

City of North Port, Florida



Annual Comprehensive Financial Report



Fiscal Year Ended September 30, 2022



Annual Comprehensive Financial Report

**For the Fiscal Year Ended
September 30, 2022**



CITY OF NORTH PORT, FLORIDA

Prepared by the Finance Department

***Kimberly Williams, CPA, CGFO, CPM
Finance Director***

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

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June 30, 2023

The Honorable Mayor and Vice-Mayor,
Members of the City Commission,
Citizens of the City of North Port
North Port, Florida

We are pleased to submit the *Annual Comprehensive Financial Report* of the City of North Port, Florida (the City) for the fiscal year ended September 30, 2022. The purpose of this report is to provide the City Commission, the citizens, financial institutions and other interested parties with detailed information concerning the financial condition and performance of the City of North Port. This report meets Florida Statute requirements that each local government entity publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants.

This report consists of management's representations concerning the finances of the City of North Port. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. The City of North Port has designed internal controls to provide reasonable, not absolute, assurance that the financial statements are free from any material misstatement. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived; and (2) that the evaluation of the costs and benefits requires estimates and judgments by management. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the City, and that all disclosures necessary to enable the reader to obtain a comprehensive understanding of the City's financial activity have been included.

The City's financial statements for the fiscal year ended September 30, 2022, have been audited by Mauldin & Jenkins LLC, a firm of licensed certified public accountants. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor's report on the basic financial statements, the combining and individual fund statements, and the supporting schedules is presented as the first component of the financial section.

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 the letter of transmittal and should be read in conjunction with this communication.

Profile of the City

The City of North Port was incorporated on June 18, 1959. The City is managed under a Commission-City Manager form of government. The legislative and governing body of the City consists of five elected citizens who are qualified voters in the City. The five elected commissioners annually select a Mayor. Each commissioner is elected to a four-year staggered term. There is a limit of two terms that any commissioner may serve. The Commission appoints the City Manager, who is the chief administrative officer of the City and directs the business of the City and its various departments. The Commission determines policy, adopts legislation, approves the City’s budget, sets taxes and fees, and appoints the City Clerk, Deputy City Clerk and the City Attorney.

The City of North Port provides a range of municipal services. Public Safety operations include police and fire protection, as well as emergency medical services, building, code enforcement and zoning. Recreational services include neighborhood parks, a skate park facility and recreational centers. Public Works provides essential street and road maintenance, drainage, traffic signalization, landscape maintenance, as well as solid waste collection. Public Utilities provides water and sewer service and reuse water for irrigation. Other services provided include planning, engineering, economic development, as well as general administrative services.

The annual budget serves as the foundation for the City’s financial planning and control functions. All departments of the City are required to submit requests for appropriation to the City Manager each year. The City Manager uses these requests as the starting point for developing a recommended budget. The City Manager then presents this recommended budget to the Commission for review during the month of July. The Commission is required to hold public hearings on the proposed budget and adopt a final budget no later than September 30, the close of the City’s fiscal year. The appropriated budget is prepared by fund, function and department. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund as well as for major special revenue funds, the comparison is presented as required supplementary information. For other governmental funds, the budget-to-actual comparison is presented in the combining and individual fund statements and schedules subsection.

Local Economy

The City of North Port is the southernmost city in Sarasota County, midway between the cities of Tampa and Fort Myers, with a total land area of 104.1 square miles making it one of the largest cities in Florida.

As of the 2020 census data, North Port is Sarasota County’s largest municipality in population. The population of North Port has steadily increased from 59,231 in 2013 to 81,823 in 2022.

For the fiscal year 2022, the City adopted a millage rate of 3.7667 mils. Ad valorem taxes make up approximately 39% of the budgeted General Fund revenues, excluding transfers and fund balance.

Long-term Financial Planning

The City of North Port's Capital Improvement Program (CIP) consists of capital projects that reflect the City's infrastructure needs over a five-year time frame and includes assets with long term value, such as buildings, roads, bridges and parks. The CIP not only includes on-going capital requirements but also includes capital additions that are necessary to comply with the Community Planning Act, as amended. The Community Planning Act requires the adoption of a Comprehensive Plan which details the additional infrastructure necessary to handle projected population increases. The CIP differentiates these capital projects from those of an on-going nature by designating them as level of service projects.

The primary objective of the City's investment program is the preservation of capital. Investment transactions are managed so as to avoid loss of principal, whether by security default or by erosion of market value. Generally, operating capital is invested locally in earnings-based checking accounts. The remainder of the City's funds are invested according to the City's investment policy, which is adopted by the Commission and may only be amended by the Commission. The most recent amendment was adopted on April 26, 2016 by City Ordinance 2016-10.

The City adopted its current Fund Balance Policy with Resolution No. 2020-R-26. This policy established fund balance ranges for the following operating funds of the City: General Fund, Road and Drainage District, Fire Rescue District, Solid Waste District and Building Fund. The City is to retain an emergency/disaster reserve of 20% of each fund's operating expenditures. These funds are to be used, as declared appropriate by the City Commission, to ensure the maintenance of services to the public during non-routine and unforeseen disaster situations. If utilized, these reserves must be replenished either through appropriation during the next budget cycle, or a Commission approved written plan for the restoration of the fund balance to an amount within the acceptable percentages. Additionally, the City is to maintain an economic stabilization reserve of up to 10% of the fund's operating expenditures. These budget stabilization reserves are to be used for short-term cash flow purposes, unanticipated expenditures of a non-recurring nature, to meet unexpected immediate increases in service delivery costs, or to maintain service levels in the event that an economic downturn should cause a shortfall in revenues. The City may exceed the ten percent (10%) threshold if authorized by a majority vote of the City Commission. In the event of a surplus, appropriations of fund balance may be set aside for specific purposes such as anticipated budgetary shortfalls, reduction of long-term debt, pension contribution stabilization, capital projects, or capital asset renewal and replacement funds. Budget stabilization reserves and are not to be utilized for operating purposes.

Major Initiatives/Projects

- City Hall emergency generator installation
- Disc golf course construction
- Public safety training complex/tower
- Wellen Park public safety building
- Police Department license plate readers acquisition
- Fire Station 81 fire engine acquisition
- Technology network infrastructure upgrades
- Land acquisitions for drainage infrastructure access
- Road maintenance and rehabilitation
- Drainage system improvements
- Water control structure rehabilitation program
- Sidewalks, bike lanes and pedestrian bridge construction/repair
- Solid Waste vehicle acquisitions
- Water plant security upgrades
- Future Utilities administration building land acquisition
- Water transmission service improvements
- Myakkahatchee Creek water treatment plant improvements
- Lift/booster station rehabilitation

Awards and Acknowledgements

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 North Port for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the twenty-sixth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2021, the same period covered by this annual comprehensive financial report. This was the fifteenth consecutive year that the City received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, organization, and as a communications medium.

This annual comprehensive financial report represents countless hours of preparation and could not have been accomplished without the dedicated efforts of the Finance Department. A special note of appreciation is extended to these employees for their work to ensure the timeliness and accuracy of this report.

The fiscal responsibility exhibited by the North Port City Commission throughout this fiscal year and over time is commendable. The Commission's leadership in the fiscal matters of the City combined with their dedication and commitment to the citizens truly set North Port apart.

Sincerely,



A. Jerome Fletcher II, ICMA-CM, MPA
City Manager



Kimberly Williams, CPA, CGFO, CPM
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of North Port
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

City of North Port, Florida

*Principal Officers
As of September 30, 2022*

City Commission

Pete Emrich, Mayor
Barbara Langdon, Vice-Mayor
Jill Luke, Commissioner
Debbie McDowell, Commissioner
Alice White, Commissioner

City Manager

A. Jerome Fletcher II

Assistant City Managers

Jason L. Yarborough
Juliana B. Bellia

Department Directors

| | |
|----------------------|-----------------------------------|
| Charles C. Speake | Public Works |
| Sandra Pfundheller | Parks and Recreation |
| Kimberly P. Williams | Finance |
| Christine V. McDade | Human Resources/Risk Management |
| Nancy E. Gallinaro | Public Utilities |
| Scott A. Titus | Fire Rescue/EMS |
| Todd R. Garrison | Police |
| Alaina D. Ray | Neighborhood Development Services |

