

2022

City of Newberry, Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2022

CITY OF NEWBERRY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Prepared by:
Finance and Administrative Services

CITY OF NEWBERRY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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INTRODUCTORY SECTION

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

MAYOR

Jordan Marlowe

CITY COMMISSIONERS

Mark Clark

Rick Coleman

Monty Farnsworth

Tim Marden

Tony Mazon

CITY MANAGER

Mike New, P.E.

CITY ATTORNEY

S. Scott Walker, Esq.

CITY CLERK

Judy S. Rice, MMC

DEPARTMENT HEADS

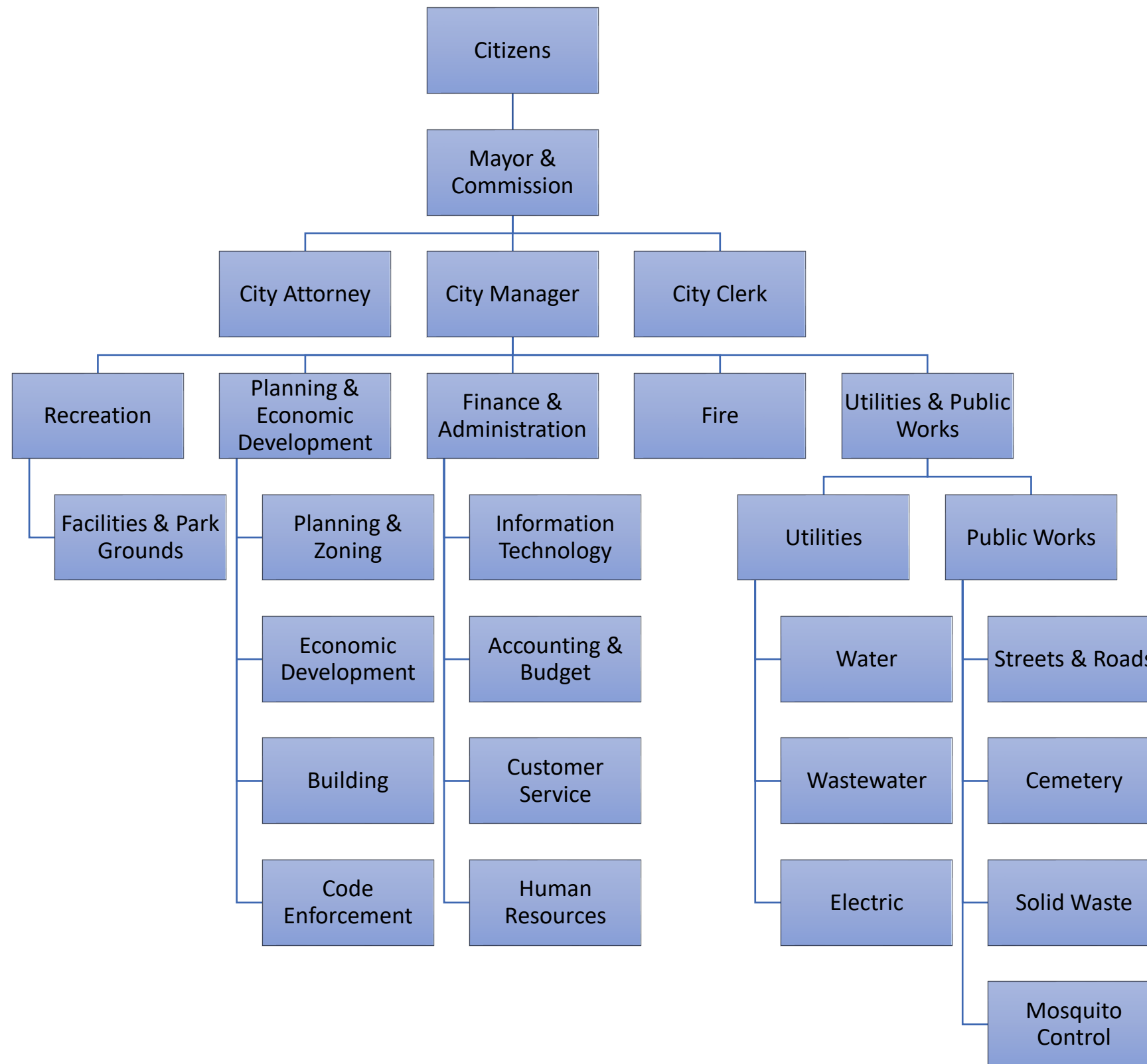
Dallas Lee, CGFO, Assistant City Manager for Finance & Administration/CFO

Jamie Jones, Assistant City Manager for Public Works & Utilities

Mike Vogel, Fire Chief

Travis Parker, CPRP, Director of Parks & Recreation

Bryan Thomas, AICP, Director of Planning & Economic Development



June 23, 2023

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

Dear Honorable Mayor Marlowe:

It is with pleasure that we submit to you the Annual Comprehensive Financial Report of the City of Newberry (“Newberry”) for the year ended September 30, 2022. This report was prepared by the Department of Finance and Administration in accordance with the Newberry Charter, State Statutes, and U.S. generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects Newberry’s commitment to full financial disclosure. We encourage you to thoroughly read this report and some of the important items it addresses.

Independent Audit

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

Purvis Gray and Company, independent auditors, have issued an unmodified opinion on the City of Newberry’s financial statements for the fiscal year ended September 30, 2022. The goal of an independent audit is to provide reasonable assurance that the financial statement of the City are free of material misstatement and are presented fairly and in conformity with GAAP. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the basic financial statements; assessing accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor’s report is located at the front of the financial section of this report.

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

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

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

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

Profile of the Government

The City of Newberry is geographically located in North Central Florida. The City’s boundaries encompass 58 square miles. Newberry was established in 1895 on a railroad line and began as a phosphate mining town. Newberry was incorporated as a municipality in 1906. According to the University of Florida Bureau of Economic and Business Research (BEBR), the City’s population was approximately 8,066 as of September 30, 2022. The City has a charter government structure approved by a referendum of the electors pursuant to the Constitution and laws of the State of Florida. The City operates under the City Manager form of government with a Commission comprised of five elected commissioners and an elected non-voting Mayor. Elections are non-partisan and each elected official represents the entire City.

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

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

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

Local Economy

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

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

Accomplishments and Future Projects

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

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

- Road Milling and Resurfacing program
- Newberry Lane Watermain and Forcemain Extensions
- Implementation and deployment of Advanced Metering Infrastructure
- Sidewalk and streetlighting enhancements at Oak View Middle School
- Renovation and enhancements of Jimmy Durden Park
- Establishment of the Newberry Community Redevelopment Agency

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

- Easton Newberry Sports Complex Multi-purpose field expansions
- Forcemain realignment projects
- Continuing the Road Resurfacing Program
- Water system expansion along CR337
- Reconstruction and extension of SW 15th Avenue
- Construction of an expansion to City Hall
- Replacement of the Fire Quint Apparatus
- Design phase of a regional wastewater treatment plant

Financial Information & Relevant Financial Policies

Accounting and Administrative Controls

Newberry's internal control structure is designed to ensure that Newberry's assets are protected against loss from theft, unauthorized use, or disposition and to ensure that adequate and reliable financial records are available for preparing financial statements in conformity with U.S. generally

accepted accounting principles. The internal controls provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

Budgetary Control

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

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

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

Capital Financing

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

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

Debt Service Administration

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

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newberry for its Annual Comprehensive Financial Report for the year ended September 30, 2021. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that the September 30, 2022, Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,



G. Mike New, P.E.
City Manager



Dallas M. Lee, CGFO
Assistant City Manager/ CFO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Newberry
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Commissioners
City of Newberry, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newberry, Florida (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

CERTIFIED PUBLIC ACCOUNTANTS

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An Independent Member of the BDO Alliance USA

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other postemployment

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

benefit schedules on pages 5-16 and 47-54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual non-major fund financial statements and schedules, the statement of revenues, expenses, and changes in fund net position - water and sewer fund, combining and individual internal service funds financial statements, and schedule of expenditures of state financial assistance, as required by Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived, from and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules, the statement of revenues, expenses, and changes in fund net position - water and sewer fund, combining and individual internal service funds financial statements, and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



June 23, 2023
Gainesville, Florida

CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

As management of the City of Newberry, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. The Management's Discussion and Analysis (MD&A) is designed to: assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Financial Highlights

- The City of Newberry's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources on September 30, 2022, by \$44.9 million. Unrestricted net position was at \$4.9 million.
- The City of Newberry's total long-term debt (loans and notes payable) increased by \$490,223 during the current fiscal year primarily driven by debt issued for the City's utility system expansion.
- Total net position (\$44.9 million) is comprised of the following:
 - The \$37.4 million net investments in capital assets includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 - \$2.6 million of net position is restricted by constraints imposed from outside of the City such as debt covenants, grantors, laws, or regulations, or by enabling legislation.
 - \$4.9 million of unrestricted net position.
- On September 30, 2022, the City's governmental funds reported combined ending fund balances of \$4.8 million, an increase of \$1.2 million, in comparison with the prior fiscal year.
- Governmental fund revenues (excluding interfund transfers) were \$10,385,480 or \$2.3m more than the previous fiscal year.

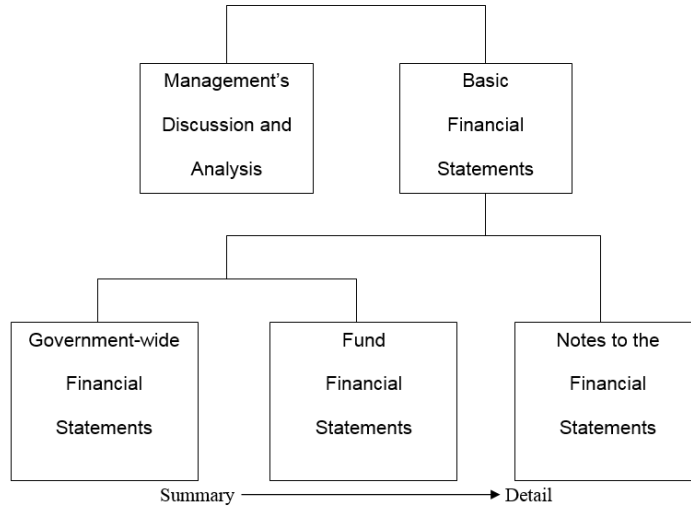
Overview of the Financial Statements

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

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

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Required Components of Annual Financial Report



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

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

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

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

The government-wide financial statements can be found on pages 17 and 18 of this report.

CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

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

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 19 and 21 of this report.

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

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

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The Enterprise Fund financial statements provide separate information for each individual Enterprise Fund. The Internal Service Fund is also presented in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 23-27.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-46 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary information and pension and other postemployment benefits. Required supplementary information can be found on pages 47-54 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$44,968,310 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (83 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Newberry - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 7,756,973	\$ 4,157,613	\$ 8,817,975	\$ 9,590,235	\$ 16,574,948	\$ 13,747,848
Capital Assets	17,920,467	17,582,337	21,838,511	17,055,811	39,758,978	34,638,148
Total Assets	25,677,440	21,739,950	30,656,486	26,646,046	56,333,926	48,385,996
Deferred Outflows of Resources	1,641,281	1,220,348	308,778	222,944	1,950,059	1,443,292
Long-Term Liabilities	5,503,581	2,530,619	3,410,105	2,222,922	8,913,686	4,753,541
Other Liabilities	2,844,523	538,497	975,769	1,295,063	3,820,292	1,833,560
Total Liabilities	8,348,104	3,069,116	4,385,874	3,517,985	12,733,978	6,587,101
Deferred Inflows of Resources	355,920	2,663,267	225,777	773,019	581,697	3,436,286
Net Position:						
Net Investment in Capital Assets	17,901,083	17,582,337	19,538,269	15,252,961	37,439,352	32,835,298
Restricted	968,479	254,770	1,619,946	1,377,103	2,588,425	1,631,873
Unrestricted	(254,865)	(609,192)	5,195,398	5,947,922	4,940,533	5,338,730
Total Net Position	\$ 18,614,697	\$ 17,227,915	\$ 26,353,613	\$ 22,577,986	\$ 44,968,310	\$ 39,805,901

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

The balance of *unrestricted net position*, \$4,940,533, may be used to meet the government's ongoing obligation to citizens and creditors.

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

A portion of the City's net position, \$2,588,425, represents resources that are subject to external restrictions on how they may be used. A large portion of this is related to Water and Wastewater Development fees, which are restricted to defray the cost of new facilities to the extent that new usage requires new facilities. Additionally, accumulated funds from the Wild Spaces Public Places surtax have contributed to the increase in restricted position. These funds are to be used for future enhancements to the City's parks system.

**City of Newberry
Changes in Net Position**

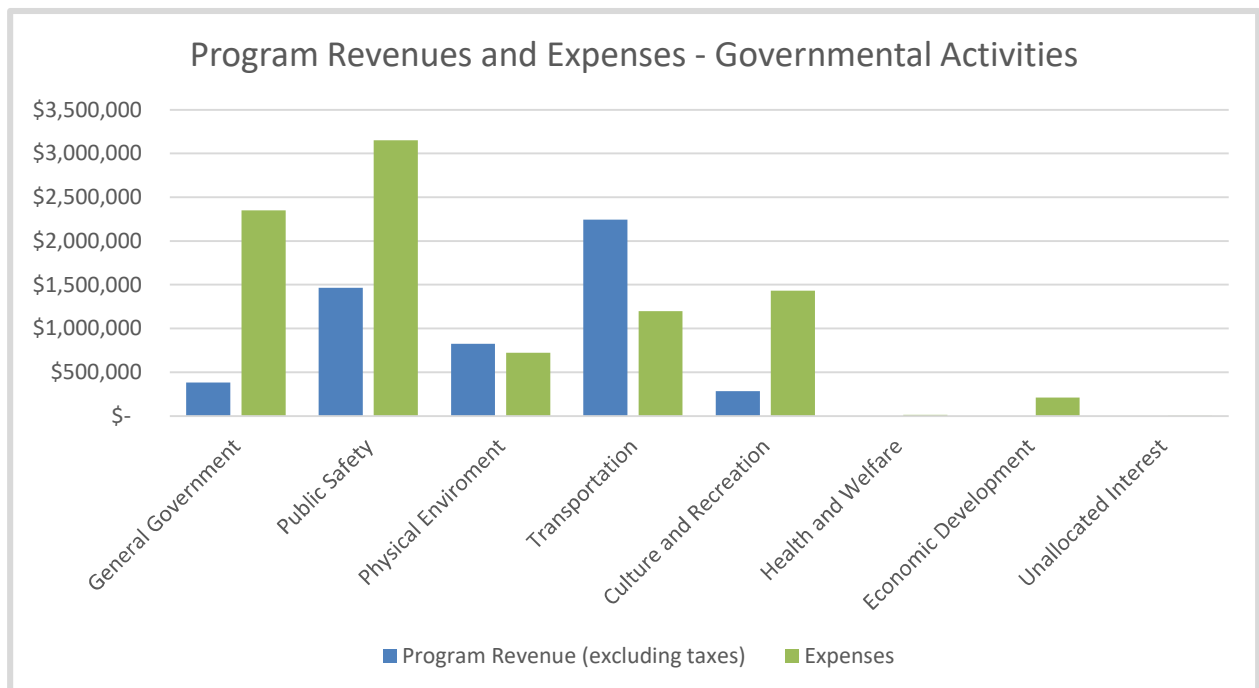
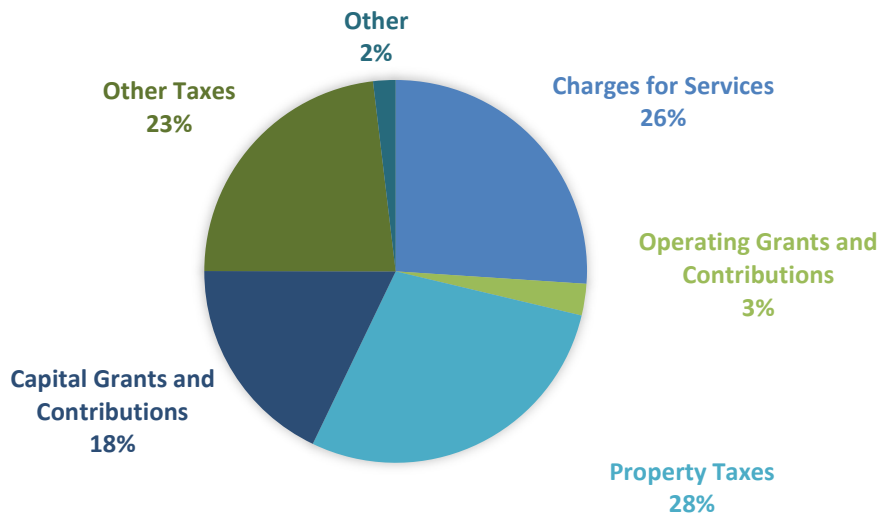
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	\$ 2,905,333	\$ 2,432,336	\$ 8,652,706	\$ 6,733,445	\$ 11,558,039	\$ 9,165,781
Operating Grants and Contributions	296,125	282,733	-	-	296,125	282,733
Capital Grants and Contributions	1,997,083	327,208	3,085,221	1,243,904	5,082,304	1,571,112
General Revenues:						
Property Taxes	3,168,059	2,857,603	-	-	3,168,059	2,857,603
Other Taxes	2,577,026	2,244,116	-	-	2,577,026	2,244,116
Other	209,133	57,205	66,605	27,721	275,738	84,926
Total Revenues	11,152,759	8,201,201	11,804,532	8,005,070	22,957,291	16,206,271
Expenses						
General Government	2,351,649	1,719,382	-	-	2,351,649	1,719,382
Public Safety	3,149,445	2,671,992	-	-	3,149,445	2,671,992
Physical Environment	722,422	629,904	-	-	722,422	629,904
Transportation	1,197,045	1,021,898	-	-	1,197,045	1,021,898
Culture and Recreation	1,431,049	1,284,123	-	-	1,431,049	1,284,123
Health and Welfare	15,000	-	-	-	15,000	-
Economic Development	210,260	249,142	-	-	210,260	249,142
Unallocated Interest on						
Long-Term Debt	35	-	-	-	35	-
Electric Utility	-	-	6,253,048	4,325,963	6,253,048	4,325,963
Water and Sewer Utilities	-	-	2,435,546	2,056,316	2,435,546	2,056,316
Mosquito Control	-	-	29,383	21,754	29,383	21,754
Total Expenses	(9,076,905)	(7,576,441)	(8,717,977)	(6,404,033)	(17,794,882)	(13,980,474)
Increase in Net Position						
Before Transfers	2,075,854	624,760	3,086,555	1,601,037	5,162,409	2,225,797
Transfers	(689,072)	219,852	689,072	(219,852)	-	-
Change in Net Position	1,386,782	844,612	3,775,627	1,381,185	5,162,409	2,225,797
Net Position, Beginning of Year	17,227,915	16,383,303	22,577,986	21,196,801	39,805,901	37,580,104
Net Position, End of Year	\$ 18,614,697	\$ 17,227,915	\$ 26,353,613	\$ 22,577,986	\$ 44,968,310	\$ 39,805,901

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Governmental activities—Governmental activities increased the City’s net position by \$1,386,782 in 2022, compared with an increase of \$844,612 in 2021.

