Richey, Florida (the City), as of and for the year ended September 30, 2021, and have issued our report thereon dated June 8, 2022.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent 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 this report, which is dated June 8, 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 annual financial audit report. There were no recommendations made in the preceding annual audit report.

### Financial Condition

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

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

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

### Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, 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 noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### Purpose of this Letter

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

EFPR Group, CPAs, PLLC

Jupiter, Florida  
June 8, 2022

## INDEPENDENT ACCOUNTANTS' REPORT

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

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

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

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

In our opinion, the City complied, in all material respects, with the State of Florida Statute 218.415 for the year ended September 30, 2021.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*EFPR Group, CPAs, PLLC*

Jupiter, Florida  
June 8, 2022

## INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the City of Port Richey, Florida's (the City) compliance with the requirements of Section 163.387(6) and 163.387(7), Florida Statutes, Redevelopment Trust Fund, for the year ended September 30, 2021. The City's management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the State of Florida Statutes 163.387(6) and 163.387(7) for the year ended September 30, 2021.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*EFPR Group, CPAs, PLLC*

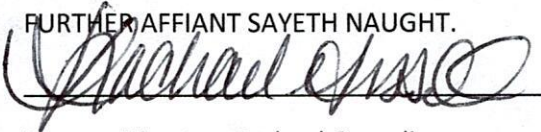
Jupiter, Florida  
June 8, 2022

**IMPACT FEE AFFIDAVIT**

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

1. I am the Finance Director of the City of Port Richey, which is a local governmental entity of the State of Florida;
2. The governing body of the City of Port Richey adopted ordinance numbers: 96-356B, 99-492, 06-340N, 88-351A, 06-545, implementing an impact fee; and
3. The City of Port Richey has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER, AFFIANT SAYETH NAUGHT.

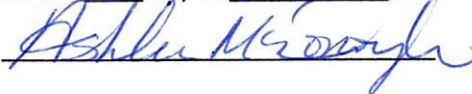


Finance Director, Rachael Gosselin

STATE OF FLORIDA

COUNTY OF PASCO

SWORN TO AND SUBSCRIBED before me this 15 day of June, 2022.



NOTARY PUBLIC

Print Name Ashlee McDonough



**Ashlee McDonough**  
Notary Public  
State of Florida  
Comm# HH150179  
Expires 10/16/2025

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

10/16/2025