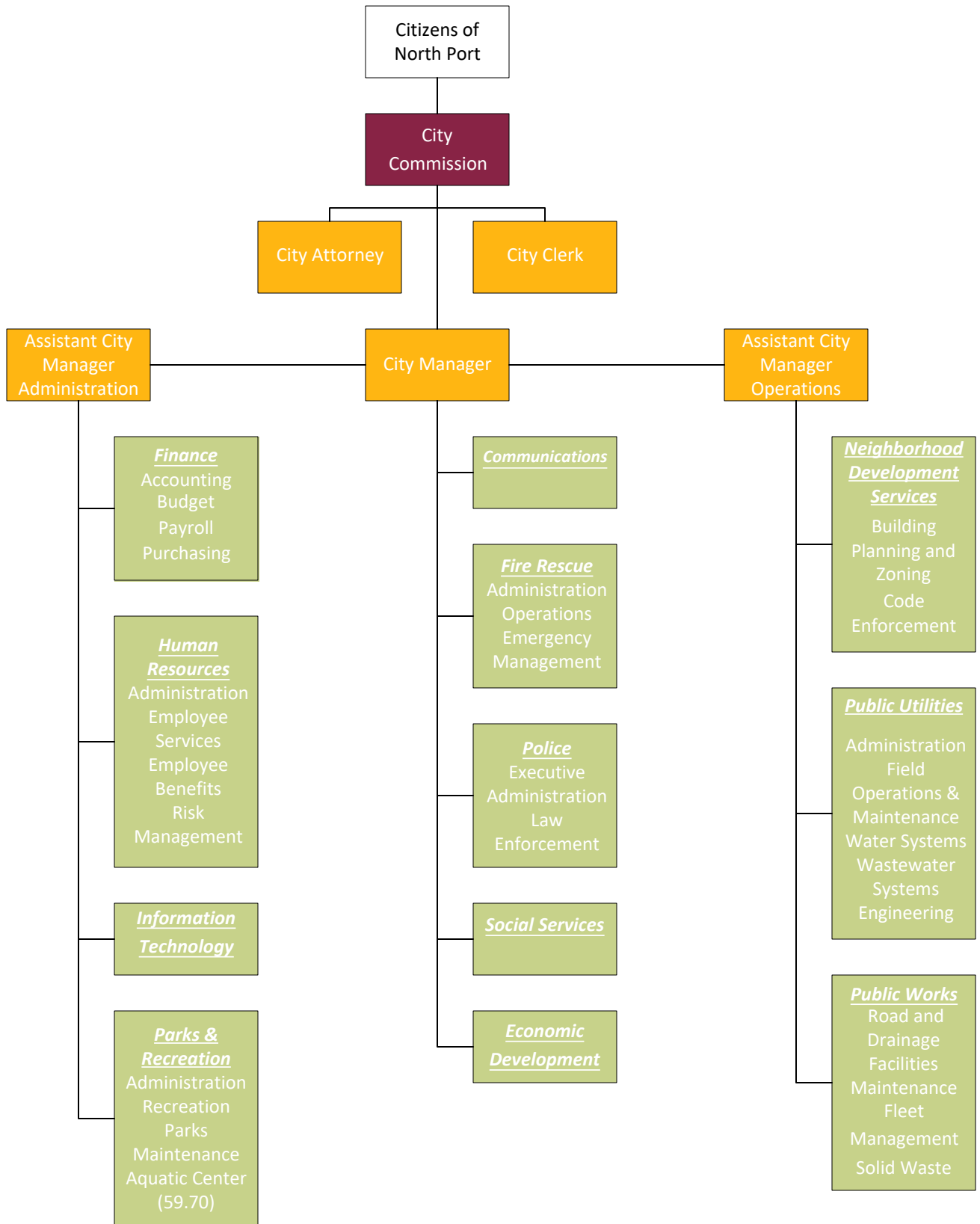
City Clerk

Heather L. Faust

City Attorney

Amber L. Slayton

City of North Port Organizational Chart



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Commission
and City Manager
City of North Port, 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 North Port, 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 of North Port, Florida, 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.

Emphasis of Matter

As of October 1, 2021, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 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 and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 30, 2023

Management's Discussion and Analysis

As management of the City of North Port (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. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report and the City's financial statements beginning on page 23.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$624,349,249 (*net position*). Of this amount, \$447,859,746 represents net investment in capital assets (*capital assets net of related debt*); \$147,488,193 is restricted for specific purposes (*restricted net position*) and the remaining portion represents *unrestricted net position* of \$29,001,309. The readers of this report should refer to the fund level statements to get a better understanding of which activities the unrestricted net position is applicable to.
- Total net position increased by \$39,244,065 during the year compared to a \$36,207,730 increase in the prior year.
- Total revenues were \$185,820,051, which was \$27,474,328 or 17.35 percent higher than last year.
- Total expenses were \$146,575,986, an increase of \$24,437,993 or 20.01 percent from last year.
- At the close of fiscal year 2022, the City's governmental funds reported combined ending fund balances of \$157,443,023, an increase of \$22,459,566 in comparison with the prior year.
- At the close of fiscal year 2022, unassigned fund balance for the general fund was \$21,068,206 or 39.39% of total general fund expenditures.

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 are comprised of 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.

City of North Port, Florida
Management's Discussion and Analysis
September 30, 2022

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 private-sector financial statements.

The *Statement of Net Position* presents information on all of the City's assets plus deferred outflows of resources less 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.

The *Statement of Activities* presents revenue and expenses and shows how the government's net position changed during the most recent fiscal year. All changes in net position are reported in a manner similar to the approach used by private sector business in that revenues are recognized when earned or established criteria are satisfied, and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

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, human services and economic environment. The business-type activities of the City include the water and sewer utilities.

The City's government-wide financial statements can be found on pages 23-25 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of North Port, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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*, as well as on *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.

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

City of North Port, Florida
Management's Discussion and Analysis
September 30, 2022

provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of North Port maintains many 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, the Road and Drainage District Special Revenue Fund, the Fire Rescue District Special Revenue Fund, the Solid Waste District Special Revenue Fund and the Surtax Capital Projects Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined in a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual budget as described in Note B to the financial statements. A budgetary comparison statement has been provided in the Required Supplementary Information for the General Fund and each major special revenue fund with a legally adopted budget in order to demonstrate compliance with this budget. Budgetary comparison schedules for nonmajor governmental funds and major capital projects funds are presented in the *combining and individual fund statements and schedules* section elsewhere in this report.

The basic governmental fund financial statements can be found on pages 26-32 of this report.

Proprietary Funds. The City maintains two types of proprietary funds. An *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its Water and Sewer Utilities.

An *internal service fund* is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City has two separate internal service funds to account for its self-insurance programs. The first internal service fund is used to account for the costs of providing coverage for workers' compensation, vehicle, and general liability/property. The second, is used to account for the provision of medical benefits to City employees and their dependents. Because these funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type information as reported as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the major enterprise fund, which is the Water and Sewer Utility System. All internal service funds are considered to be non-major funds and are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary funds financial statements can be found on pages 33-37.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide

City of North Port, Florida
Management's Discussion and Analysis
September 30, 2022

financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 38-39 of this report.

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 40-83 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information.

Required and other supplementary information can be found on pages 86-151 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. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$624,349,249 at the close of the most recent fiscal year for the City of North Port.

A major portion of the City's net position (72%) reflects its investment in capital assets such as land, buildings, various infrastructure, equipment, and construction in progress, less any related outstanding debt used to acquire those assets. The City of North Port uses these capital assets to provide services to its 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.

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Following is a summary chart of the City's net position for fiscal years ending 2022 and 2021:

City of North Port's Net Position

| | Governmental Activities | | Business-type Activities | | Totals | |
|--------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Current and other assets | \$ 189,423,976 | \$ 147,869,550 | \$ 62,168,397 | \$ 59,530,361 | \$ 251,592,373 | \$ 207,399,911 |
| Capital assets | 303,153,807 | 293,472,942 | 192,273,321 | 187,062,099 | 495,427,128 | 480,535,041 |
| Total assets | 492,577,783 | 441,342,492 | 254,441,718 | 246,592,460 | 747,019,501 | 687,934,952 |
| Deferred outflows of resources | 29,450,048 | 28,939,043 | 1,831,157 | 1,702,055 | 31,281,205 | 30,641,098 |
| Long-term liabilities | 88,681,329 | 62,953,569 | 22,798,258 | 23,230,450 | 111,479,587 | 86,184,019 |
| Other liabilities | 17,197,691 | 8,977,809 | 6,678,387 | 6,250,230 | 23,876,078 | 15,228,039 |
| Total liabilities | 105,879,020 | 71,931,378 | 29,476,645 | 29,480,680 | 135,355,665 | 101,412,058 |
| Deferred inflows of resources | 18,384,172 | 29,611,807 | 211,620 | 2,447,001 | 18,595,792 | 32,058,808 |
| Net position: | | | | | | |
| Net investment | | | | | | |
| in capital assets | 273,461,654 | 263,234,471 | 174,398,092 | 165,675,300 | 447,859,746 | 428,909,771 |
| Restricted | 132,875,642 | 107,396,978 | 14,612,552 | 16,096,496 | 147,488,194 | 123,493,474 |
| Unrestricted | (8,572,657) | (1,893,099) | 37,573,966 | 34,595,038 | 29,001,309 | 32,701,939 |
| Total net position | \$ 397,764,639 | \$ 368,738,350 | \$ 226,584,610 | \$ 216,366,834 | \$ 624,349,249 | \$ 585,105,184 |

An additional portion of the City's net position (24%) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position (\$29,001,309 or 4.6%) may be used to meet the government's ongoing obligations to citizens and creditors within the specified purposes of the individual funds.

As of September 30, 2022, the City is able to report positive balances in all three categories of net position for the government as a whole. The same situation held true for the prior fiscal year.

There was an increase of \$23.9 million in restricted net position reported for fiscal year 2022. This increase was primarily due to the accumulation of funds for multi-year capital projects not yet completed.

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Governmental Activities. Governmental activities increased the City's net position by \$29,026,289 as the result of current fiscal year activities, accounting for 74% of the total growth in the City's net position.