Overall, governmental activities reported an increase in revenues of 35.99 percent (\$2,951,558) and an increase in expenses of 19.8 percent (\$1,500,464) in comparison with the prior year. This increase in revenues is primarily due to an increase in developer contributions of infrastructure to the City, as well as increased tax revenue. The increase in expenditures is related to increased investment in infrastructure, as well as cost increases due to inflation and personnel expenses.

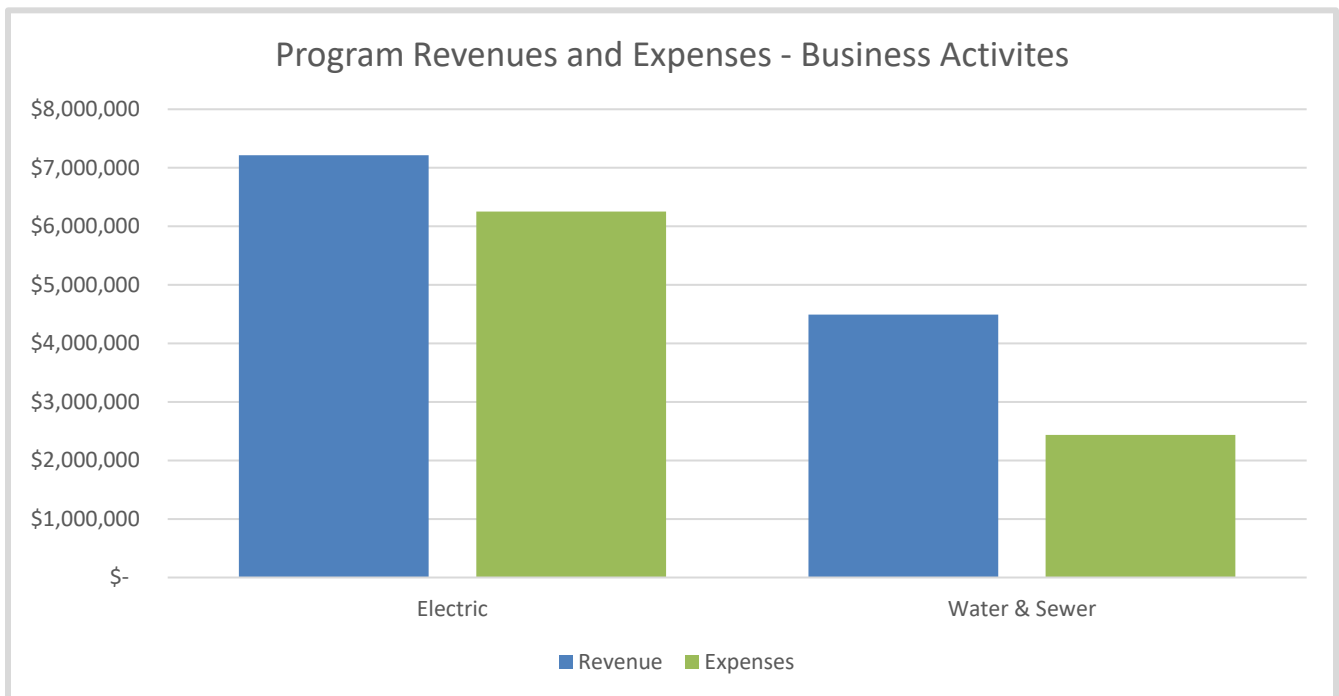
GOVERNMENTAL REVENUES



**CITY OF NEWBERRY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Business-type activities—Business-type activities increased the City’s net position, before transfers, by \$3,086,555, while in 2021 net position increased by \$1,601,037.

- The Electric Utility of the City operates at 7.2/12.47 kV. The City purchases power from Florida Municipal Power Association (FMPA) through its all-requirements project (ARP).
- The Water Utility obtains its water supply from 4 wells that pump from the upper portion of the Floridian Aquifer. Three wells with depths of approximately 280 feet withdraw water from the Ocala limestone and discharge it into the City’s distribution system. The quality of the City’s water supply is such that chlorination is the only treatment the water requires prior to distribution. The system’s wells range in age from 8 to 50 years old.
- Wastewater generated through the utility is collected through a gravity sewer system and pumped to the City’s wastewater treatment plant. The collected wastewater is treated in an activated sludge treatment facility, which has a current capacity of 560,000 gallons per day. The effluent from the treatment facility is chlorinated and land applied as spray irrigation for hay crop production.



Financial Analysis of the Government’s Funds

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

CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

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

As of the end of the current fiscal year, the City's general fund, which is a major governmental fund, reported an ending fund balance of \$4,245,683, an increase of \$684,175. Of the ending fund balance, \$762,888 are funds that have been allocated for use in the subsequent budget year. In the City's adopted fiscal year 2023, the City Commission transferred \$500,000 into the Capital Improvement Fund for the design of the City Hall expansion project, and design of the SW 15th road reconstruction project, which is reflected in this number. The remainder of these funds are related to on-going projects or purchases not completed in fiscal year 2022. The restricted fund balance includes \$227,275 for building department expenses which the City plans to expend on the purchase of new building department permitting software, and \$65,040 of restricted funds from unspent local option fuel taxes. The general fund also reported \$321,142 in advances to other funds. This advance was made to the Wild Spaces Public Places (WSPP) Special Revenue fund as discussed below. The remaining balance includes \$2,861,827 in unassigned fund balance, and \$7,511 in prepaid items. The City has adopted a policy of retaining two months or 17% of operating expenses on hand as its emergency fund. For fiscal year 2022, \$1,543,074 met that requirement; an additional \$453,853 is set aside within the unassigned category as the City's Stabilization Fund to mitigate against unforeseen events and diminished revenues during economic downturns. The excess \$864,900 was available for any other expenditure.

A special revenue fund is used to account for tracking the proceeds received from the lease and other operations of Champions Park. These funds are held for future renewal and replacement of the park's assets. At of the end of the current fiscal year, the Champions Park special revenue fund reported a balance of \$68,196. In fiscal year 2023, the City utilized these accumulated funds to repair artificial turf on all 16 fields. More information may be found on page 57.

A special revenue fund is used to account for tracking the proceeds received from the WSPP half cent sales tax. As of the end of the current fiscal year, this fund reported a balance of \$593,667. Fund balance increased due to the City accumulating funds for future projects. WSPP half-cent sales taxes increased by \$90,542 or 21.03% from the prior year, while expenditures decreased by \$80,425 or 75.05% from the prior year. In the fiscal year 2023 adopted budget, these funds have been allocated towards construction of additional fields at the Easton Newberry Sports Complex, as well as installing ADA accessible playground equipment. More information on these funds can be found on page 58.

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

The various utility system funds are used to account for the operations of the City's electric, water, sewer, and mosquito control utilities. Internal Services Funds are used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its Customer Service and Utility Administration divisions, as well as its Vehicle & Equipment Replacement Fund (VERF). The Customer Service and Utility Administration Internal Service Fund services have been included within the government-wide financial statements as business-type activities. The Vehicle & Equipment Replacement

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Fund services have been included within the government-wide financial statements as governmental activities. Each utility operates like a business, where the rates established by the City generally generate sufficient funds to pay the costs of current operations and provide for long-term asset acquisitions.

Total assets and deferred outflows as of September 30, 2022, for enterprise funds were \$30,936,612 total liabilities and deferred inflows were \$4,498,927, and net position was \$26,437,685 before an adjustment for consolidation of internal service fund activity of (84,072). The statement of net position of the proprietary funds can be found on pages 23-24 of this report.

The unrestricted net position of the electric, water and sewer, and mosquito control funds at the end of the year were \$3,653,379, \$1,625,930, and \$17,390, respectively. The internal service funds reported an unrestricted net position of \$(86,983). The internal service funds net position has been allocated among the various funds on the government-wide statements as business-type activities and governmental activities. The total change in net position for the electric, water and sewer, and mosquito control funds was \$761,631, \$3,055,684, and \$1,786 respectively. The internal service fund reported a total change of \$39,739 in net position.

The primary driver of the increase in net position for both electric and the water/sewer fund is capital contributions from developers. The Water/Sewer fund also utilized \$944,687 in *American Rescue Plan Act* (ARPA) funding for the extension of water service in the downtown area. These funds have been recorded as a transfer in. Charges for services increased by \$1,919,261. Of this increase, \$1,681,492 was due to increases in electric fund charges for services, which was mainly driven by increases in power costs which are recovered through cost of power charges. Business-type expenses increased by \$2,313,944 largely due to purchase power and transmission costs during the fiscal year.

More information on the changes in net position of the proprietary funds can be found on page 25 of this report.

General Fund Budgetary Highlights

On September 30, 2022, the City's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue in the amount of \$501,481. This variance was primarily driven by increased distribution of intergovernmental revenues. The City budgeted conservatively based upon the State's estimates for revenue sharing due to the COVID-19 pandemic. The state's economy recovered more quickly than anticipated, which resulted in higher tax collections. Building permit activity also increased as the City continues to experience a high growth level.

The City's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of \$510,928. As noted earlier at the end of the year a portion of these underutilized funds (\$262,888) were carried forward into the next fiscal year for expenditure. The largest budget variance of \$207,197 in transportation is related to a project to reconstruct a downtown street. The project was unable to be completed due to land rights issues.

The schedule of revenues, expenditures, and changes in fund balance budget and actual can be found on page 47 of this report.

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Capital Asset and Debt Administration

Capital Assets—The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$39,758,978 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and roads. The total increase in the City's investment in capital assets for the current fiscal year was 14.78%. During the year, the City purchased 92 acres of land to facilitate the construction of its Regional Wastewater Treatment Plant Expansion project. Additionally, the City completed several utility system extensions and accepted several subdivision utility systems.

Capital Assets

(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,592,938	\$ 1,580,938	\$ 1,625,922	\$ 414,426	\$ 3,218,860	\$ 1,995,364
Construction in Process	1,122	12,220	1,972,511	1,740,747	1,973,633	1,752,967
Buildings and Improvements	8,179,049	8,397,928	-	-	8,179,049	8,397,928
Equipment, Utility Systems, and Improvements	810,917	738,361	18,233,108	14,900,638	19,044,025	15,638,999
Infrastructure	7,317,595	6,852,890	-	-	7,317,595	6,852,890
Leased Assets	18,846	-	6,970	-	25,816	-
Total	\$ 17,920,467	\$ 17,582,337	\$ 21,838,511	\$ 17,055,811	\$ 39,758,978	\$ 34,638,148

Additional information on the City's capital assets can be found on pages 34 - 35 of this report.

Long-term debt—At the end of the current fiscal year, the City had total long-term debt outstanding of \$2,293,073. The full amount represents notes payables in the business-type activities for the expansion of the water system, and expansion to the wastewater treatment plant.

**Outstanding Debt
Loans**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Loans	\$ -	\$ -	\$ 2,293,073	\$ 1,802,850	\$ 2,293,073	\$ 1,802,850
Total	\$ -	\$ -	\$ 2,293,073	\$ 1,802,850	\$ 2,293,073	\$ 1,802,850

The City's total debt increased by \$490,223 (27.19 percent) during the current fiscal year. The increased debt is due to the City's State Revolving Fund Loan used to finance the Regional Wastewater Treatment Plant Expansion. Subsequent to this reporting period, the City issued \$915,000 in revenue bonds for the construction of additional water system infrastructure.

Additional information on the City's long-term debt can be found on pages 36 - 37 of this report.

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Economic Factors and Next Year’s Budgets and Rates

Due to the impact of current economic trends on both governmental and business-type activities, all the initiatives listed below were considered in preparing the City’s budget for the 2023 fiscal year:

■ **Generally**

The final certified citywide taxable value of property increased to \$601 million, representing an increase of 10%.

The population is estimated to be 8,066 on September 30, 2022.

The unemployment rate for the Gainesville MSA at December 31, 2022, was 2.4%, which includes the City of Newberry. This is a decrease from the previous fiscal year’s rate of 3.0%.

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

In the fiscal year 2023 budget, the City Commission funded a study to develop and implement impact fees for transportation and general government buildings. Should the commission adopt these fees, the City will have a new dedicated funding source for expansion of existing infrastructure to accommodate new growth.

In 2021, the City and the Alachua County Board of County Commissioners entered an interlocal agreement to establish a community redevelopment agency within the downtown area of the City. The first payments from the City and County are due in fiscal year 2023. The City is working to develop a plan to utilize these funds to revitalize the downtown area.

■ **Culture and Recreation**

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

■ **Public Safety**

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

The City in fiscal year 2023 has purchased a new Quint Fire Engine to replace the previous quint which had met its end of life. The City Commission increased the City’s Fire Assessment rates to fund this replacement.

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

■ **Electric Utility**

The power cost adjustment (PCA) will continue to be evaluated monthly instead of quarterly to ensure that proper recovery of current costs is occurring. Over the last year, natural gas prices have doubled. The cost of the fuel is passed on to customers and included in the power cost adjustment (PCA) on their bill. The City was required to increase its PCA to generate the revenue to recover these costs. The City depleted its rate stabilization fund to help offset the increase to its customers.

The City's electric system requires several million dollars of upcoming capital improvements due to the Florida Department of Transportation's plan to reconstruct State Road 26. In preparation, the Commission increased rates for fiscal year 2023 to increase the electric fund's debt capacity.

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

■ **Water and Sewer Utilities**

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

The City is currently in the design phase of a wastewater treatment plant expansion to increase the City's total treatment capacity and to enhance the level of treatment. To date, the cities of Archer and High Springs have passed resolutions agreeing to partner with the City for a regional waste treatment plant. The City is actively seeking grant funding for this project and as of the time of this report has been awarded \$10 million in grant funding.

The City is also working to construct a new elevated water storage tank along State Road 26 to enhance fire flow and allow for economic expansion along this key corridor. The City has received grant funding towards this project and anticipates utilizing the SRF program to fund the project.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF NEWBERRY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 7,377,430	\$ 4,343,981	\$ 11,721,411
Accounts Receivable	81,126	1,831,980	1,913,106
Accrued Interest	51,562	41,692	93,254
Lease Receivable	30,451	-	30,451
Due from Other Governments	278,596	679,182	957,778
Due from Others	105,407	-	105,407
Power Costs Underrecovery	-	25,393	25,393
Prepaid Items	7,511	85	7,596
Internal Balances	(175,110)	175,110	-
Restricted Assets:			
Cash and Cash Equivalents	-	1,720,552	1,720,552
Capital Assets not Being Depreciated	1,594,060	3,598,433	5,192,493
Capital Assets Being Depreciated, Net of Accumulated Depreciation	16,326,407	18,240,078	34,566,485
Total Assets	25,677,440	30,656,486	56,333,926
Deferred Outflows of Resources			
Pension Related	1,505,038	260,120	1,765,158
OPEB Related	136,243	48,658	184,901
Total Deferred Outflows of Resources	1,641,281	308,778	1,950,059
Liabilities			
Accounts Payable	419,292	803,246	1,222,538
Accrued Expenses	233,935	67,148	301,083
Accrued Interest Payable	35	4,769	4,804
Unearned Revenue	2,180,605	-	2,180,605
Customer Deposits	10,656	100,606	111,262
Non-Current Liabilities:			
Due Within One Year	262,399	241,056	503,455
Due in More than One Year	5,241,182	3,169,049	8,410,231
Total Liabilities	8,348,104	4,385,874	12,733,978
Deferred Inflows of Resources			
Leases	28,964	1,397	30,361
Pension Related	99,809	143,256	243,065
OPEB Related	227,147	81,124	308,271
Total Deferred Inflows of Resources	355,920	225,777	581,697
Net Position			
Net Investment in Capital Assets	17,901,083	19,538,269	37,439,352
Restricted for:			
Building Department	227,275	-	227,275
Transportation	65,040	-	65,040
Health and Welfare	14,301	-	14,301
Culture and Recreation	661,863	-	661,863
Capital Improvements	-	1,619,946	1,619,946
Unrestricted	(254,865)	5,195,398	4,940,533
Total Net Position	\$ 18,614,697	\$ 26,353,613	\$ 44,968,310

See accompanying notes.