- Total governmental activities revenues increased \$22,860,570, or 18.12% in comparison to the prior year.
- Total general revenues increased \$1,027,482 (1.94%). Ad valorem taxes (\$2,431,266) increased in the current fiscal year due to continued construction growth, and increased property values in the City. Additional increases included discretionary sales surtax (\$3,204,834), the one-half local sales tax (\$1,509,870) and the state shared revenues (\$904,441) due to the partial recovery following the decreased travel and tourism caused by the coronavirus pandemic experienced during FY 2021. Partially offsetting these increases were decreases in investment earnings (\$4,436,924) as a result of the unfavorable economy.
- Charges for services increased \$9,523,658 (15.92%) during the current fiscal year. Non-ad valorem revenues for the three districts increased in FY 2022 compared to FY 2021: the Road and Drainage District's revenues rose approximately \$483,100 due to residential growth and the 1% rate increase; the Fire Rescue District's revenues rose approximately \$1.5 million mainly due to the 4.5% rate increase; and the Solid Waste District's revenues increased over \$524,300 due to residential growth and the 2% rate increase. Also, Road and Drainage District's licenses and permits fees rose over \$106,600; and construction traffic road fees increased over \$58,100 all due to the rise in construction activity. Solid Waste commercial collections also rose over \$38,700 due to the growth in commercial accounts, service initiation fees increased over \$204,100 due to the rise in construction activity, and recycling sales increased over \$214,600 due to the market value increase for this activity. Aquatic center revenues increased over \$190,800 due to the continued rise in attendance. Emergency Medical Services revenue increased over \$702,800 due to increased ambulance transports. Finally, there was an increase of approximately \$980,300 in service revenue due to the Fleet department for fuel due to both increased average fuel rates and the expansion of total vehicles compared to fiscal year 2021.
- Operating grants and contributions decreased \$2,158,311 in the current year due mainly to the following contribution of a one-time amount in FY 2021: Coronavirus Aid, Relief & Economic Security (CARES) Act funds (\$2,022,694).
- Capital grants and contributions increased \$14,467,740 in fiscal year 2022 mainly due to the dedication of the Wellen Park Public Safety Building valued at \$12,166,251 and receipt of the American Rescue Plan Act (ARPA) funds of \$3,972,285. This is partially offset by a decrease in impact fees collected (\$1,182,388). This is due to a decrease in total residential and multi-family certificates of occupancies issued as well as a decrease in square footage of new commercial builds.

City of North Port, Florida
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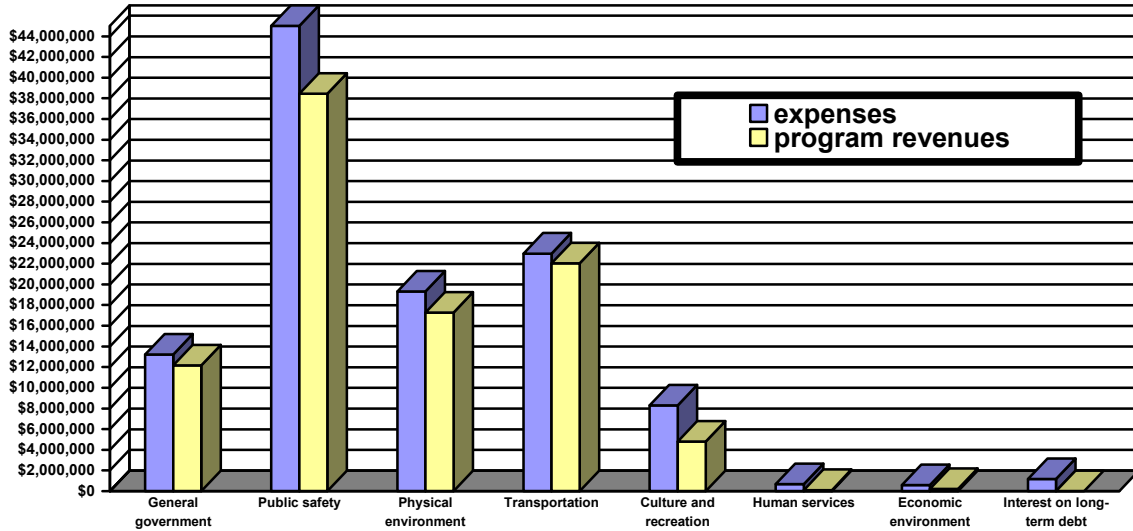
- Governmental activities expenses increased \$21,774,826 (22.16%) during the current year. In comparison to last fiscal year, FRS pension expense (per the actuarial valuations) increased \$4,635,077, particularly for public safety (\$2,816,894) and general government (\$857,993), due to changes in the City's proportionate share. Salaries and wages for fiscal year 2022 increased over \$3.5 million; health insurance costs rose over \$466,000; and Florida Retirement System (FRS) employer contributions increased over \$985,600. In fiscal year 2021, thirty-four new positions were added to expand the city's current level of services. Many of these positions were not filled immediately in FY 2021 and some were not filled until fiscal year 2022. Due to the lag time in hiring new personnel, annual cost of living adjustments and merit increases, the personnel costs listed above rose over \$5.8 million in the current fiscal year. Overtime increased approximately \$598,700 due to employee turnover and the lag time in hiring new personnel; risk insurance increased over \$341,900; and workers compensation increased approximately \$34,300. Compensated absences rose over \$1.3 million, again public safety incurring the largest increases (\$822,391). Further, there was a decrease in capital contributions in that the \$6.5 million toward River Road and West Villages Improvement District for fiscal year 2021 was reduced to \$2.1 million in fiscal year 2022 according to interlocal and impact fee agreements. This was partially offset by an increase to routine road maintenance (\$6,665,452).

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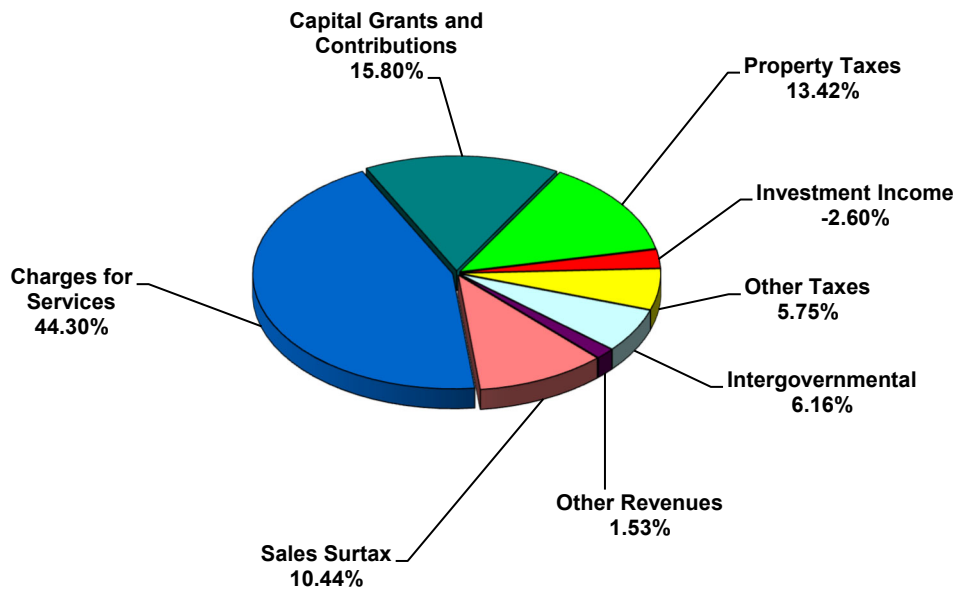
City of North Port's Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$69,346,120 | \$59,822,462 | \$30,515,129 | \$28,078,141 | \$99,861,249 | \$87,900,603 |
| Operating grants and contributions | 948,174 | 3,106,485 | - | - | 948,174 | 3,106,485 |
| Capital grants and contributions | 24,730,204 | 10,262,463 | 8,302,715 | 4,438,481 | 33,032,919 | 14,700,944 |
| General Revenues: | | | | | | |
| Ad valorem taxes | 21,016,140 | 18,584,874 | - | - | 21,016,140 | 18,584,874 |
| Discretionary sales surtaxes | 16,341,885 | 13,137,051 | - | - | 16,341,885 | 13,137,051 |
| Other taxes | 9,008,500 | 7,676,459 | - | - | 9,008,500 | 7,676,459 |
| Intergovernmental | 9,643,518 | 11,063,890 | - | - | 9,643,518 | 11,063,890 |
| Other | (2,616,582) | 2,036,805 | (1,415,752) | 138,612 | (4,032,334) | 2,175,417 |
| Total Revenues | 148,417,959 | 125,690,489 | 37,402,092 | 32,655,234 | 185,820,051 | 158,345,723 |
| Expenses: | | | | | | |
| Governmental Activities: | | | | | | |
| General government | 13,222,228 | 6,808,432 | - | - | 13,222,228 | 6,808,432 |
| Public safety | 53,765,168 | 45,626,047 | - | - | 53,765,168 | 45,626,047 |
| Physical environment | 19,323,149 | 16,640,855 | - | - | 19,323,149 | 16,640,855 |
| Transportation | 22,977,494 | 20,032,330 | - | - | 22,977,494 | 20,032,330 |
| Culture & recreation | 8,291,462 | 6,966,109 | - | - | 8,291,462 | 6,966,109 |
| Human services | 679,048 | 559,609 | - | - | 679,048 | 559,609 |
| Economic environment | 589,602 | 378,854 | - | - | 589,602 | 378,854 |
| Interest on long-term debt | 1,169,319 | 1,230,408 | - | - | 1,169,319 | 1,230,408 |
| Business-type Activities: | | | | | | |
| Water and sewer | - | - | 26,558,516 | 23,895,349 | 26,558,516 | 23,895,349 |
| Total Expenses | 120,017,470 | 98,242,644 | 26,558,516 | 23,895,349 | 146,575,986 | 122,137,993 |
| Change in net position before transfers | 28,400,489 | 27,447,845 | 10,843,576 | 8,759,885 | 39,244,065 | 36,207,730 |
| Transfers | 625,800 | 492,700 | (625,800) | (492,700) | - | - |
| Change in Net Position | 29,026,289 | 27,940,545 | 10,217,776 | 8,267,185 | 39,244,065 | 36,207,730 |
| Net Position-beginning | 368,738,350 | 340,797,805 | 216,366,834 | 208,099,649 | 585,105,184 | 548,897,454 |
| Net Position-ending | \$397,764,639 | \$368,738,350 | \$226,584,610 | \$216,366,834 | \$624,349,249 | \$585,105,184 |

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

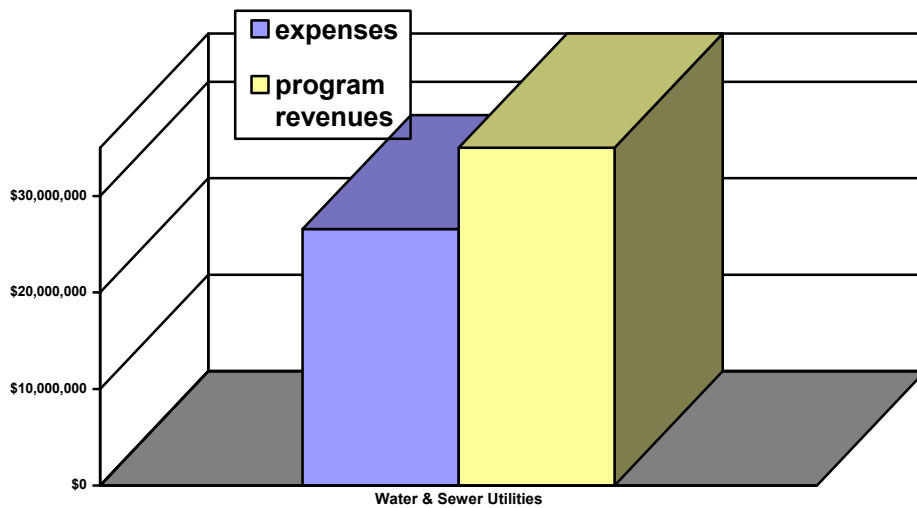


**Excludes transfers-in*

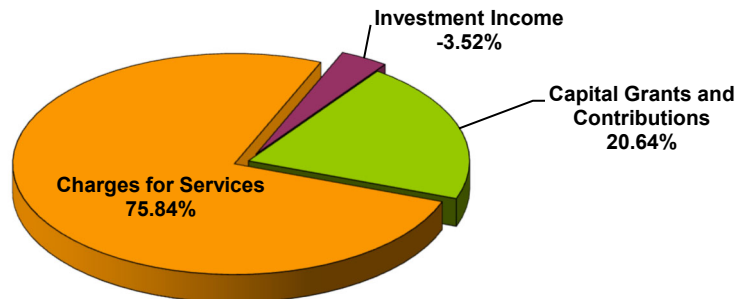
Business-type Activities. Business-type activities were responsible for an increase of \$10,217,776 in the total change of net position as the result of current fiscal year activities. The key elements causing the increase in the current fiscal year are:

- Developer contributed assets of approximately \$4,838,472 were capitalized during the fiscal year.
- Water and sewer impact fees collected for the fiscal year were \$3,151,166.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



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Financial Analysis of the City's Funds

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

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.

At the close of fiscal year 2022, the City's governmental funds reported combined ending fund balances of \$157,443,023, an increase of \$22,459,566 in comparison with the prior year. Approximately 13.4% of this total amount (\$21,068,206) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance available for spending is restricted, committed or assigned; these totaled \$136,374,817 or 86.6% of ending fund balance. Of this amount, \$122,543,515 is restricted by law or externally imposed requirements, \$9,745,730 is committed for specific purposes by the Commission and \$3,287,156 is assigned for various purposes. There was also an amount of non-spendable fund balance totaling \$798,416 or 0.51% of ending fund balance.

The General Fund is the chief operating fund of the City. The General Fund manages approximately 40% of the total governmental revenues. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$21,068,206 while the total fund balance was \$24,687,865. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 39.39% of total General Fund expenditures, while total fund balance represents 46.16% of that same amount.

The fund balance of the City's General Fund increased \$4,127,409 during the current fiscal year. The key factor for this increase was the excess of revenues over expenditures. Ad valorem taxes increased over \$2.43 million compared to last fiscal year due to the increase of approximately \$627.2 million in the taxable value of real estate located in North Port. Also, special assessments revenue rose over \$877,400 due to the electric utility service tax increase from 2% to 6%. Although revenues increased over last fiscal year (\$4,570,460), the rise in expenditures (\$5,120,751) compared to fiscal year 2021 exceeded the rise in revenue.

In the governmental funds, a final budget to actual comparison is done. A favorable budget variance is referred to as a positive variance or gain, while an unfavorable budget variance is referred to as a negative variance or loss. Budget variances occur because budget forecasting is a plan and the City is unable to predict the future with complete accuracy. The General Fund had some noteworthy positive variances in City Attorney's budget (\$136,787), Planning and Zoning (\$755,585), Information Technology (\$124,282), Facilities Maintenance (\$148,482), Building (\$305,936), Emergency Medical Services (\$308,698), Economic Environment (\$120,281), North Port Aquatic Center (\$147,140), and Park Maintenance (\$203,062). The City Attorney's office utilized outside legal service less than budgeted (\$122,749). The Planning and Zoning consultant fees were lower than budgeted

City of North Port, Florida
Management's Discussion and Analysis
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because only a small portion of the ULDC update occurred in fiscal year 2022. Also, Activity Center 6 Master Plan (\$95,000), and the Activity Center Overlay (\$150,000) budgeted for FY 2022 did not occur in the current year. Finally, funds were budgeted in contracted services to fulfill staffing needs for temporary planners and professional planning staff, however only a small amount was expended resulting in positive variance (\$230,226). Savings in the Information Technology budget occurred in subscriptions and memberships (\$44,260) as well as in personnel due to employee turnover and attrition (\$64,984). The most notable savings for Emergency Medical Services was in personnel expenditures which were lower than budgeted due to employee turnover (\$207,130). Economic development had savings of over \$48,201 in professional services due to ongoing projects including a competitive analysis & opportunity study and the development of a stand-alone webpage. Also, the department had savings in promotional activities (\$23,517) as expenditures were lower than expected. The North Port Aquatic Center experienced savings in personnel due to employee turnover and attrition (\$126,353). Parks Maintenance expended less than expected in operating accounts (\$141,719), particularly in repair and maintenance as well as contracted services. Finally, the Police Department experienced a personnel budget overage due to an increase in overtime which was partially offset by a savings in straight-time wages (\$497,155).

The fund balance of the Road and Drainage District increased \$224,457 in fiscal year 2022 due to the excess of revenues over expenditures. The District's non ad-valorem assessments rose approximately \$483,000 due to increased rates and residential growth, however this was offset by notable decreases in revenue. Intergovernmental revenue decreased due to the Biscayne bike lane grant completion in fiscal year 2021 (\$574,381) as well as investment earnings (\$732,619). The District's expenditures increased compared to the last fiscal year, particularly in routine road maintenance (\$2,217,196) and infrastructure (\$301,338).

The fund balance of the Fire Rescue District increased \$6,283 during the current fiscal year. The District's non-ad valorem revenues rose over \$1,498,000 mainly due to the 4.5% rate increase and the increase in the number of developed properties. The District's expenditures also increased by \$1,016,791, the bulk of which was due to personnel (\$415,163), indirect cost allocation (\$267,080), and the public safety training building construction (\$305,029).

The fund balance of the Solid Waste District increased by \$1,235,132 during the current fiscal year. In the current fiscal year, the District's non-ad valorem residential assessment increased 2% to \$250 per residence. The rise in the number of developed properties caused revenues to rise over \$450,000. Recycling sales and service initiation fees increased approximately \$214,692 and \$204,137, respectively, due to the rise in residential and commercial accounts. This is offset by decreases in disposal of fixed assets by \$323,393 and investment earnings by \$248,660. The District's expenditures also increased by \$1,219,181, largely due to increased vehicle maintenance (\$215,570) and fuel costs (\$379,455). Finally, the District purchased 2 additional vehicles during the fiscal year (\$306,842).