**CITY OF NEWBERRY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 2,351,649	\$ 381,965	\$ -	\$ -	\$ (1,969,684)	\$ -	\$ (1,969,684)
Public Safety	3,149,445	1,381,715	81,734	-	(1,685,996)	-	(1,685,996)
Physical Environment	722,422	824,803	-	-	102,381	-	102,381
Transportation	1,197,045	33,663	214,391	1,997,083	1,048,092	-	1,048,092
Culture and Recreation	1,431,049	283,187	-	-	(1,147,862)	-	(1,147,862)
Health and Welfare	15,000	-	-	-	(15,000)	-	(15,000)
Economic Development	210,260	-	-	-	(210,260)	-	(210,260)
Unallocated Interest	35	-	-	-	(35)	-	(35)
Total Governmental Activities	9,076,905	2,905,333	296,125	1,997,083	(3,878,364)	-	(3,878,364)
Business-Type Activities							
Electric	6,253,048	6,371,194	-	843,038	-	961,184	961,184
Water and Sewer	2,435,546	2,250,967	-	2,242,183	-	2,057,604	2,057,604
Mosquito Control	29,383	30,545	-	-	-	1,162	1,162
Total Business-Type Activities	8,717,977	8,652,706	-	3,085,221	-	3,019,950	3,019,950
Total Government	\$ 17,794,882	\$ 11,558,039	\$ 296,125	\$ 5,082,304	(3,878,364)	3,019,950	(858,414)
		General Revenues					
		Property Taxes			3,168,059	-	3,168,059
		Sales Taxes			1,269,460	-	1,269,460
		Utility Service Taxes			1,075,783	-	1,075,783
		Communication Services Taxes			208,651	-	208,651
		Business License Taxes			23,131	-	23,131
		Investment Earnings			75,931	66,605	142,536
		Other			133,203	-	133,203
		Transfers			(689,072)	689,072	-
		Total General Revenues			5,265,146	755,677	6,020,823
		Change in Net Position			1,386,782	3,775,627	5,162,409
		Net Position, Beginning of Year			17,227,915	22,577,986	39,805,901
		Net Position, End of Year			\$ 18,614,697	\$ 26,353,613	\$ 44,968,310

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	American Rescue Plan	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 4,026,468	\$ 2,281,551	\$ 876,364	\$ 7,184,383
Accounts Receivable	81,126	-	-	81,126
Accrued Interest	31,790	12,680	5,529	49,999
Lease Receivable	30,451	-	-	30,451
Due from Other Governments	177,484	-	101,112	278,596
Due from Others	105,407	-	-	105,407
Prepaid Items	7,511	-	-	7,511
Due from Other Funds	42,560	-	-	42,560
Advances to Other Funds	321,142	-	-	321,142
Total Assets	4,823,939	2,294,231	983,005	8,101,175
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	267,531	137,217	14,544	419,292
Accrued Expenditures	233,213	-	722	233,935
Unearned Revenue	37,892	2,142,713	-	2,180,605
Deposits	10,656	-	-	10,656
Due to Other Funds	-	-	41,361	41,361
Advances from Other Funds	-	-	321,142	321,142
Total Liabilities	549,292	2,279,930	377,769	3,206,991
Deferred Inflows of Resources				
Leases	28,964	-	-	28,964
Total Deferred Inflows of Resources	28,964	-	-	28,964
Fund Balances				
Non-Spendable:				
Prepays	7,511	-	-	7,511
Advances to Other Funds	321,142	-	-	321,142
Restricted for:				
Building Department	227,275	-	-	227,275
Transportation	65,040	-	-	65,040
Culture and Recreation	-	-	661,863	661,863
Health and Welfare	-	14,301	-	14,301
Assigned for:				
Subsequent Year Budget	762,888	-	-	762,888
Unassigned	2,861,827	-	(56,627)	2,805,200
Total Fund Balances	4,245,683	14,301	605,236	4,865,220
Total Liabilities and Fund Balances	\$ 4,823,939	\$ 2,294,231	\$ 983,005	\$ 8,101,175

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Fund Balance - Total Governmental Funds	\$	4,865,220
 Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Cost of assets, excluding \$637,358 of capital assets reported in the Internal Service Fund.	\$	30,029,117
(Accumulated depreciation, excluding \$284,995 of accumulated depreciation reported in the internal service funds).	<u>(12,461,013)</u>	17,568,104
 Deferred outflows and inflows of resources in governmental activities are not current financial resources and, therefore, are not reported in governmental funds:		
Deferred Outflows on Pension Liability	1,505,038	
Deferred Outflows on OPEB Liability	136,243	
Deferred Inflows on Pension Liability	(99,809)	
Deferred Inflows on OPEB Liability	<u>(227,147)</u>	1,314,325
 Long-term liabilities are not due and payable in the current period, and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:		
Lease Liability	(19,384)	
Compensated Absences	(298,181)	
Total OPEB Liability	(211,943)	
Net Pension Liability	<u>(4,974,073)</u>	(5,503,581)
 Interest on long-term debt is accrued as a liability in the statement of net position, but is not recognized in the governmental funds until paid:		
Accrued Interest Payable		(35)
 Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Vehicle Replacement internal service fund are reported with governmental activities.		
		<u>370,664</u>
Net Position of Governmental Activities	\$	<u>18,614,697</u>

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	American Rescue Plan	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 4,736,997	\$ -	\$ 521,012	\$ 5,258,009
Permits, Fees, and Special Assessments	1,543,516	-	-	1,543,516
Intergovernmental	900,584	978,106	-	1,878,690
Fines and Forfeitures	6,658	-	-	6,658
Charges for Services	1,344,021	-	21,411	1,365,432
Investment Earnings	52,980	14,301	8,650	75,931
Miscellaneous	115,424	-	-	115,424
Interfund Charges	141,820	-	-	141,820
Total Revenues	8,842,000	992,407	551,073	10,385,480
Expenditures				
Current:				
General Government	2,319,468	4,369	29,856	2,353,693
Public Safety	3,056,688	-	-	3,056,688
Physical Environment	713,528	-	-	713,528
Transportation	724,048	-	41,375	765,423
Culture and Recreation	1,023,821	-	10,638	1,034,459
Economic Development	203,894	-	2,678	206,572
Health and Welfare	-	15,000	-	15,000
Capital Outlay	351,869	14,050	32,510	398,429
(Total Expenditures)	(8,393,316)	(33,419)	(117,057)	(8,543,792)
Excess (Deficiency) of Revenues Over (Under) Expenditures	448,684	958,988	434,016	1,841,688
Other Financing Sources				
Proceeds from Capital Lease	19,384	-	-	19,384
Transfers in	255,615	-	39,508	295,123
Transfers (out)	(39,508)	(944,687)	-	(984,195)
Total Other Financing Sources	235,491	(944,687)	39,508	(669,688)
Net Change in Fund Balances	684,175	14,301	473,524	1,172,000
Fund Balances, Beginning of Year	3,561,508	-	131,712	3,693,220
Fund Balances, End of Year	\$ 4,245,683	\$ 14,301	\$ 605,236	\$ 4,865,220

See accompanying notes.

**CITY OF NEWBERRY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Net Change in Fund Balance - Total Governmental Funds \$ 1,172,000

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

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

Expenditures for Capital Assets	\$ 398,429	
Loss on Disposal	(13,022)	
Donated Assets	909,102	
(Less current year depreciation, excluding \$87,247 of depreciation reported in the internal service funds).	(947,187)	347,322

The issuance of long-term debt are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. (19,384)

The net change in net pension liability and pension related deferred outflows and inflows of resources is reported in the statement of activities, but not in the governmental fund statements. (173,119)

The net change in total other postemployment benefit obligation liability and related deferred outflows and inflows of resources is reported in the statement of activities, but not in the governmental fund statements. (37,226)

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

Change in Accrued Interest Payable	(35)	
Change in Compensated Absences Liability	14,011	13,976

Internal service funds are used by management to charge the cost of certain activities, such as the costs of the central garage, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 83,213

Change in Net Position of Governmental Activities **\$ 1,386,782**

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control	Enterprise Funds	
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 3,059,121	\$ 1,253,180	\$ 26,655	\$ 4,338,956	\$ 198,072
Accounts Receivable	1,435,998	389,459	2,994	1,828,451	3,529
Accrued Interest	21,129	20,563	-	41,692	1,563
Due from Other Governments	-	679,182	-	679,182	-
Prepays	-	-	-	-	85
Power Costs Under Recovery	25,393	-	-	25,393	-
Total Current Assets	4,541,641	2,342,384	29,649	6,913,674	203,249
Non-Current Assets:					
Restricted Cash and Cash Equivalents	80,836	1,639,716	-	1,720,552	-
Advances to Other Funds	176,309	-	-	176,309	-
Capital Assets:					
Land	66,263	1,559,659	-	1,625,922	-
Construction in Progress	145,178	1,827,333	-	1,972,511	-
Property, Plant and Equipment (Accumulated Depreciation)	7,173,899 (3,463,801)	25,581,765 (11,073,298)	9,069 (8,768)	32,764,733 (14,545,867)	673,960 (300,385)
Capital Assets, Net	3,921,539	17,895,459	301	21,817,299	373,575
Total Non-Current Assets	4,178,684	19,535,175	301	23,714,160	373,575
Total Assets	8,720,325	21,877,559	29,950	30,627,834	576,824
Deferred Outflows of Resources					
Pension Related	114,749	143,244	2,127	260,120	-
OPEB Related	22,707	25,951	-	48,658	-
Total Deferred Outflows of Resources	137,456	169,195	2,127	308,778	-

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022
(Concluded)

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control	Enterprise Funds	
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 626,834	\$ 153,981	\$ 14	\$ 780,829	\$ 22,417
Accrued Expenses	-	55,292	203	55,495	11,653
Due to Other Funds	-	-	-	-	1,199
Compensated Absences	39,221	5,997	220	45,438	42,773
Accrued Interest Payable	2	4,762	-	4,764	5
Current Portion of Long-Term Debt	-	152,845	-	152,845	-
Total Current Liabilities	666,057	372,877	437	1,039,371	78,047
Non-Current Liabilities:					
Customer Deposits	80,836	19,770	-	100,606	-
Compensated Absences	9,200	521	30	9,751	32,955
Advances from Other Funds	-	-	-	-	176,309
Long-Term Debt	1,062	2,143,414	-	2,144,476	2,921
Total OPEB Liability	35,324	40,370	-	75,694	-
Net Pension Liability	379,920	510,920	12,412	903,252	-
Total Non-Current Liabilities	506,342	2,714,995	12,442	3,233,779	212,185
Total Liabilities	1,172,399	3,087,872	12,879	4,273,150	290,232
Deferred Inflows of Resources					
Leases	-	1,397	-	1,397	-
Pension Related	72,606	69,143	1,507	143,256	-
OPEB Related	37,858	43,266	-	81,124	-
Total Deferred Inflows of Resources	110,464	113,806	1,507	225,777	-
Net Position					
Net Investment in Capital Assets	3,920,477	15,599,200	301	19,519,978	370,654
Restricted for Debt Service	-	-	-	-	-
Restricted for Capital Improvements	-	1,619,946	-	1,619,946	-
Unrestricted	3,654,441	1,625,930	17,390	5,297,761	(84,062)
Total Net Position	\$ 7,574,918	\$ 18,845,076	\$ 17,691	26,437,685	\$ 286,592

Adjustment to Reflect the Consolidation of Internal Service Funds Activity (84,072)
Net Position of Business-Type Activities \$ 26,353,613

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund		Internal Service Funds
	Electric	Water and Sewer	Mosquito Control	Total Enterprise Funds	
Operating Revenues					
Charges for Services	\$ 6,317,856	\$ 2,250,061	\$ 30,545	\$ 8,598,462	\$ -
Fees, Rentals, and Other	53,338	906	-	54,244	36,906
Interfund Charges	-	-	-	-	993,640
Total Operating Revenues	6,371,194	2,250,967	30,545	8,652,706	1,030,546
Operating Expenses					
Purchased Power	4,755,515	-	-	4,755,515	-
Personnel Services	445,391	471,345	12,748	929,484	782,479
Materials, Supplies, and Other	373,437	578,463	2,480	954,380	119,258
Billing and Administration	340,500	485,180	12,020	837,700	-
Depreciation	320,532	757,581	1,511	1,079,624	90,915
(Total Operating Expenses)	(6,235,375)	(2,292,569)	(28,759)	(8,556,703)	(992,652)
Operating Income	135,819	(41,602)	1,786	96,003	37,894
Non-Operating Revenues					
(Expenses)					
Gain (Loss) on Disposal of Capital Asset	3,190	(88,033)	-	(84,843)	-
Interest Income	35,201	31,404	-	66,605	3,022
Interest Expense	(2)	(32,955)	-	(32,957)	(1,177)
Total Non-Operating Revenues					
(Expenses)	38,389	(89,584)	-	(51,195)	1,845
Income Before Capital Contributions and Transfers	174,208	(131,186)	1,786	44,808	39,739
Capital Contributions and Grants					
Development Charges	-	684,598	-	684,598	-
Developer Contributions	843,038	1,183,218	-	2,026,256	-
Capital Grants	-	374,367	-	374,367	-
Total Capital Contributions and Grants	843,038	2,242,183	-	3,085,221	-
Transfers in (out)	(255,615)	944,687	-	689,072	-
Change in Net Position	761,631	3,055,684	1,786	3,819,101	39,739
Net Position, Beginning of Year	6,813,287	15,789,392	15,905	22,618,584	246,853
Net Position, End of Year	\$ 7,574,918	\$ 18,845,076	\$ 17,691	\$ 26,437,685	\$ 286,592
Change in Net Position - Above				\$ 3,819,101	
Internal Service Funds Activities in the Enterprise Funds				(43,474)	
Change in Net Position of Business-Type Activities				\$ 3,775,627	

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>				
	<u>Major Funds</u>		<u>Non-Major Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
	<u>Electric</u>	<u>Water and Sewer</u>	<u>Mosquito Control</u>		
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 5,931,783	\$ 2,192,349	\$ 30,100	\$ 8,154,232	\$ -
Receipts from Interfund Services Provided	-	-	-	-	992,957
Cash Received from Other Sources	53,338	906	-	54,244	36,906
Cash Payments to Suppliers for Goods and Services	(5,306,581)	(757,394)	(2,662)	(6,066,637)	(108,212)
Cash Payments to Employees for Services	(431,729)	(454,310)	(12,060)	(898,099)	(757,149)
Cash Payments for Interfund Charges	(340,500)	(485,180)	(12,020)	(837,700)	-
Net Cash Provided by Operating Activities	<u>(93,689)</u>	<u>496,371</u>	<u>3,358</u>	<u>406,040</u>	<u>164,502</u>
Cash Flows from Non-Capital Financing Activities					
Loans/Advances to Other Funds	-	(224,518)	-	(224,518)	(58,550)
Repayments from Other Funds	58,186	-	-	58,186	-
Transfers (to)/from Other Funds	(255,615)	944,687	-	689,072	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(197,429)</u>	<u>720,169</u>	<u>-</u>	<u>522,740</u>	<u>(58,550)</u>
Cash Flows from Capital and Related Financing Activities					
Proceeds from New Debt	1,062	616,367	-	617,429	-
Principal Paid on Long-Term Debt	-	(126,144)	-	(126,144)	-
Interest Paid on Long-Term Debt	-	(32,949)	-	(32,949)	(1,172)
Acquisition and Construction of Capital Assets	(748,783)	(3,209,274)	-	(3,958,057)	(78,055)
Proceeds from Sale of Capital Assets	44,999	-	-	44,999	-
Capital Grants	-	374,367	-	374,367	-
Net Cash (Used in) Capital and Related Financing Activities	<u>(702,722)</u>	<u>(2,377,633)</u>	<u>-</u>	<u>(3,080,355)</u>	<u>(79,227)</u>
Cash Flows from Investing Activities					
Interest Earned on Investments	14,072	31,404	-	45,476	3,022
Net Cash Provided by Investing Activities	<u>14,072</u>	<u>31,404</u>	<u>-</u>	<u>45,476</u>	<u>3,022</u>
Net Decrease in Cash and Cash Equivalents	(979,768)	(1,129,689)	3,358	(2,106,099)	29,747
Cash and Cash Equivalents, Beginning of Year	4,119,725	4,022,585	23,297	8,165,607	168,325
Cash and Cash Equivalents, End of Year	<u>\$ 3,139,957</u>	<u>\$ 2,892,896</u>	<u>\$ 26,655</u>	<u>\$ 6,059,508</u>	<u>\$ 198,072</u>
Presented on the Statement of Net Position as					
Cash and Cash Equivalents	\$ 3,059,121	\$ 1,253,180	\$ 26,655	\$ 4,338,956	\$ 198,072
Restricted Cash and Cash Equivalents	80,836	1,639,716	-	1,720,552	-
Total Cash and Cash Equivalents	<u>\$ 3,139,957</u>	<u>\$ 2,892,896</u>	<u>\$ 26,655</u>	<u>\$ 6,059,508</u>	<u>\$ 198,072</u>

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(Concluded)

	<u>Business-Type Activities - Enterprise Funds</u>				
	<u>Major Funds</u>		<u>Non-Major Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
	<u>Electric</u>	<u>Water and Sewer</u>	<u>Mosquito Control</u>		
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>					
Operating Income	\$ 135,819	\$ (41,602)	\$ 1,786	\$ 96,003	\$ 37,894
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	320,532	757,581	1,511	1,079,624	90,915
(Increase) Decrease in:					
Accounts Receivable	(387,079)	(57,802)	(447)	(445,328)	(583)
Increase (Decrease) in:					
Accounts Payable	178,860	(178,931)	(182)	(253)	11,046
Power Cost Overrecovery	(356,489)	-	-	(356,489)	-
Compensated Absences	(966)	(2,604)	48	(3,522)	25,330
Customer Deposits	1,006	90	-	1,096	(100)
OPEB/Net Pension Liability and Related Deferred Inflows and Outflows	14,628	19,639	642	34,909	-
Total Adjustments	(229,508)	537,973	1,572	310,037	126,608
Net Cash Provided by Operating Activities	\$ (93,689)	\$ 496,371	\$ 3,358	\$ 406,040	\$ 164,502
<u>Supplemental Disclosure of Non-Cash Activities</u>					
Capital Contributions	\$ 843,038	\$ 1,183,218	\$ -	\$ 2,026,256	\$ -

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

The Newberry Community Redevelopment Agency (the CRA) was established in 2021 to provide a method of eliminating blighted areas designated by Resolution 2021-13, and promote the economic health, safety, and welfare of the citizens of the City. The City Commission serves as the governing board of the CRA. In addition, the City has operational responsibility for the CRA. Therefore, it was determined that the CRA should be treated as a blended component unit and included as part of the primary government for financial reporting purposes.