The fund balance of the Surtax Fund increased \$4,679,867 in the current fiscal year due to the \$2.21 million increase in revenue compared to last fiscal year. A majority of the City's capital budget represents multi-year capital construction projects for which expenditures are

City of North Port, Florida
Management's Discussion and Analysis
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recorded as the projects progress. As in the past, revenues continue to accumulate in the Surtax Fund at a rate faster than project expenditures are being made resulting in the increase.

Proprietary funds. The fund financial statements for the City's proprietary funds provide essentially the same type of information found in the government-wide financial statements, but in greater detail.

Unrestricted net position of the Water and Sewer Utilities increased \$3,225,725. The Self Insurance Risk Fund has an unrestricted net position of (\$1,193,115), a decrease of \$618,582 from last fiscal year. The Self Insurance Medical Fund has an unrestricted net position of \$2,590,283, a decrease of \$962,451 from last fiscal year. Other factors concerning the finances of the proprietary funds have been addressed in the discussion of the City's business-type activities (Water and Sewer Utilities) and the City's governmental activities (Self Insurance).

General Fund Budgetary Highlights

During the current fiscal year, the increase in appropriations between the original and final amended General Fund budget totaled \$551,971. The following are the components of the increase that were adopted using available fund balance:

- Increased the original budget by \$288,680 to fund additional temporary planners and additional professional planning staff.
- Increased the original budget by \$35,110 to fund the personnel and operating costs associated with the addition of 2 grant coordinators.
- Increased the original budget by \$60,585 to fund the personnel and operating costs associated with the addition of a project manager.
- Increased the original budget by \$14,633 to fund the personnel and operating costs associated with the addition of a legislative analyst.
- Increased the original budget by \$1,750 to fund a piece of art for the 1st floor lobby.
- Increased the original budget by \$151,213 to fund the Economic Development interlocal agreement.

Actual revenues, taxes and investment earnings, were less than the final budget by \$868,140. Investment earnings were overestimated by approximately \$824,000. But actual revenues, intergovernmental and charges for services, were higher than the final budget by \$3,306,009. The state shared revenues and the one-half cent local sales tax were higher than expected by \$673,018 and \$1,727,285, respectively. Finally, permits and special assessments were higher than the final budget by \$1,054,611 largely due to the electric utility service tax that were higher by \$774,827.

Actual expenditures were less than the final budget by \$2,830,695. Following are some of the significant items causing a positive variance: \$1,009,196 less-than-expected professional services; \$198,537 less-than-expected personnel costs; diligent efforts by City departments to control costs and find savings throughout the year.

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Management's Discussion and Analysis
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Capital Asset and Debt Administration

Capital assets. As of September 30, 2022, the City's investment in capital assets for its governmental and business-type activities amounts to \$495,427,128 (net of accumulated depreciation). This investment in capital assets includes land, construction in process, buildings, improvements, various infrastructure, utility systems and equipment. The overall total increase in the City's capital assets for the current fiscal year was 3.10% (a 3.10% increase for governmental activities and a 2.79% increase for business-type activities).

Some of the major capital asset additions during the current fiscal year included the following:

- Wellen Park Safety Complex
- San Mateo and Price sidewalks
- Land purchases
- Water control structure 108
- Roads
- Neighborhood park refurbishments
- License plate readers
- Water and sewer line improvements
- Lift station rehabilitation
- Permanent bypass pumps
- Fire, police, solid waste, ground maintenance, road and drainage and utilities vehicles and equipment
- Drainage system improvements

City of North Port's Capital Assets
(Net of Depreciation)

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Land | \$25,797,390 | \$23,618,523 | \$6,549,972 | \$3,566,866 | \$32,347,362 | \$27,185,389 |
| Works of art | 17,372 | 17,372 | - | - | 17,372 | 17,372 |
| Buildings | 43,651,859 | 36,085,430 | 13,892,687 | 14,120,591 | 57,544,546 | 50,206,021 |
| Infrastructure | 202,205,915 | 201,638,707 | 161,748,638 | 156,934,607 | 363,954,553 | 358,573,314 |
| Equipment | 22,608,285 | 24,232,875 | 7,447,768 | 7,655,262 | 30,056,053 | 31,888,137 |
| Construction in progress | 8,872,986 | 7,880,035 | 2,634,256 | 4,784,773 | 11,507,242 | 12,664,808 |
| Total | \$303,153,807 | \$293,472,942 | \$192,273,321 | \$187,062,099 | \$495,427,128 | \$480,535,041 |

Additional information on the City's capital assets can be found in Note F - Capital Assets on pages 55-56 of this report.

City of North Port, Florida
Management’s Discussion and Analysis
September 30, 2022

Long term debt. As of year-end, the City had \$51,781,488 in total bonded debt outstanding compared to the \$56,832,750 last year.

Outstanding Debt, at Year-end

| | <u>2022</u> | <u>2021</u> |
|--|-----------------------------|-----------------------------|
| Governmental: | | |
| Transportation Improvement Bonds - Series 2013 | \$ 1,185,000 | \$ 2,310,000 |
| Transportation Refunding Bonds - Series 2020 | 29,925,000 | 30,430,000 |
| Bond Premium | - | - |
| Deferred loss on defeasance of debt | 3,302,249 | 3,488,291 |
| Subtotal | <u>34,412,249</u> | <u>36,228,291</u> |
| Business-type: | | |
| State Revolving Loan Funds | 13,343,500 | 14,768,734 |
| Utility System Refunding | | |
| Revenue Bonds, Series 2005 | 4,137,230 | 4,569,686 |
| Utility System Refunding | | |
| Revenue Bonds, Series 2014 | - | 1,423,000 |
| Deferred loss on defeasance of debt | (111,490) | (156,961) |
| Subtotal | <u>17,369,239</u> | <u>20,604,459</u> |
| Total | <u><u>\$ 51,781,488</u></u> | <u><u>\$ 56,832,750</u></u> |

Additional information on the City’s long-term debt can be found in Note H - Long-Term Liabilities found on pages 57-62 of this report.

Economic Factors and Next Year’s Budgets and Rates

- The City of North Port had an unemployment rate of 2.6% at fiscal year-end. The City’s unemployment rate was lower than the unemployment rate for Florida (2.7%) and lower than the nation’s rate of 3.3% during the same time period.
- The General Fund property tax millage remained 3.7667 mills for fiscal year 2022.
- The City’s population increased by 4.7% during the fiscal year from 78,129 to 81,823.
- The taxable value of real estate located in the City rose to \$5.75 billion in the current fiscal year, which is an increase of approximately \$627.2 million or 12.25% over the prior fiscal year.
- Single family home starts are beginning to level off.

All these factors were considered in preparing the City’s budget for the 2023 fiscal year.

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Management's Discussion and Analysis
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Financial Contact

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to:

City of North Port, Florida
Finance Department
4970 City Hall Boulevard
North Port, FL 34286-4100

Or visit our website: <http://www.cityofnorthport.com>

BASIC

FINANCIAL STATEMENTS



CITY OF NORTH PORT, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

| | Governmental Activities | Business-type Activities | Total |
|---|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Cash and investments | \$ 169,402,254 | \$ 37,881,033 | \$ 207,283,287 |
| Receivables (net) | 9,933,684 | 3,780,840 | 13,714,524 |
| Internal balances | 306,605 | (306,605) | - |
| Inventories | 55,405 | 960,099 | 1,015,504 |
| Prepaid items | 656,837 | - | 656,837 |
| Restricted assets: | | | |
| Cash and investments | - | 19,755,448 | 19,755,448 |
| Receivables (net) | - | 97,582 | 97,582 |
| Net pension asset | 9,069,191 | - | 9,069,191 |
| Capital assets: | | | |
| Non-depreciable | 34,687,748 | 9,184,228 | 43,871,976 |
| Depreciable (net) | 268,466,059 | 183,089,093 | 451,555,152 |
| Total Assets | <u>492,577,783</u> | <u>254,441,718</u> | <u>747,019,501</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred amounts on debt refundings | 3,116,207 | 111,490 | 3,227,697 |
| Deferred amounts for OPEB | 934,405 | 59,819 | 994,224 |
| Deferred amounts for pensions | 25,399,436 | 1,659,848 | 27,059,284 |
| Total Deferred Outflows of Resources | <u>29,450,048</u> | <u>1,831,157</u> | <u>31,281,205</u> |
| LIABILITIES | | | |
| Accounts payable | 8,153,667 | 1,623,312 | 9,776,979 |
| Accrued liabilities | 4,833,168 | - | 4,833,168 |
| Payable from restricted assets: | | | |
| Accounts payable | - | 600,000 | 600,000 |
| Interest payable | 232,517 | - | 232,517 |
| Unearned revenue | 3,978,339 | 4,455,075 | 8,433,414 |
| Noncurrent liabilities: | | | |
| Due within one year | 2,592,715 | 2,117,516 | 4,710,231 |
| Due in more than one year | 86,088,614 | 20,680,742 | 106,769,356 |
| Total Liabilities | <u>105,879,020</u> | <u>29,476,645</u> | <u>135,355,665</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred amounts for leases | 2,807,477 | - | 2,807,477 |
| Deferred amounts for OPEB | 1,104,090 | 70,682 | 1,174,772 |
| Deferred amounts for pensions | 14,472,605 | 140,938 | 14,613,543 |
| Total Deferred Inflows of Resources | <u>18,384,172</u> | <u>211,620</u> | <u>18,595,792</u> |
| NET POSITION | | | |
| Net investment in capital assets | 273,461,654 | 174,398,092 | 447,859,746 |
| Restricted for: | | | |
| Renewal and replacement | - | 1,509,368 | 1,509,368 |
| Capital projects | 76,637,185 | 13,103,184 | 89,740,369 |
| Debt service | 1,380,942 | - | 1,380,942 |
| Public safety | 23,363,260 | - | 23,363,260 |
| Physical environment | 15,104,901 | - | 15,104,901 |
| Transportation | 16,389,354 | - | 16,389,354 |
| Unrestricted | (8,572,657) | 37,573,966 | 29,001,309 |
| Total Net Position | <u>\$ 397,764,639</u> | <u>\$ 226,584,610</u> | <u>\$ 624,349,249</u> |

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

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

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|--------------------------------|-----------------------|-----------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Governmental activities: | | | | |
| General government | \$ 13,222,228 | \$ 9,002,111 | \$ - | \$ 3,150,097 |
| Public safety | 53,765,168 | 24,324,448 | 632,961 | 13,493,248 |
| Physical environment | 19,323,149 | 16,979,289 | - | 294,569 |
| Transportation | 22,977,494 | 15,604,794 | - | 6,424,756 |
| Economic environment | 589,602 | - | 207,395 | - |
| Human services | 679,048 | - | 107,818 | - |
| Culture and recreation | 8,291,462 | 3,435,478 | - | 1,367,534 |
| Interest on long-term debt | 1,169,319 | - | - | - |
| Total governmental activities | <u>120,017,470</u> | <u>69,346,120</u> | <u>948,174</u> | <u>24,730,204</u> |
| Business type activities: | | | | |
| Water and sewer utilities | <u>26,558,516</u> | <u>30,515,129</u> | <u>-</u> | <u>8,302,715</u> |
| Total business-type activities | <u>26,558,516</u> | <u>30,515,129</u> | <u>-</u> | <u>8,302,715</u> |
| Total government | <u>\$ 146,575,986</u> | <u>\$ 99,861,249</u> | <u>\$ 948,174</u> | <u>\$ 33,032,919</u> |

General revenues:
 Taxes:
 Ad Valorem
 Insurance premium
 Service
 Local business
 Fuel
 Discretionary sales surtax
 Intergovernmental - unrestricted
 Investment losses
 Miscellaneous
 Transfers

 Total general revenues and transfers

 Changes in net position

Net position - beginning

Net position - ending

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

| Net (Expense) Revenue and Changes in Net Position | | |
|--|-------------------------------------|-----------------------|
| Governmental Activities | Business-type Activities | Total |
| \$ (1,070,020) | \$ - | \$ (1,070,020) |
| (15,314,511) | - | (15,314,511) |
| (2,049,291) | - | (2,049,291) |
| (947,944) | - | (947,944) |
| (382,207) | - | (382,207) |
| (571,230) | - | (571,230) |
| (3,488,450) | - | (3,488,450) |
| (1,169,319) | - | (1,169,319) |
| <u>(24,992,972)</u> | <u>-</u> | <u>(24,992,972)</u> |
| - | 12,259,328 | 12,259,328 |
| - | 12,259,328 | 12,259,328 |
| <u>(24,992,972)</u> | <u>12,259,328</u> | <u>(12,733,644)</u> |
| 21,016,140 | - | 21,016,140 |
| 955,794 | - | 955,794 |
| 4,314,260 | - | 4,314,260 |
| 136,672 | - | 136,672 |
| 3,601,774 | - | 3,601,774 |
| 16,341,885 | - | 16,341,885 |
| 9,643,518 | - | 9,643,518 |
| (4,068,092) | (1,415,752) | (5,483,844) |
| 1,451,510 | - | 1,451,510 |
| 625,800 | (625,800) | - |
| <u>54,019,261</u> | <u>(2,041,552)</u> | <u>51,977,709</u> |
| 29,026,289 | 10,217,776 | 39,244,065 |
| <u>368,738,350</u> | <u>216,366,834</u> | <u>585,105,184</u> |
| <u>\$ 397,764,639</u> | <u>\$ 226,584,610</u> | <u>\$ 624,349,249</u> |

**CITY OF NORTH PORT, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

| | <u>General Fund</u> | <u>Road and Drainage District</u> | <u>Fire Rescue District</u> | <u>Solid Waste District</u> |
|--|----------------------|---|---------------------------------|---------------------------------|
| ASSETS: | | | | |
| Cash and investments | \$ 29,416,792 | \$ 26,732,398 | \$ 6,566,899 | \$ 7,417,124 |
| Accounts and lease receivables (net of allowance for uncollectibles) | 3,889,397 | 645,701 | 398,393 | 67,052 |
| Due from other funds | 910,221 | - | - | - |
| Due from other governments | 2,350,160 | 775,285 | 158,096 | 717 |
| Prepaid items | - | - | - | - |
| Inventories | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total assets | <u>36,566,570</u> | <u>28,153,384</u> | <u>7,123,388</u> | <u>7,484,893</u> |
| LIABILITIES: | | | | |
| Accounts payable | 3,760,167 | 1,147,675 | 157,184 | 258,319 |
| Due to other funds | - | 177,199 | 366,821 | 61,684 |
| Due to other governments | 4,062 | - | 56 | - |
| Accrued liabilities | 2,252,813 | - | - | 252,845 |
| Unearned revenue | 2,676,054 | 1,302,285 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities | <u>8,693,096</u> | <u>2,627,159</u> | <u>524,061</u> | <u>572,848</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| Unavailable revenue - grants | 683,014 | 246,925 | - | - |
| Unavailable revenue - leases | 1,811,107 | 612,911 | 383,459 | - |
| Unavailable revenue - other receivables | 691,488 | 5,658 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total deferred inflows of resources | <u>3,185,609</u> | <u>865,494</u> | <u>383,459</u> | <u>-</u> |
| FUND BALANCES: | | | | |
| Nonspendable | 58,517 | 14,157 | 13,500 | - |
| Restricted | - | 24,646,574 | 6,202,368 | 6,912,045 |
| Committed | 273,986 | - | - | - |
| Assigned | 3,287,156 | - | - | - |
| Unassigned | 21,068,206 | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total fund balances | <u>24,687,865</u> | <u>24,660,731</u> | <u>6,215,868</u> | <u>6,912,045</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 36,566,570</u> | <u>\$ 28,153,384</u> | <u>\$ 7,123,388</u> | <u>\$ 7,484,893</u> |

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

| Surtax | Nonmajor Governmental Funds | Total Governmental Funds |
|----------------------|--|---|
| \$ 39,908,140 | \$ 55,654,713 | \$ 165,696,066 |
| - | 5,257 | 5,005,800 |
| - | - | 910,221 |
| 1,616,619 | 8,517 | 4,909,394 |
| 151,889 | 504,948 | 656,837 |
| - | 55,405 | 55,405 |
| <u>41,676,648</u> | <u>56,228,840</u> | <u>177,233,723</u> |
| 1,314,985 | 1,124,836 | 7,763,166 |
| - | 99,401 | 705,105 |
| - | 386,383 | 390,501 |
| - | - | 2,505,658 |
| - | - | 3,978,339 |
| <u>1,314,985</u> | <u>1,610,620</u> | <u>15,342,769</u> |
| 13,369 | - | 943,308 |
| - | - | 2,807,477 |
| - | - | 697,146 |
| <u>13,369</u> | <u>-</u> | <u>4,447,931</u> |
| 151,889 | 560,353 | 798,416 |
| 40,196,405 | 44,586,123 | 122,543,515 |
| - | 9,471,744 | 9,745,730 |
| - | - | 3,287,156 |
| - | - | 21,068,206 |
| <u>40,348,294</u> | <u>54,618,220</u> | <u>157,443,023</u> |
| <u>\$ 41,676,648</u> | <u>\$ 56,228,840</u> | <u>\$ 177,233,723</u> |



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

Fund balances - total governmental funds \$ 157,443,023

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.

| | | |
|---------------------------------|--------------------|-------------|
| Non-depreciable capital assets | \$ 34,687,748 | |
| Depreciable capital assets, net | <u>268,466,059</u> | 303,153,807 |

Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

| | | |
|-------------------|------------------|-----------|
| Net pension asset | <u>9,069,191</u> | 9,069,191 |
|-------------------|------------------|-----------|

Internal service funds are used by management to charge the cost of self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

1,498,657

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

| | | |
|--|--------------------|--------------|
| Interest payable | (232,517) | |
| Transportation bonds payable | (31,110,000) | |
| Compensated absences payable | (5,325,222) | |
| Net pension liability | (48,483,685) | |
| Other postemployment benefits (OPEB) liability | <u>(3,762,422)</u> | (88,913,846) |

Certain deferred inflows in governmental funds are susceptible to full accrual on the entity-wide statements.