B. Government-Wide and Fund Statements

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

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

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

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

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

CITY OF NEWBERRY, FLORIDA
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SEPTEMBER 30, 2022

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

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

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

The City reports the following major governmental funds:

- The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *American Rescue Plan fund* is a special revenue fund. It accounts for restricted federal stimulus revenues to facilitate the ongoing recovery from the COVID-19 pandemic.

The City reports the following major proprietary funds:

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

In addition, the City reports the following fund type:

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

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

**CITY OF NEWBERRY, FLORIDA
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D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position

Deposits and Investments

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

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

Receivables and Payables

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

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

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

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

Capital Assets

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

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

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

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

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

Compensated Absences

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

Long-Term Obligations

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

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

Fund Balance

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

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

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

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

Deferred Inflows and Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred outflows have a positive effect on net position, similar to assets, while deferred inflows have a negative effect on net position, similar to liabilities. The City reports deferred outflows of resources and inflows of resources related to leases, pensions and other postemployment benefits (OPEB).

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

E. Property Tax Calendar

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

Property values are assessed on January 1 of each year and the assessment roll is validated July 1. The City’s property tax becomes a lien on October 1, and the tax is levied by the County each November 1. Property taxes are due before April 1 of the subsequent year, with discounts available for early payment.

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If payment remains delinquent, a tax certificate for the full amount of any unpaid taxes is sold no later than June 1.

F. Change in Accounting Principle

During the year ended September 30, 2022, the City adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

G. Future GASB Pronouncements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, requires that governments recognize a subscription for the amount owed on contracts offset by a capitalized asset for all contracts meeting the definition of a SBITA. This statement is currently under review and management will consider the impact, if any, upon financial reporting. The provisions of this statement are effective for fiscal years beginning after June 15, 2022 (the City's fiscal year ending September 30, 2023).

Note 2 - Deposits and Investments

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

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

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

Interest Rate Risk

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

CITY OF NEWBERRY, FLORIDA
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Note 3 - Capital Assets

Capital Asset Activity for the Year Ended September 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,580,938	\$ 12,000	\$ -	\$ 1,592,938
Construction in Progress	12,220	1,122	(12,220)	1,122
Total Capital Assets Not Being Depreciated	<u>1,593,158</u>	<u>13,122</u>	<u>(12,220)</u>	<u>1,594,060</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	11,674,688	79,121	-	11,753,809
Equipment, Furniture, Fixtures, and Vehicles	3,033,219	316,181	(152,533)	3,196,867
Infrastructure	13,133,983	969,998	(1,626)	14,102,355
Leased Assets - Equipment	-	19,384	-	19,384
Total Capital Assets Being Depreciated	<u>27,841,890</u>	<u>1,384,684</u>	<u>(154,159)</u>	<u>29,072,415</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,276,760)	(298,000)	-	(3,574,760)
Equipment, Furniture, Fixtures, and Vehicles	(2,294,858)	(230,919)	139,827	(2,385,950)
Infrastructure	(6,281,093)	(504,977)	1,310	(6,784,760)
Leased Assets - Equipment	-	(538)	-	(538)
Total Accumulated Depreciation	<u>(11,852,711)</u>	<u>(1,034,434)</u>	<u>141,137</u>	<u>(12,746,008)</u>
Total Capital Assets Being Depreciated, Net	<u>15,989,179</u>	<u>350,250</u>	<u>(13,022)</u>	<u>16,326,407</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,582,337</u>	<u>\$ 363,372</u>	<u>\$ (25,242)</u>	<u>\$ 17,920,467</u>
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 414,426	\$ 1,211,496	\$ -	\$ 1,625,922
Construction in Progress	1,740,747	1,196,865	(965,101)	1,972,511
Total Capital Assets Not Being Depreciated	<u>2,155,173</u>	<u>2,408,361</u>	<u>(965,101)</u>	<u>3,598,433</u>
Capital Assets Being Depreciated:				
Electric Distribution System	4,883,812	1,181,364	(27,486)	6,037,690
Water and Sewer Distribution System	22,675,698	2,652,393	(369,040)	24,959,051
Vehicles and Equipment	1,227,529	711,654	(141,758)	1,797,425
Leased Assets - Equipment	-	7,169	-	7,169
Total Capital Assets Being Depreciated	<u>28,787,039</u>	<u>4,552,580</u>	<u>(538,284)</u>	<u>32,801,335</u>
Less Accumulated Depreciation:				
Electric Distribution System	(2,703,086)	(205,196)	27,486	(2,880,796)
Water and Sewer Distribution System	(10,412,071)	(710,603)	281,007	(10,841,667)
Vehicles and Equipment	(771,244)	(167,299)	99,948	(838,595)
Leased Assets - Equipment	-	(199)	-	(199)
Total Accumulated Depreciation	<u>(13,886,401)</u>	<u>(1,083,297)</u>	<u>408,441</u>	<u>(14,561,257)</u>
Total Capital Assets Being Depreciated, Net	<u>14,900,638</u>	<u>3,469,283</u>	<u>(129,843)</u>	<u>18,240,078</u>
Business-Type Activities Capital Assets, Net	<u>\$ 17,055,811</u>	<u>\$ 5,877,644</u>	<u>\$ (1,094,944)</u>	<u>\$ 21,838,511</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General Government	\$ 54,578
Public Safety	188,221
Physical Environment	366
Transportation	422,458
Culture and Recreation	368,811
Total	<u>\$ 1,034,434</u>

**CITY OF NEWBERRY, FLORIDA
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Business-Type Activities	
Electric	\$ 320,536
Water and Sewer	757,581
Mosquito Control	1,511
Internal Service Funds	<u>3,669</u>
Total	\$ <u>1,083,297</u>

Note 4 - Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables at September 30, 2022:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 362,503
General Fund	Internal Service Funds	1,199
Electric Fund	Internal Service Funds	<u>176,309</u>
Total		\$ <u>540,011</u>

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

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

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

Interfund Transfers

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

<u>Transfers (Out)</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Water and Sewer</u>	<u>Non-Major Funds</u>
General Fund	\$ -	\$ -	\$ 39,508
Electric Fund	255,615	-	-
ARPA	-	944,687	-
Total	\$ <u>255,615</u>	\$ <u>944,687</u>	\$ <u>39,508</u>

Transfers are normally recurring and are approved by the City Commission during the budget process. Transfers from the electric fund to the general fund are to recover costs provided by the general fund and to support general fund operations. Transfers from the ARPA fund to the water and sewer fund were for reimbursement for a water main project. Transfers from the general fund to the capital project fund were for capital related projects.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 5 - Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities					
Compensated Absences	\$ 312,192	\$ 259,342	\$ (273,353)	\$ 298,181	\$ 262,399
Total OPEB Liability	315,295	-	(103,352)	211,943	-
Net Pension Liability	1,903,132	3,070,941	-	4,974,073	-
Lease Liability	-	19,384	-	19,384	-
Governmental Activity Long-Term Liabilities	<u>\$ 2,530,619</u>	<u>\$ 3,349,667</u>	<u>\$ (376,705)</u>	<u>\$ 5,503,581</u>	<u>\$ 262,399</u>
Business-Type Activities					
State Revolving Fund Loans	\$ 1,802,850	\$ 616,367	\$ (126,144)	\$ 2,293,073	\$ 152,845
Compensated Absences	109,111	88,978	(67,172)	130,917	88,211
Total OPEB Liability	137,437	-	(61,743)	75,694	-
Net Pension Liability	173,524	729,728	-	903,252	-
Lease Liability	-	7,169	-	7,169	-
Business-Type Activity Long-Term Liabilities	<u>\$ 2,222,922</u>	<u>\$ 1,442,242</u>	<u>\$ (255,059)</u>	<u>\$ 3,410,105</u>	<u>\$ 241,056</u>

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

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

Business-Type Activities

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

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

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

In June 2019, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of planning and administrative work necessary for the City to qualify for Clean Water State Revolving Fund financing for construction of wastewater transmission, collection, reuse, and treatment facilities for a total amended amount of \$1,350,000. The loan is structured so that 50% of the loan is eligible for principal forgiveness in the form of a capital grant and the remaining 50% is debt of the City for the first \$275,000 of funds authorized. Principal forgiveness is recognized as eligible costs are incurred. Interest accrues at an annual rate of 2.12% for the first

**CITY OF NEWBERRY, FLORIDA
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\$137,500 authorized and 0.14% thereafter. Principal and interest payments in the amount of \$32,366 are due semiannually on April 15 and October 15 of each year until all amounts due under the agreement have been fully paid, beginning April 15, 2023. The total amount drawn down as of September 30, 2022, is \$792,671 of which \$656,927 is recorded as a loan payable. Pledged revenues consist of the net revenues of the water and sewer system.

Annual Debt Service

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

Year Ending September 30,	Business-Type Activities	
	Principal	Interest
2023	\$ 152,845	\$ 38,614
2024	181,664	42,161
2025	185,325	38,500
2026	189,060	34,765
2027	192,872	30,953
2028-2032	1,024,319	94,807
2033-2034	366,988	8,390
Total	\$ 2,293,073	\$ 288,190

Debt Covenants

The City has covenanted to establish, maintain, and collect fees from users of the water and sewer system, which, after payment of the costs of operation and maintenance, result in net revenues equal to or exceeding 115% of the bond service requirements of the State Revolving Fund Loans. As of September 30, 2022, the City has met its debt covenants.

Default Provisions

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

Interest Expense

The total interest cost incurred by the City during the current fiscal year was \$32,962.

Note 6 - Pledged Revenues

The City has pledged certain revenues to repay loans outstanding as of September 30, 2022. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the loans at September 30, 2022:

CITY OF NEWBERRY, FLORIDA
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Pledged Revenue	Description of Bonds	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Net Water and Sewer System Revenues	Drinking Water SRF Loan, Clean Water SRF Loan	\$ 747,383	\$ 159,093	21.29%	\$ 2,581,263	2034

Note 7 - Retirement Plans

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

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

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

Benefits Provided

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

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

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

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The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2022, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	10.25%	1.66%
Special Risk Class	26.71%	1.66%
Senior Management Service Class	29.91%	1.66%
Elected Officials	55.34%	1.66%
DROP from FRS	16.94%	1.66%

The City's contributions for the year ended September 30, 2022, were \$564,167 to the FRS Pension Plan and \$67,303 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2022. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>	<u>Investment Plan</u>
Net Pension Liability	\$ 4,746,198	\$ 1,131,127	N/A
Proportion at:			
Current Measurement Date	0.0127558412%	0.0106794752%	N/A
Prior Measurement Date	0.0119691864%	0.0095587141%	N/A
Pension Expense	\$ 744,040	\$ 101,691	\$ 130,971

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions After Measurement Date	\$ 156,718	\$ -	\$ 18,472	\$ -
Difference Between Expected and Actual Experience	225,417	-	34,332	4,977
Change of Assumptions	584,514	-	64,837	174,984
Changes of Proportion and Difference Between City Contributions and Proportionate Share of Contributions	210,149	58,523	155,690	4,581
Net Difference Between Projected and Actual Earnings on Pension Investments	<u>313,391</u>	<u>-</u>	<u>1,638</u>	<u>-</u>
Total	<u>\$ 1,490,189</u>	<u>\$ 58,523</u>	<u>\$ 274,969</u>	<u>\$ 184,542</u>

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>FRS Amount</u>	<u>HIS Amount</u>
2023	\$ 318,968	\$ 15,736
2024	127,964	21,449
2025	(69,918)	23,328
2026	835,624	15,850
2027	62,310	(1,444)
Thereafter	-	(2,964)
Total	<u>\$ 1,274,948</u>	<u>\$ 71,955</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022. The total pension liability for the FRS Pension Plan and HIS Program was determined by an actuarial valuation dated July 1, 2022.

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

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary Increases including inflation	3.25%	3.25%
Long-Term Expected Rate of Return	6.70%	N/A
Discount Rate	6.70%	3.54%

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

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

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Assumed Inflation – Mean			2.4%	1.3%

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

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Discount Rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability for the HIS Pension Plan was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

The following changes in actuarial assumptions occurred in 2022:

- FRS—The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.80% to 6.70%.
- HIS—The municipal bond index rate and the discount rate used to determine the total pension liability increased from 2.16% to 3.54%.

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

FRS	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City’s Proportionate Share of the Net Pension Liability	\$ 8,208,223	\$ 4,746,198	\$ 1,851,533
HIS	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
City’s Proportionate Share of the Net Pension Liability	\$ 1,294,102	\$ 1,131,127	\$ 996,268

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

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

FRS - Defined Contribution Pension Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2022, totaled \$130,971.

Note 8 - Other Postemployment Benefits

Plan Description

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

Benefits Provided

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

At October 1, 2021, the date of the latest actuarial valuation, plan participation consisted of:

Active Employees	57	
Retirees and Beneficiaries Receiving Benefits	-	
	57	57

Funding Policy

For the OPEB Plan, contribution requirements of the City are established and may be amended through action from the City Commission. To-date, the City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit cost and expenses. There is no separate Trust fund or equivalent into which the City would make contributions to advance-fund the obligation. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the City, which are invested in very short-term fixed income instruments according to its current investment policy. The discount rate is based on the S&P Municipal 20 Year High Grade Rate Index. The discount rate is 4.77% as of the September 30, 2022, value of the index.

Total OPEB Liability

The City's total OPEB liability of \$287,637 was measured as of September 30, 2022. The actuarial valuation date was October 1, 2021.

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	\$ 452,732
Service Cost	33,363
Interest on Total OPEB Liability	9,038
Difference Between Actual and Expected Experience	(113,315)
Change of Assumptions	(92,446)
Benefit Payments	(1,735)
Net Change in Total OPEB Liability	(165,095)
Total OPEB Liability, End of Year	<u>\$ 287,637</u>

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

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

	<u>1% Decrease</u> <u>3.77%</u>	<u>Current</u> <u>Discount Rate</u> <u>4.77%</u>	<u>1% Increase</u> <u>5.77%</u>
Total OPEB Liability	\$ 317,693	\$ 287,637	\$ 259,763

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

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

	<u>1% Decrease</u>	<u>Current</u> <u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 244,593	\$ 287,637	\$ 338,762

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

For the fiscal year ended September 30, 2022, the City recognized OPEB expense of \$35,536. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Changes in Assumptions and Other Inputs	\$ 47,482	\$ 91,168
Difference Between Expected and Actual Experience	137,419	217,103
Total	<u>\$ 184,901</u>	<u>\$ 308,271</u>

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

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Fiscal Year Ending September 30,	Amount
2023	\$ (11,065)
2024	(11,065)
2025	(11,065)
2026	(11,065)
2027	(10,762)
Thereafter	(68,348)
Total	\$ (123,370)

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2021	
Measurement Date:	September 30, 2022	
Reporting Date:	September 30, 2022	
Actuarial Cost Method:	Entry Age Normal Cost	
Discount Rate:	4.77%	
Projected Salary Increases:	2.00%	
Retirement Age:	General Employees are assumed to retire at age 62 and Special Risk employees at age 55	
Mortality:	Mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. Rates are based on those outlined in Milliman's July 1, 2021 FRS Valuation	
Healthcare Cost Trend Rate:	Initial Trend Rate	7.50%
	Ultimate Trend Rate	4.00%
Expenses:	Included in the premiums used	

Changes of Assumptions reflect a change in the discount rate from 2.43% for the reporting period ended September 30, 2021, to 4.77% for the reporting period ended September 30, 2022. Also reflected as assumption changes are updated health care costs and premiums and updated health care cost trend rates, and updated retirement rates.

Note 9 - Leases

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee

The City, as a lessee, has entered into lease agreements for copiers. The total of the City's lease assets were recorded at a cost of \$26,553, less accumulated depreciation of \$738. The future principal and interest maturities are listed below.

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 6,507	\$ 358	\$ 6,865
2024	6,651	215	6,866
2025	6,226	68	6,294
Total	\$ 19,384	\$ 641	\$ 20,025

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 2,407	\$ 133	\$ 2,540
2024	2,460	79	2,539
2025	2,303	25	2,328
Total	\$ 7,170	\$ 237	\$ 7,407

Lessor

The City is a lessor for a facility rental and a land lease. The key terms are noted below.

The facility rental is a 22-month lease as of the implementation date of October 1, 2021. An initial lease receivable was recorded in the amount of \$62,492. As of September 30, 2022, the value of the lease receivable is \$30,451. The lessee is required to make monthly fixed payments of \$4,551. The lease has an interest rate of 0.3280%. The value of the deferred inflow as of September 30, 2022, was \$28,964, and the City recognized lease revenue of \$33,528 during the fiscal year.

Note 10 - Commitments and Contingencies

A. Commitments

Interlocal Agreement

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

Construction Commitments

As of September 30, 2022, the City had various construction projects in progress that were not completed with remaining balances that totaled approximately \$806,337.

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

B. Contingent Liabilities

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

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

Note 11 - Stewardship, Compliance and Accountability

Deficit Fund Balances or Net Positions

At September 30, 2022, the following funds had deficit fund balances or net positions:

<u>Fund</u>	<u>Type</u>	<u>Deficit</u>
Community Development Block Grant	Non-Major Governmental	\$ (13,499)
Community Redevelopment Agency	Non-Major Governmental	(2,678)
Capital Improvement	Non-Major Governmental	(40,450)
Customer Service	Internal Service	(32,804)
Utility Administration	Internal Service	(51,268)

Note 12 - Risk Management

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

Note 13 - Subsequent Events

In November 2022, the City passed a resolution authorizing the issuance of \$915,000 in Water and Sewer Revenue Bonds, Series 2022 to finance the cost of the acquisition, construction, and equipping of improvements to the City’s Water and Sewer System.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWBERRY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 4,604,000	\$ 4,644,000	\$ 4,736,997	\$ 92,997
Permits, Fees, and Special Assessments	1,297,700	1,404,700	1,543,516	138,816
Intergovernmental	703,750	703,750	900,584	196,834
Fines and Forfeitures	5,000	5,000	6,658	1,658
Charges for Services	1,269,265	1,279,265	1,344,021	64,756
Investment Earnings	20,000	20,000	52,980	32,980
Other	41,000	141,984	115,424	(26,560)
Interfund Charges	141,820	141,820	141,820	-
Total Revenues	<u>8,082,535</u>	<u>8,340,519</u>	<u>8,842,000</u>	<u>501,481</u>
Expenditures				
General Government:				
Legislative	118,290	122,004	116,757	5,247
Executive	491,012	516,392	508,082	8,310
Finance and Administrative	580,661	643,791	615,000	28,791
Legal Counsel	106,210	121,405	107,720	13,685
Comprehensive Planning	348,855	399,386	340,653	58,733
Other General Government Services	758,939	847,552	757,368	90,184
Public Safety:				
Fire Control	1,686,416	1,699,331	1,747,772	(48,441)
Law Enforcement	904,876	904,876	900,276	4,600
Building and Zoning	398,882	449,112	380,213	68,899
Code Enforcement	103,443	108,443	107,613	830
Transportation	918,004	1,012,774	805,577	207,197
Culture and Recreation	1,119,522	1,157,123	1,088,863	68,260
Economic Environment	110,385	217,707	203,894	13,813
Physical Environment	704,348	704,348	713,528	(9,180)
(Total Expenditures)	<u>(8,349,843)</u>	<u>(8,904,244)</u>	<u>(8,393,316)</u>	<u>510,928</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(267,308)</u>	<u>(563,725)</u>	<u>448,684</u>	<u>1,012,409</u>
Other Financing Sources				
Proceeds from Capital Lease	-	-	19,384	19,384
Transfers in	255,615	355,615	255,615	(100,000)
Transfers (out)	(397,199)	(397,199)	(39,508)	357,691
Total Other Financing Sources	<u>(141,584)</u>	<u>(41,584)</u>	<u>235,491</u>	<u>277,075</u>
Net Change in Fund Balance	(408,892)	(605,309)	684,175	1,289,484
Fund Balances, Beginning of Year	<u>2,487,382</u>	<u>2,487,382</u>	<u>3,561,508</u>	<u>1,074,126</u>
Fund Balances, End of Year	<u>\$ 2,078,490</u>	<u>\$ 1,882,073</u>	<u>\$ 4,245,683</u>	<u>\$ 2,363,610</u>

**CITY OF NEWBERRY, FLORIDA
 AMERICAN RESCUE PLAN FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 3,120,818	\$ 978,106	\$ (2,142,712)
Investment Earnings	-	1,500	14,301	12,801
Total Revenues	-	3,122,318	992,407	(2,129,911)
Expenditures				
General Government	-	400,000	4,369	395,631
Public Safety	-	70,000	14,050	55,950
Physical Environment	-	2,015,000	15,000	2,000,000
(Total Expenditures)	-	(2,485,000)	(33,419)	2,451,581
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	637,318	958,988	321,670
Transfers (out)	-	(100,000)	(944,687)	(844,687) *
Net Change in Fund Balance	-	537,318	14,301	(523,017)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ 537,318	\$ 14,301	\$ (523,017)

* Transfers out were in excess of final budget due to financial statement adjustment outside of the 60 day window for budget adjustments. The City's budgetary control is legally maintained at the fund level; therefore, not considered a budget violation.

CITY OF NEWBERRY, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2022

Note 1 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

**CITY OF NEWBERRY, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2022**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City of Newberry's Proportion of the FRS Net Pension Liability	0.012755841%	0.011969186%	0.012017108%	0.012387818%
City of Newberry's Proportionate Share of the FRS Net Pension Liability	\$ 4,746,198	\$ 904,136	\$ 5,208,392	\$ 4,266,192
City of Newberry's Covered Payroll (for the Year Ended June 30)	3,892,771	3,384,396	3,176,145	3,120,843
City of Newberry's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	121.92%	26.71%	163.98%	136.70%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.89%	96.40%	78.85%	82.61%

Note: The amounts shown above, as reported on the date indicated, have a measurement date three months prior. The City has not accumulated assets in a trust that meet the criteria of GASB codification P22.101 or P52.101.

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

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City of Newberry's Proportion of the HIS Net Pension Liability	0.010679475%	0.009558714%	0.009149382%	0.009222925%
City of Newberry's Proportionate Share of the HIS Net Pension Liability	\$ 1,131,127	\$ 1,172,520	\$ 1,117,125	\$ 1,031,953
City of Newberry's Covered Payroll (for the Year Ended June 30)	3,892,771	3,384,396	3,176,145	3,120,843
City of Newberry's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	29.06%	34.64%	35.17%	33.07%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.81%	3.56%	3.00%	2.63%

Note: The amounts shown above, as reported on the date indicated, have a measurement date three months prior. The City has not accumulated assets in a trust that meet the criteria of GASB codification P22.101 or P52.101.

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

FLORIDA RETIREMENT SYSTEM PENSION PLAN

2018	2017	2016	2015
0.012419319%	0.011896231%	0.010542663%	0.009341129%
\$ 3,740,763	\$ 3,518,825	\$ 2,662,031	\$ 1,206,552
2,986,205	2,816,687	2,408,663	2,471,327
125.27%	124.93%	110.52%	48.82%
84.26%	83.89%	84.88%	92.00%

HEALTH INSURANCE SUBSIDY PENSION PLAN

2018	2017	2016	2015
0.009140888%	0.008834977%	0.008752638%	0.007939591%
\$ 967,482	\$ 944,676	\$ 1,020,084	\$ 809,713
2,986,205	2,816,687	2,408,663	2,471,327
32.40%	33.54%	42.35%	32.76%
2.15%	1.64%	0.97%	0.50%

CITY OF NEWBERRY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2022

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 564,167	\$ 490,926	\$ 411,646	\$ 388,567
FRS Contribution in Relation to the Contractually Required Contribution	<u>(564,167)</u>	<u>(490,926)</u>	<u>(411,646)</u>	<u>(388,567)</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (for the Year Ended September 30)	\$ 4,054,398	\$ 3,562,892	\$ 3,241,145	\$ 3,130,392
FRS Contributions as a Percentage of Covered Payroll	13.91%	13.78%	12.70%	12.41%

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 67,303	\$ 59,144	\$ 53,803	\$ 51,806
HIS Contribution in Relation to the Contractually Required Contribution	<u>(67,303)</u>	<u>(59,144)</u>	<u>(53,803)</u>	<u>(51,806)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (for the Year Ended September 30)	\$ 4,054,398	\$ 3,562,892	\$ 3,241,145	\$ 3,130,392
HIS Contributions as a Percentage of Covered Payroll	1.66%	1.66%	1.66%	1.66%

FLORIDA RETIREMENT SYSTEM PENSION PLAN

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 359,768	\$ 312,743	\$ 256,615	\$ 228,396
<u>(359,768)</u>	<u>(312,743)</u>	<u>(256,615)</u>	<u>(228,396)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,975,542	\$ 2,874,096	\$ 2,647,212	\$ 2,471,327
12.09%	10.88%	9.69%	9.24%

HEALTH INSURANCE SUBSIDY PENSION PLAN

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 49,394	\$ 47,710	\$ 43,895	\$ 33,584
<u>(49,394)</u>	<u>(47,710)</u>	<u>(43,895)</u>	<u>(33,584)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,975,542	\$ 2,874,096	\$ 2,647,212	\$ 2,471,327
1.66%	1.66%	1.66%	1.36%

CITY OF NEWBERRY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 33,363	\$ 40,104	\$ 31,649	\$ 13,163	\$ 12,905
Interest on the Total OPEB Liability	9,038	9,779	12,940	16,549	14,955
Changes of Assumptions	(92,446)	(13,214)	51,192	-	-
Difference Between Expected and Actual Experience	(113,315)	-	(176,929)	18,943	16,977
Benefit Payments	(1,735)	(1,652)	(3,803)	(1,273)	(797)
Net Change in Total OPEB Liability	<u>(165,095)</u>	<u>35,017</u>	<u>(84,951)</u>	<u>47,382</u>	<u>44,040</u>
Total OPEB Liability - Beginning	<u>452,732</u>	<u>417,715</u>	<u>502,666</u>	<u>455,284</u>	<u>411,244</u>
Total OPEB Liability - Ending	<u>\$ 287,637</u>	<u>\$ 452,732</u>	<u>\$ 417,715</u>	<u>\$ 502,666</u>	<u>\$ 455,284</u>
Covered-Employee Payroll	<u>\$ 3,456,442</u>	<u>\$ 2,689,420</u>	<u>\$ 2,636,687</u>	<u>\$ 2,338,750</u>	<u>\$ 2,292,892</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	8.32%	16.83%	15.84%	21.49%	19.86%

Notes to the Schedule:

10 years of data will be presented as available.

Covered-Employee Payroll was projected one year forward from the valuation date of the reporting period ended September 30, 2022.

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

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

The City has not accumulated assets in a trust that meet the criteria of GASB codification P22.101 or P52.101.

The following are the discount rates used in each period:

Fiscal Year Ended September 30, 2022	4.77%
Fiscal Year Ended September 30, 2021	2.43%
Fiscal Year Ended September 30, 2020	2.14%
Fiscal Year Ended September 30, 2019	3.64%
Fiscal Year Ended September 30, 2018	3.64%

SUPPLEMENTARY INFORMATION

CITY OF NEWBERRY, FLORIDA
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Special Revenue Funds					Total Non-Major Governmental Funds
	Champions Park Special Revenue Fund	Wild Spaces Public Places	Community Development Block Grant	Community Redevelopment Agency	Capital Improvement Fund	
Assets						
Cash and Cash Equivalents	\$ 68,196	\$ 808,168	\$ -	\$ -	\$ -	\$ 876,364
Accrued Interest	-	5,529	-	-	-	5,529
Due from Other Governments	-	101,112	-	-	-	101,112
Total Assets	68,196	914,809	-	-	-	983,005
Liabilities and Fund Balance						
Liabilities:						
Accounts Payable	-	-	6,499	670	7,375	14,544
Accrued Expenses	-	-	-	-	722	722
Due to Other Funds	-	-	7,000	2,008	32,353	41,361
Advances from Other Funds	-	321,142	-	-	-	321,142
Total Liabilities	-	321,142	13,499	2,678	40,450	377,769
Fund Balance:						
Restricted for:						
Culture and Recreation	68,196	593,667	-	-	-	661,863
Unassigned	-	-	(13,499)	(2,678)	(40,450)	(56,627)
Total Fund Balance	68,196	593,667	(13,499)	(2,678)	(40,450)	605,236
Total Liabilities and Fund Balance	\$ 68,196	\$ 914,809	\$ -	\$ -	\$ -	\$ 983,005

**CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue Funds				Capital Improvement Fund	Total Non-Major Governmental Funds
	Champions Park Special Revenue Fund	Wild Spaces Public Places	Community Development Block Grant	Community Redevelopment Agency		
Revenues						
Taxes	\$ -	\$ 521,012	\$ -	\$ -	\$ -	\$ 521,012
Charges for Services	21,411	-	-	-	-	21,411
Investment Earnings	254	8,396	-	-	-	8,650
Total Revenues	<u>21,665</u>	<u>529,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,073</u>
Expenditures						
Current:						
General Government	-	-	-	-	29,856	29,856
Transportation	-	-	-	-	41,375	41,375
Culture and Recreation	4,416	6,222	-	-	-	10,638
Economic Development	-	-	-	2,678	-	2,678
Capital Outlay	-	20,510	-	-	12,000	32,510
(Total Expenditures)	<u>(4,416)</u>	<u>(26,732)</u>	<u>-</u>	<u>(2,678)</u>	<u>(83,231)</u>	<u>(117,057)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,249</u>	<u>502,676</u>	<u>-</u>	<u>(2,678)</u>	<u>(83,231)</u>	<u>434,016</u>
Other Financing Sources						
Transfer from Other Funds	-	-	-	-	39,508	39,508
Net Change in Fund Balances	<u>17,249</u>	<u>502,676</u>	<u>-</u>	<u>(2,678)</u>	<u>(43,723)</u>	<u>473,524</u>
Fund Balance, Beginning of Year	<u>50,947</u>	<u>90,991</u>	<u>(13,499)</u>	<u>-</u>	<u>3,273</u>	<u>131,712</u>
Fund Balance, End of Year	<u>\$ 68,196</u>	<u>\$ 593,667</u>	<u>\$ (13,499)</u>	<u>\$ (2,678)</u>	<u>\$ (40,450)</u>	<u>\$ 605,236</u>

CITY OF NEWBERRY, FLORIDA
CHAMPIONS PARK SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Charges for Services	\$ 25,000	\$ 21,411	\$ (3,589)
Investment Earnings	-	254	254
Total Revenues	<u>25,000</u>	<u>21,665</u>	<u>(3,335)</u>
Expenditures			
Culture and Recreation	52,515	4,416	48,099
(Total Expenditures)	<u>(52,515)</u>	<u>(4,416)</u>	<u>48,099</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(27,515)</u>	<u>17,249</u>	<u>44,764</u>
Net Change in Fund Balance	(27,515)	17,249	44,764
Fund Balance, Beginning of Year	<u>50,947</u>	<u>50,947</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 23,432</u>	<u>\$ 68,196</u>	<u>\$ 44,764</u>

CITY OF NEWBERRY, FLORIDA
WILD SPACES PUBLIC PLACES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	\$ 423,000	\$ 521,012	\$ 98,012
Intergovernmental	506,600	-	(506,600)
Investment Earnings	1,500	8,396	6,896
Total Revenues	<u>931,100</u>	<u>529,408</u>	<u>(401,692)</u>
Expenditures			
Culture and Recreation	1,047,195	26,732	1,020,463
(Total Expenditures)	<u>(1,047,195)</u>	<u>(26,732)</u>	<u>1,020,463</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(116,095)</u>	<u>502,676</u>	<u>618,771</u>
Net Change in Fund Balance	(116,095)	502,676	618,771
Fund Balances, Beginning of Year	<u>116,095</u>	<u>90,991</u>	<u>(25,104)</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 593,667</u>	<u>\$ 593,667</u>

**CITY OF NEWBERRY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 16,798	\$ -	\$ (16,798)
Total Revenues	<u>16,798</u>	<u>-</u>	<u>(16,798)</u>
Expenditures			
Economic Development	16,700	2,678	14,022
(Total Expenditures)	<u>(16,700)</u>	<u>(2,678)</u>	<u>14,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>98</u>	<u>(2,678)</u>	<u>(2,776)</u>
Net Change in Fund Balance	98	(2,678)	(2,776)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 98</u>	<u>\$ (2,678)</u>	<u>\$ (2,776)</u>

**CITY OF NEWBERRY, FLORIDA
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	\$ -	\$ -	\$ -
Expenditures			
General Government	185,000	29,856	155,144
Transportation	200,000	53,375	146,625
(Total Expenditures)	<u>385,000</u>	<u>83,231</u>	<u>301,769</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(385,000)</u>	<u>(83,231)</u>	<u>301,769</u>
Other Financing Sources			
Transfer in	388,800	39,508	(349,292)
Total Other Financing Sources	<u>388,800</u>	<u>39,508</u>	<u>(349,292)</u>
Net Change in Fund Balance	3,800	(43,723)	47,523
Fund Balance, Beginning of Year	<u>-</u>	<u>3,273</u>	<u>3,273</u>
Fund Balance, End of Year	<u>\$ 3,800</u>	<u>\$ (40,450)</u>	<u>\$ 50,796</u>

**CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
WATER AND SEWER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Operating Revenues		
Charges for Services	\$ 2,250,061	\$ 2,011,308
Fees, Rentals, and Other	906	5,358
Total Operating Revenues	<u>2,250,967</u>	<u>2,016,666</u>
Operating Expenses		
Personnel Services	471,345	376,378
Materials, Supplies, and Other	578,463	594,191
Billing and Administration	485,180	356,590
Depreciation	757,581	669,463
(Total Operating Expenses)	<u>(2,292,569)</u>	<u>(1,996,622)</u>
Operating Income	<u>(41,602)</u>	<u>20,044</u>
Non-Operating Revenues (Expenses)		
Interest Income	31,404	13,975
Interest Expense	(32,955)	(42,015)
Loss on Disposal of Capital Assets	(88,033)	-
Total Non-Operating Revenues (Expenses)	<u>(89,584)</u>	<u>(28,040)</u>
Income Before Contributions and Transfers	<u>(131,186)</u>	<u>(7,996)</u>
Capital Contributions and Grants		
Development Charges	684,598	565,772
Developer Contributions	1,183,218	167,942
Capital Grants	374,367	298,449
Total Capital Contributions and Grants	<u>2,242,183</u>	<u>1,032,163</u>
Transfers in	<u>944,687</u>	<u>-</u>
Change in Net Position	3,055,684	1,024,167
Net Position, Beginning of Year	<u>15,789,392</u>	<u>14,765,225</u>
Total Net Position, End of Year	<u>\$ 18,845,076</u>	<u>\$ 15,789,392</u>