1,640,454

Deferred outflows and inflows of resources related to debt refundings, pensions and OPEB are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.

| | | |
|--|---------------------|-------------------|
| Deferred outflows related to debt refunding | 3,116,207 | |
| Deferred outflows related to pensions and OPEB | 26,333,841 | |
| Deferred inflows related to pensions and OPEB | <u>(15,576,695)</u> | <u>13,873,353</u> |

Net position of governmental activities \$ 397,764,639

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

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

| | <u>General Fund</u> | <u>Road and Drainage District</u> | <u>Fire Rescue District</u> | <u>Solid Waste District</u> |
|--|----------------------|---------------------------------------|---------------------------------|---------------------------------|
| REVENUES: | | | | |
| Taxes | \$ 26,252,489 | \$ 3,601,774 | \$ 170,377 | \$ - |
| Permits, fees and special assessments | 5,206,301 | - | 104,093 | - |
| Intergovernmental | 13,184,886 | 946,756 | 267,523 | - |
| Charges for services | 12,570,763 | 17,119,927 | 13,979,385 | 11,741,748 |
| Fines and forfeitures | 252,375 | - | - | - |
| Investment losses | (723,949) | (670,843) | (239,357) | (229,749) |
| Miscellaneous | 678,837 | 309,418 | 77,473 | 39,743 |
| Total revenues | <u>57,421,702</u> | <u>21,307,032</u> | <u>14,359,494</u> | <u>11,551,742</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 14,299,432 | - | - | - |
| Public safety | 32,508,369 | - | 11,222,748 | - |
| Physical environment | - | 5,452,831 | - | 9,452,475 |
| Transportation | - | 11,070,900 | - | - |
| Economic environment | 568,928 | - | - | - |
| Human services | 568,562 | - | - | - |
| Culture and recreation | 5,295,723 | - | - | - |
| Capital outlay | 241,006 | 1,652,439 | 327,263 | 306,842 |
| Debt service | - | - | - | - |
| Total expenditures | <u>53,482,020</u> | <u>18,176,170</u> | <u>11,550,011</u> | <u>9,759,317</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,939,682</u> | <u>3,130,862</u> | <u>2,809,483</u> | <u>1,792,425</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 625,800 | - | - | - |
| Transfers out | (480,500) | (2,950,000) | (2,803,200) | (557,430) |
| Insurance recoveries | 42,427 | 43,595 | - | 137 |
| Total other financing sources and (uses) | <u>187,727</u> | <u>(2,906,405)</u> | <u>(2,803,200)</u> | <u>(557,293)</u> |
| Net change in fund balances | 4,127,409 | 224,457 | 6,283 | 1,235,132 |
| Fund balances - beginning | <u>20,560,456</u> | <u>24,436,274</u> | <u>6,209,585</u> | <u>5,676,913</u> |
| Fund balances - ending | <u>\$ 24,687,865</u> | <u>\$ 24,660,731</u> | <u>\$ 6,215,868</u> | <u>\$ 6,912,045</u> |

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

| <u>Surtax</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|----------------------|--|---|
| \$ 16,341,885 | \$ - | \$ 46,366,525 |
| - | 17,595,567 | 22,905,961 |
| - | - | 14,399,165 |
| 78,089 | 8,314,499 | 63,804,411 |
| - | 84,136 | 336,511 |
| (894,379) | (1,205,912) | (3,964,189) |
| 98,796 | 1,348 | 1,205,615 |
| <u>15,624,391</u> | <u>24,789,638</u> | <u>145,053,999</u> |
| - | 6,092,345 | 20,391,777 |
| 144,464 | 4,578,069 | 48,453,650 |
| - | 115,125 | 15,020,431 |
| 4,640,758 | 2,182,963 | 17,894,621 |
| - | - | 568,928 |
| - | - | 568,562 |
| 58,315 | 915,037 | 6,269,075 |
| 6,100,987 | 3,024,166 | 11,652,703 |
| - | 2,631,013 | 2,631,013 |
| <u>10,944,524</u> | <u>19,538,718</u> | <u>123,450,760</u> |
| <u>4,679,867</u> | <u>5,250,920</u> | <u>21,603,239</u> |
| - | 6,881,130 | 7,506,930 |
| - | (90,000) | (6,881,130) |
| - | 144,368 | 230,527 |
| <u>-</u> | <u>6,935,498</u> | <u>856,327</u> |
| 4,679,867 | 12,186,418 | 22,459,566 |
| <u>35,668,427</u> | <u>42,431,802</u> | <u>134,983,457</u> |
| <u>\$ 40,348,294</u> | <u>\$ 54,618,220</u> | <u>\$ 157,443,023</u> |

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

Net change in fund balances - total governmental funds **\$ 22,459,566**

Amounts reported for governmental activities in the statement of activities are different because:

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

| | | |
|---------------------------------|---------------------|-------------|
| Expenditures for capital assets | \$ 11,652,703 | |
| Less current year depreciation | <u>(13,592,984)</u> | (1,940,281) |

| | | |
|---|--|------------|
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, donations, asset transfers to/from enterprise funds). | | 11,621,146 |
|---|--|------------|

| | | |
|---|--|---------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Also, revenue related to prior periods that became available during the current period are reported in the funds but are eliminated in the statement of activities. This amount is the net adjustment. | | 314,810 |
|---|--|---------|

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | | |
|--|------------------|-----------|
| Bond principal payments | 1,630,000 | |
| Amortization of deferred amount on refunding | <u>(186,042)</u> | 1,443,958 |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in government funds.

| | | |
|--------------------------------|--------------------|-------------|
| Pension expense | (2,220,301) | |
| OPEB expense | (5,345) | |
| Change in accrued interest | 17,736 | |
| Change in compensated absences | <u>(1,330,764)</u> | (3,538,674) |

| | | |
|--|--|--------------------|
| Internal service funds are used by management to charge the costs of self-insurance to individual funds. The net expenses of the internal service funds are reported with governmental activities. | | <u>(1,334,236)</u> |
|--|--|--------------------|

Change in net position of governmental activities **\$ 29,026,289**

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

**CITY OF NORTH PORT, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022**

| | Business-type Activities - Enterprise Fund | Government-type Activities |
|---|---|---------------------------------------|
| | Water & Sewer Utilities | Internal Service Funds |
| ASSETS | | |
| Current assets: | | |
| Cash and investments | \$ 37,881,033 | \$ 3,706,188 |
| Accounts receivable (net of allowance for uncollectibles) | 3,670,325 | 18,490 |
| Due from other governments | 110,515 | - |
| Inventories | 960,099 | - |
| Total current assets | 42,621,972 | 3,724,678 |
| Noncurrent assets: | | |
| Restricted assets: | | |
| Cash and investments | 19,755,448 | - |
| Accounts receivable (net of allowance for uncollectibles) | 97,582 | - |
| Capital assets: | | |
| Land | 6,549,972 | - |
| Buildings | 15,604,834 | - |
| Infrastructure | 227,685,536 | - |
| Equipment | 19,271,512 | - |
| Construction in progress | 2,634,256 | - |
| Less: accumulated depreciation | (79,472,789) | - |
| Total noncurrent assets | 212,126,351 | - |
| Total assets | 254,748,323 | 3,724,678 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred charges on debt refundings | 111,490 | - |
| Deferred amount on OPEB | 59,819 | - |
| Deferred amount on pension | 1,659,848 | - |
| Total deferred outflows of resources | 1,831,157 | - |

(continued)

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

CITY OF NORTH PORT, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

| | Business-type Activities - Enterprise Fund | Government-type Activities |
|---|---|---------------------------------------|
| | Water & Sewer Utilities | Internal Service Funds |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 1,623,312 | - |
| Liability for unpaid claims | - | 2,327,510 |
| Payable from restricted assets: | | |
| Accounts payable | 600,000 | - |
| Customer deposits payable | 116,776 | - |
| Due to other funds | 205,116 | - |
| Revenue bonds payable | 1,918,833 | - |
| Unearned revenue | 4,455,075 | - |
| Accrued compensated absences | 81,907 | - |
| Total current liabilities | 9,001,019 | 2,327,510 |
| Noncurrent liabilities: | | |
| Customer deposits payable | 68,627 | - |
| Revenue bonds payable | 15,561,897 | - |
| Accrued compensated absences | 409,436 | - |
| Other postemployment benefits payable | 240,866 | - |
| Net pension liability | 4,399,916 | - |
| Total noncurrent liabilities | 20,680,742 | - |
| Total liabilities | 29,681,761 | 2,327,510 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred amount on OPEB | 70,682 | - |
| Deferred amount on pension | 140,938 | - |
| Total deferred inflows of resources | 211,620 | - |
| NET POSITION | | |
| Net investment in capital assets | 174,398,092 | - |
| Restricted for renewal and replacement requirements | 1,509,368 | - |
| Restricted for capital projects | 13,103,184 | - |
| Unrestricted | 37,675,455 | 1,397,168 |
| Total net position | \$ 226,686,099 | \$ 1,397,168 |
| Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise fund over time. | (101,489) | |
| Net position of business-type activities (page 23) | \$ 226,584,610 | |