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

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2022

	<u>Customer Service Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Utility Administration Fund</u>	<u>Total Internal Service Funds</u>
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 193,047	\$ 5,025	\$ 198,072
Accounts Receivable	3,529	-	-	3,529
Accrued Interest	-	1,563	-	1,563
Prepays	85	-	-	85
Total Current Assets	<u>3,614</u>	<u>194,610</u>	<u>5,025</u>	<u>203,249</u>
Non-Current Assets:				
Property, Plant and Equipment	17,897	637,358	18,705	673,960
(Accumulated Depreciation)	(9,522)	(284,995)	(5,868)	(300,385)
Capital Assets, Net	<u>8,375</u>	<u>352,363</u>	<u>12,837</u>	<u>373,575</u>
Total Non-Current Assets	<u>8,375</u>	<u>352,363</u>	<u>12,837</u>	<u>373,575</u>
Total Assets	<u>11,989</u>	<u>546,973</u>	<u>17,862</u>	<u>576,824</u>
Liabilities				
Current Liabilities:				
Accounts Payable	15,687	-	6,730	22,417
Accrued Expenses	4,407	-	7,246	11,653
Due to Other Funds	1,199	-	-	1,199
Compensated Absences	14,570	-	28,203	42,773
Accrued Interest Payable	-	-	5	5
Total Current Liabilities	<u>35,863</u>	<u>-</u>	<u>42,184</u>	<u>78,047</u>
Non-Current Liabilities:				
Lease Liability	-	-	2,921	2,921
Compensated Absences	8,930	-	24,025	32,955
Advances from Other Funds	-	176,309	-	176,309
Total Non-Current Liabilities	<u>8,930</u>	<u>176,309</u>	<u>26,946</u>	<u>212,185</u>
Total Liabilities	<u>44,793</u>	<u>176,309</u>	<u>69,130</u>	<u>290,232</u>
Net Position				
Net Investment in Capital Assets	8,375	352,363	12,837	373,575
Unrestricted	(41,179)	18,301	(64,105)	(86,983)
Total Net Position	<u>\$ (32,804)</u>	<u>\$ 370,664</u>	<u>\$ (51,268)</u>	<u>\$ 286,592</u>

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Operating Revenues				
Fees, Rentals, and Other	\$ 25,741	\$ -	\$ 11,165	\$ 36,906
Interfund Charges	327,900	168,610	497,130	993,640
Total Operating Revenues	<u>353,641</u>	<u>168,610</u>	<u>508,295</u>	<u>1,030,546</u>
Operating Expenses				
Personnel Services	276,244	-	506,235	782,479
Materials, Supplies, and Other	89,977	-	29,281	119,258
Depreciation	2,009	87,247	1,659	90,915
(Total Operating Expenses)	<u>(368,230)</u>	<u>(87,247)</u>	<u>(537,175)</u>	<u>(992,652)</u>
Operating Income (Loss)	<u>(14,589)</u>	<u>81,363</u>	<u>(28,880)</u>	<u>37,894</u>
Non-Operating Revenues (Expenses)				
Interest Income	-	3,022	-	3,022
Interest Expense	-	(1,172)	(5)	(1,177)
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>1,850</u>	<u>(5)</u>	<u>1,845</u>
Change in Net Position	(14,589)	83,213	(28,885)	39,739
Net Position, Beginning of Year	<u>(18,215)</u>	<u>287,451</u>	<u>(22,383)</u>	<u>246,853</u>
Total Net Position, End of Year	<u>\$ (32,804)</u>	<u>\$ 370,664</u>	<u>\$ (51,268)</u>	<u>\$ 286,592</u>

**CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Cash Flows from Operating Activities				
Receipts from Interfund Services Provided	\$ 326,338	\$ 168,610	\$ 498,009	\$ 992,957
Cash Received from Other Sources	25,741	-	11,165	36,906
Cash Payments to Suppliers for Goods and Services	(82,076)	-	(26,136)	(108,212)
Cash Payments to Employees for Services	(271,946)	-	(485,203)	(757,149)
Net Cash Provided by (Used in) Operating Activities	(1,943)	168,610	(2,165)	164,502
Cash Flows from Non-Capital Financing Activities				
Loans/Advances and Repayments from (to) Other Funds	1,199	(59,749)	-	(58,550)
Net Cash Provided by (Used in) Non-Capital Financing Activities	1,199	(59,749)	-	(58,550)
Cash Flows from Capital and Related Financing Activities				
Interest Expense	-	(1,172)	-	(1,172)
Acquisition and Construction of Capital Assets	-	(78,055)	-	(78,055)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	(79,227)	-	(79,227)
Cash Flows from Investing Activities				
Interest on Investments	-	3,022	-	3,022
Net Cash Provided by (Used in) Investing Activities	-	3,022	-	3,022
Net Increase (Decrease) in Cash and Cash Equivalents	(744)	32,656	(2,165)	29,747
Cash and Cash Equivalents, Beginning of Year	744	160,391	7,190	168,325
Cash and Cash Equivalents, End of Year	\$ -	\$ 193,047	\$ 5,025	\$ 198,072
<u>Presented on the Statement of Net Position as</u>				
Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 193,047</u>	<u>\$ 5,025</u>	<u>\$ 198,072</u>

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(Concluded)

	<u>Customer Service Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Utility Administration Fund</u>	<u>Total Internal Service Funds</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income	\$ (14,589)	\$ 81,363	\$ (28,880)	\$ 37,894
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	2,009	87,247	1,659	90,915
(Increase) Decrease in:				
Accounts Receivable	(1,562)	-	979	(583)
Increase (Decrease) in:				
Accounts Payable	7,901	-	3,145	11,046
Compensated Absences	4,298	-	21,032	25,330
Customer Deposits	-	-	(100)	(100)
Total Adjustments	<u>12,646</u>	<u>87,247</u>	<u>26,715</u>	<u>126,608</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,943)</u>	<u>\$ 168,610</u>	<u>\$ (2,165)</u>	<u>\$ 164,502</u>

STATISTICAL SECTION

STATISTICAL SECTION (Unaudited)

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

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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. 66

Revenue Capacity Information

These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, which is property taxes. 71

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. The City has no legal debt margin, thus it is not reported in these schedules. 77

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. 81

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. 83

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

FINANCIAL TRENDS INFORMATION

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities										
Net investment in capital assets	\$ 10,020,646	\$ 10,484,429	\$ 10,288,387	\$ 12,169,576	\$ 17,069,358	\$ 17,603,706	\$ 18,443,352	\$ 17,985,746	\$ 17,582,337	\$ 17,901,083
Restricted	156,147	143,438	359,734	360,014	361,699	789,730	104,928	158,284	254,770	968,479
Unrestricted	14,462	70,143	(1,377,088)	(1,310,479)	(1,016,322)	(1,125,151)	(1,965,452)	(1,760,727)	(609,192)	(254,865)
Total governmental activities net position	<u>10,191,255</u>	<u>10,698,010</u>	<u>9,271,033</u>	<u>11,219,111</u>	<u>16,414,735</u>	<u>17,268,285</u>	<u>16,582,828</u>	<u>16,383,303</u>	<u>17,227,915</u>	<u>18,614,697</u>
Business-Type Activities										
Net investment in capital assets	7,822,767	8,056,468	8,340,063	9,303,739	9,929,798	11,913,865	12,501,327	12,882,572	15,252,961	19,538,269
Restricted	46,190	9,514	9,340	9,518	9,700	9,885	10,169	11,762	1,377,103	1,619,946
Unrestricted	7,475,240	7,321,146	7,256,727	7,682,231	7,708,661	6,912,238	7,267,982	8,302,467	5,947,922	5,195,398
Total business-type net position	<u>15,344,197</u>	<u>15,387,128</u>	<u>15,606,130</u>	<u>16,995,488</u>	<u>17,648,159</u>	<u>18,835,988</u>	<u>19,779,478</u>	<u>21,196,801</u>	<u>22,577,986</u>	<u>26,353,613</u>
Total Government										
Net investment in capital assets	17,843,413	18,540,897	18,628,450	21,473,315	26,999,156	29,517,571	30,944,679	30,868,318	32,835,298	37,439,352
Restricted	202,337	152,952	369,074	369,532	371,399	799,615	115,097	170,046	1,631,873	2,588,425
Unrestricted	7,489,702	7,391,289	5,879,639	6,371,752	6,692,339	5,787,087	5,302,530	6,541,740	5,338,730	4,940,533
Total government net position	<u>\$ 25,535,452</u>	<u>\$ 26,085,138</u>	<u>\$ 24,877,163</u>	<u>\$ 28,214,599</u>	<u>\$ 34,062,894</u>	<u>\$ 36,104,273</u>	<u>\$ 36,362,306</u>	<u>\$ 37,580,104</u>	<u>\$ 39,805,901</u>	<u>\$ 44,968,310</u>

Source: City of Newberry Financial Reports

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenses										
Governmental activities:										
General government	\$ 1,148,997	\$ 953,180	\$ 993,353	\$ 1,200,185	\$ 1,355,008	\$ 1,336,282	\$ 1,673,641	\$ 1,837,268	\$ 1,719,382	\$ 2,351,649
Public safety	1,178,625	1,106,462	1,136,809	1,431,214	2,345,314	2,389,694	2,755,444	2,964,167	2,671,992	3,149,445
Physical Environment	-	-	406,715	524,304	559,465	540,304	541,135	585,667	629,904	722,422
Transportation	739,018	735,308	675,343	730,779	826,538	889,778	948,642	1,007,222	1,021,898	1,197,045
Culture and Recreation	1,579,900	1,304,502	1,301,168	1,239,440	1,281,447	1,248,616	2,305,954	1,263,738	1,284,123	1,431,049
Health and Welfare	41,475	41,864	17,975	15,469	35,713	35,474	28,995	-	-	15,000
Economic Development	-	-	-	85,871	87,214	130,980	162,606	781,281	249,142	210,260
Interest on long-term debt	22,646	1,538	7,097	6,248	5,656	14,262	3,637	2,744	-	35
Total governmental activities expenses	<u>4,710,661</u>	<u>4,142,854</u>	<u>4,538,460</u>	<u>5,233,510</u>	<u>6,496,355</u>	<u>6,585,390</u>	<u>8,420,054</u>	<u>8,442,087</u>	<u>7,576,441</u>	<u>9,076,905</u>
Business-Type Activities										
Electric	4,062,132	3,887,834	3,916,988	3,854,346	3,933,270	3,887,764	4,340,112	4,176,763	4,325,963	6,253,048
Water and sewer	1,324,918	1,476,559	1,449,549	1,527,571	1,644,813	1,717,709	1,938,281	2,059,466	2,056,316	2,435,546
Mosquito control	-	-	-	21,153	14,607	18,531	27,591	34,790	21,754	29,383
Total business-type activities	<u>5,387,050</u>	<u>5,364,393</u>	<u>5,366,537</u>	<u>5,403,070</u>	<u>5,592,690</u>	<u>5,624,004</u>	<u>6,305,984</u>	<u>6,271,019</u>	<u>6,404,033</u>	<u>8,717,977</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	35,885	83,107	24,057	27,998	281,634	320,875	301,078	315,002	366,616	381,965
Public safety	583,729	540,334	617,936	736,760	838,564	982,526	980,542	1,082,788	1,044,370	1,381,715
Physical Environment	-	-	476,581	561,460	545,933	538,545	596,764	636,315	710,301	824,803
Health and Welfare	21,321	18,848	12,235	11,326	17,152	15,496	15,808	-	-	-
Transportation	19,030	22,447	24,341	26,501	27,294	27,354	29,613	30,473	31,356	33,663
Culture and recreation	319,661	330,225	366,112	336,189	393,786	403,278	239,224	222,512	279,693	283,187
Operating grants and contributions	800,943	803,432	1,014,090	1,691,777	4,590,683	199,598	270,774	742,437	282,733	296,125
Capital grants and contributions	250,340	147,828	91,945	975,527	881,013	639,061	569,648	296,316	327,208	1,997,083
Total governmental activities program revenues	<u>2,030,909</u>	<u>1,946,221</u>	<u>2,627,297</u>	<u>4,367,538</u>	<u>7,576,059</u>	<u>3,126,733</u>	<u>3,003,451</u>	<u>3,325,843</u>	<u>3,042,277</u>	<u>5,198,541</u>
Business-type activities:										
Charges for services:										
Electric	4,064,249	3,976,064	4,040,798	4,084,388	4,008,652	4,099,826	4,559,920	4,443,894	4,687,948	6,371,194
Water and sewer	1,474,260	1,413,314	1,588,494	1,900,800	1,931,674	2,101,204	2,257,349	2,692,876	2,016,666	2,250,967
Mosquito control	-	-	-	22,917	23,689	24,856	26,085	27,259	28,831	30,545
Operating grants and contributions	24,098	14,117	11,302	1,080	14,348	99,261	57,460	88,434	-	-
Capital grants and contributions	203,142	-	91,943	1,025,779	437,750	654,990	428,545	594,023	1,243,904	3,085,221
Total business-type activities program revenues	<u>5,765,749</u>	<u>5,403,495</u>	<u>5,732,537</u>	<u>7,034,964</u>	<u>6,416,113</u>	<u>6,980,137</u>	<u>7,329,359</u>	<u>7,846,486</u>	<u>7,977,349</u>	<u>11,737,927</u>
Total Revenues	<u>7,796,658</u>	<u>7,349,716</u>	<u>8,359,834</u>	<u>11,402,502</u>	<u>13,992,172</u>	<u>10,106,870</u>	<u>10,332,810</u>	<u>11,172,329</u>	<u>11,019,626</u>	<u>16,936,468</u>
Net (Expense) Revenue										
Governmental activities	(2,679,752)	(2,196,633)	(1,911,163)	(865,972)	1,079,704	(3,458,657)	(5,416,603)	(5,116,244)	(4,534,164)	(3,878,364)
Business-type activities	378,699	39,102	366,000	1,631,894	823,423	1,356,133	1,023,375	1,575,467	1,573,316	3,019,950
Total government net expense	<u>\$ (2,301,053)</u>	<u>\$ (2,157,531)</u>	<u>\$ (1,545,163)</u>	<u>\$ 765,922</u>	<u>\$ 1,903,127</u>	<u>\$ (2,102,524)</u>	<u>\$ (4,393,228)</u>	<u>\$ (3,540,777)</u>	<u>\$ (2,960,848)</u>	<u>\$ (858,414)</u>

Source: City of Newberry Financial Reports

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

General Revenues and Other Changes in Net Position

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities:										
Taxes:										
Property taxes	\$ 1,045,409	\$ 1,237,900	\$ 1,278,988	\$ 1,276,772	\$ 2,156,399	\$ 2,324,614	\$ 2,445,196	\$ 2,691,642	\$ 2,857,603	\$ 3,168,059
Sales Tax	330,833	357,075	394,874	420,010	693,818	842,390	912,419	860,645	1,045,354	1,269,460
Utility taxes	639,895	895,089	733,357	816,835	814,060	761,772	797,823	819,318	976,302	1,075,783
Communications services taxes	161,620	151,579	148,453	147,131	153,247	167,616	176,431	182,305	178,484	208,651
Business license tax	30,706	34,172	35,170	32,530	38,117	41,995	31,092	28,937	43,976	23,131
Unrestricted investment earnings	1,524	15	51	4,045	12,084	40,172	83,014	27,087	14,336	75,931
Other	284,902	27,558	31,350	39,478	33,725	61,277	64,691	84,425	42,869	133,203
Transfers	218,000	-	(195,000)	205,163	214,470	217,080	220,480	222,360	219,852	(689,072)
Total governmental activities	<u>2,712,889</u>	<u>2,703,388</u>	<u>2,427,243</u>	<u>2,941,964</u>	<u>4,115,920</u>	<u>4,456,916</u>	<u>4,731,146</u>	<u>4,916,719</u>	<u>5,378,776</u>	<u>5,265,146</u>
Business-Type Activities										
Unrestricted investment earnings	9,453	3,829	8,367	35,371	43,718	83,313	140,595	64,216	27,721	66,605
Other	-	-	-	-	-	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(218,000)	-	195,000	(205,163)	(214,470)	(217,080)	(220,480)	(222,360)	(219,852)	689,072
Total business-type activities	<u>(208,547)</u>	<u>3,829</u>	<u>203,367</u>	<u>(169,792)</u>	<u>(170,752)</u>	<u>(133,767)</u>	<u>(79,885)</u>	<u>(158,144)</u>	<u>(192,131)</u>	<u>755,677</u>
Total primary government	<u>2,504,342</u>	<u>2,707,217</u>	<u>2,630,610</u>	<u>2,772,172</u>	<u>3,945,168</u>	<u>4,323,149</u>	<u>4,651,261</u>	<u>4,758,575</u>	<u>5,186,645</u>	<u>6,020,823</u>
Change in Net Position										
Governmental activities	33,137	506,755	516,080	2,075,992	5,195,624	998,259	(685,457)	(199,525)	844,612	1,386,782
Business-type activities	170,152	42,931	569,367	1,462,102	652,671	1,222,366	943,490	1,417,323	1,381,185	3,775,627
Total government	<u>\$ 203,289</u>	<u>\$ 549,686</u>	<u>\$ 1,085,447</u>	<u>\$ 3,538,094</u>	<u>\$ 5,848,295</u>	<u>\$ 2,220,625</u>	<u>\$ 258,033</u>	<u>\$ 1,217,798</u>	<u>\$ 2,225,797</u>	<u>\$ 5,162,409</u>

Source: City of Newberry Financial Reports

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Non-spendable	\$ -	\$ -	\$ 1,957	\$ -	\$ 15,436	\$ 21,781	\$ 602,695	\$ 520,159	\$ 404,639	\$ 328,653
Restricted	124,554	105,617	141,268	229,484	128,835	194,480	72,763	122,357	112,832	292,315
Assigned	-	50,385	173,106	185,484	42,072	45,531	241,444	242,510	408,892	762,888
Unassigned	484,955		428,585	657,935	1,429,098	1,584,781	1,463,052	2,122,515	2,635,145	2,861,827
Total general fund	<u>609,509</u>	<u>156,002</u>	<u>744,916</u>	<u>1,072,903</u>	<u>1,615,441</u>	<u>1,846,573</u>	<u>2,379,954</u>	<u>3,007,541</u>	<u>3,561,508</u>	<u>4,245,683</u>
All Other Government Funds										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	31,593	37,821	218,466	130,530	232,864	595,250	32,165	35,927	141,938	676,164
Assigned	39	250,126	245,071	264,552	142,336	50,305	2,950	2,950	3,273	-
Unassigned	-	-	-	-	-	-	(494,658)	(251,202)	(13,499)	(56,627)
Total all other governmental funds	<u>\$ 31,632</u>	<u>\$ 287,947</u>	<u>\$ 463,537</u>	<u>\$ 395,082</u>	<u>\$ 375,200</u>	<u>\$ 645,555</u>	<u>\$ (459,543)</u>	<u>\$ (212,325)</u>	<u>131,712</u>	<u>\$ 619,537</u>

Source: City of Newberry Financial Reports

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

	<u>2010</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues											
Taxes	\$ 1,845,346	\$ 2,021,805	\$ 2,261,009	\$ 2,552,982	\$ 2,439,243	\$ 3,568,507	\$ 3,798,474	\$ 4,013,059	\$ 4,254,379	\$ 4,712,526	\$ 5,258,009
Permits, fees, and special assessments	299,463	427,116	383,527	460,828	574,407	877,346	1,101,492	1,112,294	1,199,226	1,247,573	1,543,516
Intergovernmental revenues	1,033,137	1,359,205	1,255,788	1,454,239	2,465,871	5,151,998	864,666	913,475	1,149,602	1,011,453	1,878,690
Charges for services	287,263	380,826	438,567	885,268	943,522	1,013,101	966,372	828,987	1,081,510	946,473	1,365,432
Fines and forfeitures	8,190	7,654	5,420	5,865	10,804	11,622	17,856	8,854	8,926	4,751	6,658
Investment earnings	13,403	1,524	15	51	4,045	12,084	40,172	83,014	27,087	14,336	75,931
Other	155,261	308,968	87,140	89,492	131,826	33,408	52,036	57,366	77,786	33,536	115,424
Interfund charges	-	-	221,506	269,974	95,091	98,622	102,785	105,152	124,451	113,807	141,820
Total revenues	<u>3,642,063</u>	<u>4,507,098</u>	<u>4,652,972</u>	<u>5,718,699</u>	<u>6,664,809</u>	<u>10,766,688</u>	<u>6,943,853</u>	<u>7,122,201</u>	<u>7,922,967</u>	<u>8,084,455</u>	<u>10,385,480</u>
Expenditures											
General government	1,049,279	1,088,823	1,113,295	1,239,691	1,186,876	1,291,469	1,350,516	1,503,230	1,639,851	1,811,314	2,353,693
Public safety	1,131,673	1,138,053	1,072,336	1,152,480	1,295,294	2,160,332	2,292,888	2,454,617	2,570,642	2,730,983	3,056,688
Physical environment	-	-	-	410,032	520,209	550,183	537,445	528,235	578,879	634,038	713,528
Transportation	437,447	428,832	425,622	389,589	413,268	447,706	515,524	546,487	561,294	604,128	765,423
Health and welfare	42,493	40,672	41,864	17,975	15,469	35,713	35,474	28,995	-	-	15,000
Economic environment	-	-	-	-	83,395	82,151	123,546	147,360	714,307	257,003	206,572
Culture and recreation	1,282,013	980,349	750,863	775,092	802,517	831,385	896,476	1,866,555	845,900	934,474	1,034,459
Debt service:											
Principal	73,308	463,980	1,015,372	538,333	1,416,000	4,359,000	395,000	-	-	-	-
Bond issuance costs	-	-	-	46,796	-	-	-	-	-	-	-
Interest on long-term debt	16,903	261,970	239,972	220,859	84,178	82,954	14,262	3,637	2,744	-	-
Capital Outlay	-	547,901	190,840	356,681	793,234	1,012,609	453,315	835,282	356,905	434,363	398,429
Total expenditures	<u>4,033,116</u>	<u>4,950,580</u>	<u>4,850,164</u>	<u>5,147,528</u>	<u>6,610,440</u>	<u>10,853,502</u>	<u>6,614,446</u>	<u>7,914,398</u>	<u>7,270,522</u>	<u>7,406,303</u>	<u>8,543,792</u>
Excess (deficiency) of revenues over (under) expenditures	(391,053)	(443,482)	(197,192)	571,171	54,369	(86,814)	329,407	(792,197)	652,445	678,152	1,841,688
Other Financing Sources (Uses)											
Capital lease proceeds	-	167,011	-	-	-	-	-	-	-	-	19,384
Proceeds from sale of general fixed assets	7,300	-	-	-	-	-	-	-	-	-	-
Proceeds of debt issuance	-	-	-	5,775,000	-	395,000	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	(5,386,667)	-	-	-	-	-	-	-
Transfers in	224,198	834,713	862,571	6,138,762	1,734,093	4,668,768	762,612	220,480	222,360	219,852	295,123
Transfers out	(80,818)	(616,713)	(862,571)	(6,333,762)	(1,528,930)	(4,454,298)	(590,532)	-	-	-	(984,195)
Total other financing sources (uses)	<u>150,680</u>	<u>385,011</u>	<u>-</u>	<u>193,333</u>	<u>205,163</u>	<u>609,470</u>	<u>172,080</u>	<u>220,480</u>	<u>222,360</u>	<u>219,852</u>	<u>(669,688)</u>
Net change in fund balances	<u>\$ (240,373)</u>	<u>\$ (58,471)</u>	<u>\$ (197,192)</u>	<u>\$ 764,504</u>	<u>\$ 259,532</u>	<u>\$ 522,656</u>	<u>\$ 501,487</u>	<u>\$ (571,717)</u>	<u>\$ 874,805</u>	<u>\$ 898,004</u>	<u>\$ 1,172,000</u>
Debt service as a percentage of non-capital expenditures	2.3%	23.2%	39.1%	22.2%	42.6%	101.3%	7.7%	0.1%	0.0%	0.0%	0.00%

Source: City of Newberry Financial Reports

REVENUE CAPACITY INFORMATION

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

Fiscal Year Ended September 30	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Centrally Assessed Property for Operating Purposes	Gross Taxable Value	New Construction Taxable Value	Adjusted Taxable Value	Final Taxable Value	Millage Rate
2013	\$ 181,916,400	\$ 186,169,485	\$ 843,733	\$ 368,929,618	\$ (48,547,553)	\$ 320,382,065	\$ 369,228,448	3.8084
2014	184,014,110	164,068,361	851,514	348,933,985	(7,302,362)	341,631,623	349,764,767	3.8084
2015	187,723,126	147,383,150	929,178	336,035,454	(6,551,530)	329,483,924	337,176,963	3.9113
2016	196,220,126	136,956,523	941,359	334,118,008	(4,688,980)	329,429,028	334,295,760	3.9500
2017	205,113,150	163,218,847	2,102,281	370,434,278	(13,534,578)	356,899,700	373,402,916	5.9089
2018	225,503,073	140,506,668	2,098,176	368,107,917	(11,594,270)	356,513,647	422,385,827	5.9999
2019	257,417,663	170,781,145	2,253,187	430,451,995	(17,087,647)	413,364,348	430,451,995	5.9999
2020	286,754,126	153,517,653	2,032,911	442,304,690	(20,091,017)	422,213,673	464,618,207	5.9999
2021	320,126,713	171,865,376	2,106,375	494,098,464	(21,052,088)	473,046,376	492,929,695	5.9999
2022	363,228,468	183,991,003	2,619,984	549,839,455	(21,189,291)	528,650,164	546,998,439	5.9999

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

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

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

Fiscal Year Ended Sept. 30,	Direct			Overlapping							
	Basic Rate	General Obligation Debt Service	Total City	Alachua BOCC	Alachua BOCC GO Debt	Children's Trust of Alachua County	Alachua County Library District	Library Capital Outlay	Library Debt Service	School Board	Suwannee River Water Management District
2013	3.8084	0.0000	3.8084	8.5956	0.2500	0.0000	1.3638	0.0000	0.1130	8.5490	0.4143
2014	3.8084	0.0000	3.8084	8.7990	0.2500	0.0000	1.3638	0.0000	0.0950	8.4020	0.4143
2015	3.9113	0.0000	3.9113	8.7990	0.2500	0.0000	1.3638	0.0000	0.0950	8.4100	0.4141
2016	3.9500	0.0000	3.9500	8.7950	0.1595	0.0000	1.3638	0.0000	0.0900	8.3420	0.4104
2017	5.9089	0.0000	5.9089	8.9290	0.0000	0.0000	1.3371	0.0000	0.0750	7.9360	0.4093
2018	5.9999	0.0000	5.9999	8.4648	0.0000	0.0000	1.2655	0.0000	0.0000	7.6250	0.4027
2019	5.9999	0.0000	5.9999	8.2829	0.0000	0.0000	1.2303	0.0000	0.0000	7.2640	0.3948
2020	5.9999	0.0000	5.9999	8.2729	0.0000	0.0000	1.2303	0.0000	0.0000	7.1440	0.3840
2021	5.9999	0.0000	5.9999	7.8935	0.0000	0.5000	1.1289	0.0000	0.0000	6.9150	0.3696
2022	5.9999	0.0000	5.9999	7.8662	0.0000	0.5000	1.0856	0.0000	0.0000	6.8430	0.3615

Source: Alachua County Property Appraiser

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

Fiscal Year 2022				Fiscal Year 2013			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Argos USA	\$ 153,286,966	1	28.02%	Florida Rock Industries Inc	\$ 110,475,000	1	29.92%
Sabal Trail Transmission LLC	11,511,375	2	2.10%	Florida Rock Properties	5,255,900	2	1.42%
Watson Construction Co LLC	7,118,552	3	1.30%	Watson Construction Co LLC	3,103,180	3	0.84%
Florida Rock Properties Inc	3,113,159	4	0.57%	Bellsouth Telecommunications	2,496,372	4	0.68%
Davis Heritage LTD	2,852,850	5	0.52%	Brant Properties	2,240,400	5	0.61%
Bass Farms Inc	2,603,465	6	0.48%	Davis Heritage Ltd	2,134,100	6	0.58%
Bella-Rue LLC	2,511,100	7	0.46%	Hitchcock Enterprises Inc	2,080,700	7	0.56%
PetCo Animal Supplies Inc	2,193,378	8	0.40%	Norfleet Construction Co Inc	1,337,600	8	0.36%
Florida Northern Railroad Co	1,613,503	9	0.29%	Watson Landholdings LLC	1,265,800	9	0.34%
Watson Land Holdings LLC	1,579,934	10	0.29%	Johnsonm Mac C	1,162,900	10	0.31%
	<u>\$ 188,384,282</u>		<u>34.44%</u>		<u>\$ 113,377,060</u>		<u>35.63%</u>

Source: Alachua County Property Appraiser

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

Electric Customer	2013		2014		2015		2016		2017		2018		2019		2020		2021		2022	
	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank
Alachua County School Board	3,309,784	1	3,402,466	1	3,728,160	1	3,719,752	1	3,672,076	1	4,091,790	1	4,494,990	1	4,096,163	1	4,967,337	1	4,544,042	1
Hitchcocks	1,974,887	2	1,931,002	2	1,931,437	2	1,984,870	2	1,982,031	2	1,979,229	2	1,933,200	2	1,834,000	2	1,852,400	2	1,642,600	2
City of Newberry	1,292,062	3	1,214,522	3	1,186,502	3	1,204,130	3	1,103,578	3	1,153,850	3	1,670,222	3	1,631,798	3	1,649,407	3	1,631,263	3
Southern Fuelwood	377,760	6	598,520	4	877,240	4	808,980	4	940,320	4	934,220	4	1,025,258	4	1,331,390	4	1,193,686	4	1,284,819	4
Inspired Energy	345,423	7	369,237	7	397,804	9	425,394	8	478,763	7	630,643	5	713,880	5	712,280	6	756,480	6	758,480	5
The Gourmet Rodent	566,242	4	285,496	9	585,615	5	519,098	6	616,886	5	505,565	7	554,260	7	931,600	5	890,573	5	647,368	6
Circle K Stores, Inc	311,560	8	445,800	5	537,220	6	531,400	5	566,780	6	564,760	6	645,339	6	548,120	7	512,260	7	493,560	7
Hudson Food Stores			338,216	8	450,262	7	456,507	7	449,689	8	432,669	8	418,560	8	430,080	8	452,200	8	443,480	8
Hardees Phase 3 Star	414,500	5	421,100	6	412,500	8	418,001	9	425,302	9	410,000	9	411,500	9	375,700	9	340,400	9	308,400	9
Bellsouth	207,760	10	201,360	10	211,200	10	237,920	10	242,560	10	238,160	10	246,560	10	266,080	10			273,840	10
Watson Asphalt																	325,472	10		

Source: City Utility Records

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

Water Customer	2013		2014		2015		2016		2017		2018		2019		2020		2021		2022	
	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank
Smyrna Ready Mix Concrete							11,955	1	12,047	1	11,425	1	14,420	1	16,479	1	15,451	1	8,873	1
City of Newberry	7,100	1	4,338	2	8,269	2	9,850	2	7,163	3	3,196	3	3,772	3	7,584	3	10,696	2	8,525	2
Alachua County School Board	6,633	2	11,237	1	8,737	1	6,339	3	7,547	2	9,452	2	11,688	2	10,265	2	8,836	3	8,499	3
Newberry Car Wash														1,915	4	1,488	4	1,605	4	
Scott's Laundry	600	7			948	3	1,028	5	616	7	1,088	4	1,242	4	1,016	6	1,070	6	1,291	5
Gourmet Rodent							1,111	4	539	8	608	8	510	8					1,213	6
Argos Ready Mix LLC	715	5							509	9	708	7	1,017	7	1,482	5	1,259	5	1,097	7
Newtown Park																			1,068	8
Kevin Coleman																			704	9
DR Hortorn																			687	10
McCall Pest Service																	860	7		
Raymond King																	538	8		
Woodyard Grill														484	10	507	9			
GPS Newberry West																464	10			
Booker T Hunt Funeral	598	8	538	8	339	9	575	7	810	5					523	9				
Hitchcocks	573	9	658	6	445	7					467	9	419	9	964	7				
Maronda Homes			684	5										667	8					
Watson Construction					758	4	362	11												
Hardees Phase 3 Star	1,259	3	972	6	415	8	546	8	443	10			1,078	5						
Inspired Energy											826	6	1,070	6						
Mac Johnson Roofing									616	7	384	10	384	10						
J2 Engineering	883	4	325	10																
Newberry's Backyard BBQ	615	6	588	7	686	5	610	6	1,083	4										
B&K Carwash					335	10														
Villagio's Pizzeria									636	6										
Red Wok Buffet	474	10	434	9	568	6	450	9												
Mary Ellen			853	4																

Source: City Utility Records

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 1,080,898	\$ 1,047,635	96.9%	\$ 396	\$ 1,047,827	97.0%
2014	1,281,311	1,238,473	96.7%	882	1,238,786	96.7%
2015	1,317,312	1,272,857	96.6%	788	1,273,096	96.7%
2016	1,321,096	1,275,872	96.6%	1,111	1,276,070	96.6%
2017	2,229,962	2,150,778	96.4%	5,306	2,151,592	96.5%
2018	2,369,571	2,321,570	98.0%	2,771	2,324,341	98.0%
2019	2,648,528	2,445,196	94.7%	3,888	2,445,196	94.7%
2020	2,792,045	2,684,664	96.2%	13,287	2,697,951	96.6%
2021	2,957,529	2,844,220	96.2%	3,145	2,847,365	96.3%
2022	3,281,936	3,162,721	96.4%	-	3,162,721	96.4%

Source: Alachua County Tax Collector

DEBT CAPACITY INFORMATION

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

Fiscal Year	Governmental Activities		Business-Type activities			Percent of Personal Income	Debt Per Capita
	General Government Bonds	Financing Loans/Capital Leases	Utility Revenue Bonds	Loans/Capital Leases	Total Government		
2010	\$ 636,930	\$ 218,590	\$ 762,017	\$ -	\$ 1,617,537	0.0%	324
2012	7,178,560	58,781	1,410,232	-	8,647,573	0.0%	1,658
2013	6,728,133	212,239	633,913	2,773,779	10,348,064	1.4%	1,949
2014	5,925,000	-	-	3,219,265	9,144,265	1.5%	1,678
2015	5,775,000	-	-	3,078,330	8,853,330	1.4%	1,580
2016	4,359,000	-	1,345,562	-	5,704,562	0.0%	1,262
2017	-	395,000	-	2,787,745	3,182,745	1.1%	536
2018	-	-	-	2,637,973	2,637,973	1.0%	422
2019	-	-	-	2,485,133	2,485,133	0.8%	378
2020	-	-	-	2,329,157	2,329,157	0.7%	339
2021	-	-	-	1,802,850	1,802,850	0.5%	235
2022	-	19,384	-	2,300,242	2,319,626	N/A	288

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

Notes: There are no legal debt limits for Florida Municipalities.
Details regarding the City's per capita personal income can be found on Schedule 15.
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Personal Income not available for 2022 at the time of issuance.

Schedule 12
CITY OF NEWBERRY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
None	\$ -	100%	\$ -
Total Direct Debt Outstanding	<u>-</u>		<u>-</u>
Overlapping:			
Alachua County Board of County Commissioners			
Public Improvement Revenue Note, 2014	3,188,000	3.19%	101,697
Capital Improvement Revenue Note, 2015A	1,622,000	3.19%	51,742
Public Improvement Revenue Refunding Note, 2015B	7,178,000	3.19%	228,978
Public Improvement Revenue Refunding Note, 2016	6,245,000	3.19%	199,216
Public Improvement Revenue Note, 2017	1,074,000	3.19%	34,261
Capital Improvement Revenue Refunding Note, 2017	665,000	3.19%	21,214
Local Option Gas Tax Revenue Note, 2018	8,610,000	3.19%	274,659
2020A Capital Improvement Revenue Note	3,060,000	3.19%	97,614
2020B Capital Improvement Revenue Note	3,940,000	3.19%	125,686
2020C Capital Improvement Revenue Bond	11,190,000	3.19%	356,961
Capital Lease Payable - ACSO Equip, 2020/2022	1,466,441	3.19%	46,779
Tourist Development Tax Revenue Note, 2021AB	29,885,000	3.19%	953,332
School Board of Alachua County			
Bus Purchase 2020	4,542,887	3.19%	144,918
Certificates of Participation	95,490,000	3.19%	3,046,131
Qualified School Construction Bonds	11,211,997	3.19%	357,663
Build America Bonds	<u>2,941,868</u>	3.19%	<u>93,846</u>
Total Overlapping Debt	<u>192,310,193</u>		<u>6,134,695</u>
Total Government Activities Debt	<u>\$ 192,310,193</u>		<u>\$ 6,134,695</u>

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

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

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

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

Series 2008 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2013	\$ 92,504	\$ 75,427	\$ 17,077	1.00
2014	92,504	78,036	14,467	1.00
2015	92,504	80,736	11,767	1.00
2016	92,504	83,530	8,974	1.00
2017	92,504	86,420	6,084	1.00
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-

Series 2015 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2013	\$ -	\$ -	\$ -	-
2014	-	-	-	-
2015	-	-	-	-
2016	1,493,930	1,416,000	77,930	1.00
2017	4,436,298	4,359,000	77,298	1.00
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-

Nations Park Series 2010
Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2013	\$ 616,707	\$ 375,000	\$ 241,707	1.00
2014	612,571	385,000	227,571	1.00
2015	612,970	400,000	212,970	1.00
2016	5,965,425	5,925,000	40,425	1.00
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-

Source: City of Newberry Financial Reports

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

Fiscal Year	Operating Revenue (1)	Direct Operating Expenses (2)	Net Available for Debt Service (3)	Debt Service		Coverage
				Principal	Interest	
2013	\$ 1,424,320	\$ 782,113	\$ 642,207	\$ 42,452	\$ 65,690	5.94
2014	1,372,295	898,759	473,536	718,333	45,770	0.62
2015	1,521,106	797,352	723,754	140,935	64,581	3.52
2016	1,855,182	884,658	970,524	143,820	61,696	4.72
2017	1,862,949	1,046,593	816,356	146,765	58,752	3.97
2018	2,182,661	1,099,122	1,083,539	149,772	55,745	5.27
2019	2,309,052	1,250,893	1,058,159	152,841	52,675	5.15
2020	2,725,329	1,341,269	1,384,060	155,976	49,541	6.73
2021	2,894,862	1,327,159	1,567,703	566,867	42,015	2.57
2022	3,341,336	1,534,988	1,806,348	126,144	32,949	11.35

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

- Notes:**
- (1) Operating Revenue includes investment earnings and other miscellaneous income (excludes capital contributions and grants)
 - (2) Direct Operating Expenses exclude depreciation and amortization.
 - (3) A large portion of Water and Wastewater Development Fees may be used to pay debt service and are included in the Net Available for Debt Service Figure.
 - (4) The City paid off the remainder of the outstanding SRF Water loan payable in fiscal year 2021.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 15
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	City Population	Gainesville MSA		Per Capita Personal	Total Personal Income	Unemployment Rate
		Population	Income			
2013	5,309	268,232	38,225	\$	202,936,525	4.9%
2014	5,450	270,382	38,903		212,021,350	4.6%
2015	5,604	273,377	40,199		225,275,196	4.5%
2016	5,778	277,163	41,008		236,944,224	4.4%
2017	5,942	280,708	41,718		247,888,356	3.1%
2018	6,249	280,715	44,390		277,393,110	2.7%
2019	6,573	285,072	44,880		294,996,240	2.8%
2020	6,873	289,857	45,666		313,862,418	4.3%
2021	7,684	328,517	47,302		363,468,568	3.0%
2022	8,066	351,001	50,623		408,325,118	2.4%

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

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

Employer	2022	
	Number of Employees	Rank
School Board of Alachua County	226	1
Argos	113	2
Inspired Energy	105	3
Bounds Heating and Air	80	4
City of Newberry	70	5
Southern Fuelwood	64	6
Gourmet Rodent	53	7
Tropic Traditions	30	8
Watson Construction	28	9
Greenfield Preschools	17	10

Employer	2013	
	Number of Employees	Rank
School Board of Alachua County	161	1
City of Newberry	57	2
Southern Fuelwood	55	3
Bounds Heating and Air	45	4
Watson Construction	10	5

Unable to obtain additional historical data

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

OPERATING INFORMATION

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

Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Administration										
City Manager	5.5	5.5	2.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Clerk	1.0	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Finance	-	-	2.6	2.6	2.7	2.7	3.0	3.0	4.0	4.0
Human Resources	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning	1.9	2.4	3.0	1.6	1.7	1.7	2.2	2.5	2.5	2.5
Facilities	2.0	1.4	2.2	2.7	2.9	2.2	3.0	3.0	3.0	4.5
Economic Development	-	-	-	1.0	1.0	1.0	0.5	0.5	0.5	0.5
Capital Improvement	-	-	-	-	-	-	-	-	-	0.5
Public Safety										
Fire	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0
Building	2.7	2.5	2.9	2.2	2.9	3.2	3.2	3.0	3.0	3.5
Code Enforcement	-	-	-	1.1	1.0	0.5	0.5	0.5	1.0	1.0
Physical Environment										
Electric	6.7	6.1	5.9	4.7	4.9	4.9	4.9	5.0	5.0	5.0
Water	3.7	3.8	3.6	2.8	2.4	3.0	3.0	3.0	3.0	3.0
Wastewater	3.9	3.7	3.0	2.8	2.4	2.9	3.0	3.0	3.0	3.0
Utility Administration	-	-	-	-	3.0	3.0	4.0	4.0	4.0	5.5
Customer Service	-	-	-	-	3.5	3.5	3.5	3.5	3.5	4.0
Public Works										
Cemetery	0.8	0.8	0.3	0.3	0.5	0.4	0.4	0.4	0.4	0.4
Streets & Roads	4.4	4.8	4.7	4.4	3.1	2.8	2.8	3.0	3.0	3.0
Solid Waste	-	-	-	0.2	0.5	0.5	0.5	0.5	0.5	0.5
Mosquito Control	-	-	-	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Culture and Recreation										
Parks & Recreation	9.7	9.0	8.4	9.4	9.5	7.2	6.7	6.7	7.5	6.5
Diamond Sports Park	2.4	2.9	2.6	2.5	2.3	1.4	-	-	-	-
MLK Community Center	-	-	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.1
Parks Maintenance	-	-	-	-	-	2.2	2.0	2.0	2.0	3.0
Total	57.5	56.9	57.3	57.0	62.9	61.8	61.9	62.3	65.6	70.1

Source: City of Newberry Annual Budget

*Departments added as needed to accommodate city growth

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

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Planning and Development:										
Local business tax receipts issued	466	509	360	485	421	279	278	238	260	286
Building permits issued	243	254	280	323	396	474	573	541	733	633
Fire:										
Number of Calls	816	840	853	937	933	918	1,028	1,035	1,088	1,160
ISO Rating	5	3	3	3	3/3x	3/3x	3/3x	3/3x	3/3x	3/3x
Culture and Recreation:										
Recreation sports programs	9	9	10	10	10	10	10	10	14	11
Recreation sports programs participants	542	630	693	655	654	666	859	794	1,003	1,474
Summer program participants	101	109	135	106	101	96	-	-	-	175
Electric Utility:										
Number of residential customers	1,319	1,384	1,409	1,469	1,512	1,587	1,665	1,785	1,913	2,058
Kilowatts per hour sold-residential	15,978,910	17,134,966	18,187,100	18,706,281	18,473,149	19,770,623	20,734,891	22,034,436	23,816,283	25,135,854
Number of non-residential customers	312	317	310	311	319	319	303	318	325	338
Kilowatts per hour sold- non-residential	14,574,965	14,957,584	15,641,552	15,703,703	15,576,182	16,327,580	16,814,325	16,268,108	17,684,088	17,047,983
Water Utility:										
Number of residential customers	1,464	1,528	1,567	1,666	1,729	1,846	1,955	2,072	2,224	2,357
Gallons sold	111,886,000	118,770,000	119,520,000	123,301,000	125,702,000	125,931,000	134,039,000	153,780,000	151,769,000	161,887,000
Number of non-residential customers	185	190	190	194	197	198	194	198	205	249
Gallons sold	22,995,000	24,639,000	22,387,000	33,511,000	35,226,000	35,718,000	40,289,000	42,619,000	39,264,000	33,679,000
Wastewater Utility:										
Number of residential customers	1,321	1,399	1,452	1,539	1,601	1,702	1,815	1,929	2,055	2,607
Gallons of wastewater billed to customers	101,712,000	109,059,000	110,486,000	112,209,000	113,187,000	113,855,000	121,785,000	139,519,000	140,730,000	148,931,000
Number of non-residential customers	144	151	155	158	160	162	161	162	168	201
Gallons of wastewater billed to customers	17,797,000	19,279,000	17,242,000	17,216,000	17,659,000	19,893,000	20,657,000	18,858,000	18,412,000	18,496,000
Irrigation:										
Number of residential customers	12	12	11	11	12	13	14	14	15	17
Gallons sold to residential customers	1,730,000	1,606,000	1,421,000	1,452,000	1,073,000	1,142,000	1,933,000	1,726,000	1,964,000	1,982,000
Number of non-residential customers	32	38	44	43	39	38	36	35	36	41
Gallons sold to non-residential customers	12,888,000	13,041,000	17,589,000	12,066,000	8,869,000	4,148,000	5,099,000	11,224,000	11,264,000	9,859,000
Solid Waste:										
Number of residential customers	1,424	1,501	1,551	1,632	1,696	1,798	1,918	2,033	2,168	2,308
Number of non-residential customers	0	0	71	107	109	114	115	122	125	126

Source: Various City Departments

*Zeros in solid waste indicate time prior to commercial service.

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety:										
Fire Station	1	1	1	1	1	1	1	1	1	1
Fire Apparatus	5	5	5	5	5	5	5	5	5	5
Public Services:										
Streets (miles)	38	38	38	38	38	40	42	42	50	62 *
Culture and Recreation:										
Parks	7	7	7	7	7	7	7	7	7	7
Baseball Fields	33	33	33	33	33	33	25	23	23	23
Community Centers	1	1	1	1	1	1	1	1	1	1
Water Utility:										
Wells	4	4	4	4	4	4	4	4	4	4
Elevated Tanks	2	2	2	2	2	2	2	2	2	2
Wastewater Utility:										
Treatment capacity (millions of gallons per day)	0.415	0.499	0.499	0.499	0.499	0.499	0.499	0.499	0.560	0.560
Lift Stations	25	25	25	26	26	26	26	26	26	28

Source: Various City Departments

Notes:

*Increase in street miles from 2022 to 2020 is mainly due to correction of errors identified in paved and unpaved street mileage reported to the State of Florida.

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

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

To the Mayor and City Commissioners
City of Newberry, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newberry, Florida (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a significant deficiency.

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To the Mayor and City Commissioners
City of Newberry, Florida

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

Report on Compliance and Other Matters

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

City's Response to Findings

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

Purpose of This Report

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

A handwritten signature in blue ink that reads "Purvis Gray".

June 23, 2023
Gainesville, Florida

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

To the Mayor and City Commissioners
City of Newberry, Florida

We have examined the City of Newberry, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2022. City management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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



June 23, 2023
Gainesville, Florida

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**CITY OF NEWBERRY, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<u>State Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract/Grant No.</u>	<u>Expenditures</u>
Florida Department of Environmental Protection			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0030	\$ 158,410
Wastewater Treatment Facility Construction	37.077	WW010800	647,114
Total Florida Department of Environmental Protection			<u>805,524</u>
Total Expenditures of State Financial Assistance			<u>\$ 805,524</u>

**CITY OF NEWBERRY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of the City of Newberry, Florida (the City) and is presented in accordance with the requirements of the *Florida Single Audit Act*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The schedule is prepared using the modified accrual basis of accounting.

Note 2 - Indirect Costs

The City has not elected to use the 10% de minimis cost rate as covered in the 200.414 indirect (F&A) costs.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Mayor and City Commissioners
City of Newberry, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited City of Newberry Florida's (the City) compliance with the types of compliance requirements described in the Department of Financial Services' State Projects *Compliance Supplement* that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2022. The City's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2022.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards and Chapter 10.550, *Rules of the Auditor General*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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To the Mayor and City Commissioners
City of Newberry, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, *Rules of the Auditor General*, will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major state projects as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

To the Mayor and City Commissioners
City of Newberry, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



June 23, 2023
Gainesville, Florida

**CITY OF NEWBERRY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Part I - Summary of Auditor's Results

- 1) The auditor's report on the basic financial statements contained unmodified opinions.
- 2) The audit disclosed no material weaknesses but did identify one significant deficiency in internal control over financial reporting.
- 3) No instances of non-compliance considered material to the financial statements were disclosed by the audit.
- 4) The audit did not report significant deficiencies or disclose material weaknesses in internal control over the state projects.
- 5) The auditor's report on compliance for the major state projects was unmodified.
- 6) The audit did not disclose findings relative to the major state projects.
- 7) The City's major project was:

<u>State Projects</u>	<u>CSFA No.</u>
Wastewater Treatment Facility Construction	37.077

- 8) A threshold of \$300,000 was used to distinguish between Type A and Type B projects for state projects.

Part II - Financial Statement Findings

2022-001—Timeliness of Bank Reconciliations - (Significant Deficiency)

Condition—Bank reconciliations were not completed on a timely basis during the year. During preliminary fieldwork we noted that the bank reconciliations were several months behind.

Criteria—Timely and accurate bank reconciliations are a key component of internal control over multiple financial reporting processes, including cash receipting, cash disbursements, and payroll functions, as one of the means of detecting possible errors or irregularities.

Effect—Lack of timely and accurate bank reconciliations could result in errors or irregularities not being detected on a timely basis.

Recommendation—We recommend that the city implements procedures to ensure that all bank accounts are reconciled within the following month, and that any identified discrepancies are properly investigated and corrected.

Part III - Findings and Questioned Costs - State Projects

None reported.

PURVIS GRAY

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE FOR
THE U.S. TREASURY CORONAVIRUS STATE AND LOCAL FISCAL
RECOVERY FUNDS PROGRAM (CSLFRF) REQUIREMENTS FOR AN
ALTERNATIVE CSLFRF COMPLIANCE EXAMINATION ENGAGEMENT**

To the Mayor and City Commissioners
City of Newberry, Florida

We have examined the City of Newberry, Florida’s (the City) compliance with the compliance requirements “activities allowed or unallowed” and “allowable cost/cost principles” (the specified requirements) as described in Part IV “Requirements for an Alternative Compliance Examination Engagement for Recipients that Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds” of the CSLFRF section of the 2022 OMB *Compliance Supplement* (referred to herein as Requirements for an Alternative CSLFRF Compliance Examination Engagement) during the year ended September 30, 2022. Management of the City is responsible for the City’s compliance with the specified requirements. Our responsibility is to express an opinion on the City’s compliance with the specified requirements based on our examination.

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

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

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 specified requirements referenced above during the year ended September 30, 2022.



June 23, 2023
Gainesville, Florida

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MANAGEMENT LETTER

To the Mayor and City Commissioners
City of Newberry, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Newberry, Florida (the City) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 23, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each State Project and Report on Internal Control Over Compliance Required by Chapter 10.550, *Rules of the Auditor General*, and Independent Accountant's Reports on examinations conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*, and the 2022 OMB *Compliance Supplement*. Disclosures in those reports, which are dated June 23, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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To the Mayor and City Commissioners
City of Newberry, Florida

MANAGEMENT LETTER

Financial Condition and Management

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

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

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

Specific Information

As require by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the City of Newberry Community Redevelopment Agency (CRA) reported:

- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year was 0.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the CRA's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as \$0.
- f. A budget variance based in the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$0.

To the Mayor and City Commissioners
City of Newberry, Florida

MANAGEMENT LETTER

Additional Matters

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

Purpose of this Letter

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



June 23, 2023
Gainesville, Florida

June 21, 2023

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

Re: City of Newberry FY21-22 10.550 Report

Dear Sir or Madam,

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

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

1) 2022-001 Timeliness of Bank Reconciliations. Management accepts this finding. This lapse was largely due to unforeseen management absences that temporarily impacted on our administrative efficiency. Management has taken proactive measures to address this issue. The city recently hired additional accounting staff to ensure the necessary staffing levels are maintained for crucial financial tasks.

As of the date of this letter, the city has successfully caught up and is currently up-to-date with the bank reconciliations. Management will continue to monitor and strive for improvement in this area, fully appreciating its importance in detecting possible errors or irregularities.

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

Sincerely,



Mike New, PE
City Manager