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

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

| | Business-type Activities - Enterprise Fund | Government-type Activities - |
|--|---|---|
| | Water & Sewer Utilities | Internal Service Funds |
| OPERATING REVENUES | | |
| Charges for services: | | |
| Water charges | \$ 15,106,855 | \$ - |
| Sewer charges | 13,640,018 | - |
| Self-insurance fees | - | 12,143,558 |
| Miscellaneous | 1,768,256 | 373,450 |
| Total operating revenues | 30,515,129 | 12,517,008 |
| OPERATING EXPENSES | | |
| General and administrative | 4,505,491 | 13,994,138 |
| Water treatment and distribution | 5,469,493 | - |
| Sewer collection and treatment | 3,363,816 | - |
| Field operations | 4,034,284 | - |
| Engineering | 1,529,658 | - |
| Depreciation | 6,975,222 | - |
| Total operating expenses | 25,877,964 | 13,994,138 |
| Operating income (loss) | 4,637,165 | (1,477,130) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment losses | (1,415,752) | (103,903) |
| Interest expense | (433,756) | - |
| Total nonoperating revenues | (1,849,508) | (103,903) |
| Income (loss) before capital contributions and transfers | 2,787,657 | (1,581,033) |
| Capital contributions | 8,302,715 | - |
| Transfers out | (625,800) | - |
| Change in net position | 10,464,572 | (1,581,033) |
| NET POSITION - BEGINNING OF YEAR | 216,221,527 | 2,978,201 |
| NET POSITION - END OF YEAR | 226,686,099 | \$ 1,397,168 |

Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Net Position to the Statement of Activities:
Amounts reported as business-type activities in the Statement of Activities are different because:

| | |
|---|---------------|
| Net change in net position - enterprise funds | \$ 10,464,572 |
| Adjustment for the net effect of the current year activity between the internal service funds and the enterprise fund. | (246,796) |
| Changes in net position of business-type activities (page 25) | \$ 10,217,776 |

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

**CITY OF NORTH PORT, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

| | Business-type Activities - Enterprise Fund | Government-type Activities |
|---|---|---------------------------------------|
| | Water & Sewer Utilities | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 30,574,106 | \$ 12,506,422 |
| Payments to vendors for goods and services | (11,693,728) | (3,461,092) |
| Payments to employees and benefit programs | (6,519,875) | - |
| Claims paid | - | (10,112,382) |
| Net cash provided by (used for) operating activities | <u>12,360,503</u> | <u>(1,067,052)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Cash transfers to other funds | <u>(625,800)</u> | <u>-</u> |
| Net cash used for noncapital financing activities | <u>(625,800)</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition and construction of capital assets | (7,540,788) | - |
| Capital grants | 448,895 | - |
| Principal paid on bonds and loans | (3,307,955) | - |
| Interest paid on bonds and loans | (388,285) | - |
| Capacity fees received | <u>3,145,336</u> | <u>-</u> |
| Net cash used for capital and related financing activities | <u>(7,642,797)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment losses | <u>(1,415,752)</u> | <u>(103,903)</u> |
| Net cash used for investing activities | <u>(1,415,752)</u> | <u>(103,903)</u> |
| Net change in cash and cash equivalents | 2,676,154 | (1,170,955) |
| Cash and cash equivalents, October 1 | <u>54,960,326</u> | <u>4,877,143</u> |
| Cash and cash equivalents, September 30 | <u>\$ 57,636,481</u> | <u>\$ 3,706,188</u> |
| Classified as: | | |
| Current assets | \$ 37,881,033 | \$ 3,706,188 |
| Restricted assets | <u>19,755,448</u> | <u>-</u> |
| Total | <u>\$ 57,636,481</u> | <u>\$ 3,706,188</u> |

(Continued)

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

**CITY OF NORTH PORT, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

| | Business-type Activities - Enterprise Fund | Government-type Activities |
|---|---|---------------------------------------|
| | Water & Sewer Utilities | Internal Service Funds |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | |
| Operating income | \$ 4,637,165 | \$ (1,477,130) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | |
| Depreciation expense | 6,975,222 | - |
| Increase in accounts receivable | (369,025) | (10,586) |
| Decrease in due from other governments | 451,315 | - |
| Increase in inventories | (205,228) | - |
| Decrease in deferred outflows - OPEB | (21,449) | - |
| Decrease in deferred outflows - pensions | (153,124) | - |
| Increase/Decrease in accounts payable | 435,692 | (23) |
| Decrease in due to other funds | (30,604) | - |
| Decrease in customer deposits payable | (22,872) | - |
| Increase in compensated absences | 137,767 | - |
| Increase in benefits payable | 157 | - |
| Increase in claims payable | - | 420,687 |
| Increase in total OPEB liability | 23,282 | - |
| Increase in net pension liability | 2,737,586 | - |
| Increase in deferred inflows - OPEB | 62,038 | - |
| Decrease in deferred inflows - pensions | (2,297,419) | - |
| Total adjustments | 7,723,338 | 410,078 |
| Net cash provided by (used for) operating activities | \$ 12,360,503 | \$ (1,067,052) |
| NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | |
| Amortization of deferred amount on defeasance of debt | \$ 45,471 | \$ - |
| Capital asset contributions | 4,729,762 | - |

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

**CITY OF NORTH PORT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022**

| | <u>PENSION TRUST FUNDS</u> | <u>CUSTODIAL FUNDS</u> |
|---|---------------------------------------|-----------------------------------|
| ASSETS | | |
| Cash and equivalents | \$ 653,301 | \$ 367,974 |
| Prepaid expenses | <u>3,551</u> | <u>-</u> |
| Receivables: | | |
| Contributions receivable | 1,222,583 | - |
| Interest and dividends receivable | <u>61,076</u> | <u>-</u> |
| Total receivables | <u>1,283,659</u> | <u>-</u> |
| Investments, at fair market value: | | |
| Money market funds | 634,433 | - |
| Equity securities | 58,732,591 | - |
| Fixed income mutual funds | 32,056,724 | - |
| Commingled real estate funds | 15,035,954 | - |
| International equity securities | <u>385,638</u> | <u>-</u> |
| Total investments | <u>106,845,340</u> | <u>-</u> |
| Total assets | <u>108,785,851</u> | <u>367,974</u> |
| LIABILITIES | | |
| Accounts payable and accrued expenses | 225,526 | - |
| Due to other entities | <u>-</u> | <u>367,974</u> |
| Total liabilities | <u>225,526</u> | <u>367,974</u> |
| NET POSITION RESTRICTED FOR PENSIONS | <u>\$ 108,560,325</u> | <u>\$ -</u> |

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

CITY OF NORTH PORT, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | <u>PENSION TRUST FUNDS</u> | <u>CUSTODIAL FUNDS</u> |
|--|---------------------------------------|-----------------------------------|
| ADDITIONS | | |
| Contributions: | | |
| Plan members | \$ 907,522 | \$ - |
| State of Florida | 955,793 | - |
| City of North Port | <u>2,276,356</u> | <u>-</u> |
| Total contributions | <u>4,139,671</u> | <u>-</u> |
| Investment earnings | | |
| Net change in fair value of investments | (21,997,234) | - |
| Interest and dividends | <u>4,003,619</u> | <u>-</u> |
| Investment losses | (17,993,615) | - |
| Less investment expenses | <u>(237,745)</u> | <u>-</u> |
| Net investment earnings | (18,231,360) | - |
| Impact fee collections for other governments | <u>-</u> | <u>4,535,616</u> |
| Total additions | <u>(14,091,689)</u> | <u>4,535,616</u> |
| DEDUCTIONS | | |
| Benefits to participants | 5,196,415 | - |
| Share account distributions | 369,459 | - |
| Administrative expenses | 169,766 | - |
| State contribution refund | 432,493 | - |
| Payments of impact fees to other governments | <u>-</u> | <u>4,535,616</u> |
| Total deductions | <u>6,168,133</u> | <u>4,535,616</u> |
| NET DECREASE | (20,259,822) | - |
| NET POSITION - BEGINNING | <u>128,820,147</u> | <u>-</u> |
| NET POSITION - ENDING | <u>\$ 108,560,325</u> | <u>\$ -</u> |

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

CITY OF NORTH PORT, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of North Port, Florida (the City) have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. THE FINANCIAL REPORTING ENTITY

The City of North Port, Florida was created, as of June 18, 1959, pursuant to the provisions of the Constitution of the State of Florida, the laws of the State of Florida and the Special Legislative Enactment of Chapter 59-1617 as amended by Chapter 59-1618. The City operates under a form of government that is comprised of five elected City Commissioners and a commission appointed City Manager. The following services are provided: public safety, road improvements, planning and zoning, building permitting and inspections, water and sewer service, refuse collection service, stormwater management, and related general administrative services. As required by GAAP, the financial statements present the activities of the City of North Port, Florida.

Blended Component Units: The financial statements also include three special districts, which are reported as blended component units. The districts operate under the guidance of the City Commission, which meets separately as the districts' governing body to approve the adoption of the annual budget and subsequent amendments, the issuance of debt and the execution of contracts. The financial transactions of these component units are merged in with similar transactions of the City as part of the primary government. Blended component units of the City of North Port include the Road and Drainage District, the Fire Rescue District and the Solid Waste District. Separate financial statements of the three districts are not available.

The City of North Port Municipal Police Officers' Pension Plan and the City of North Port Municipal Firefighters' Pension Plan (the "Plans"): The Plans are single-employer defined benefit pension plans administered by two separate Boards of Trustees, which act as the administrators of the plans. Each separate Board consists of five members each, two of whom are appointed by the Commission of the City of North Port, two of whom are active police officers/firefighters, and one member elected by the other four members and subsequently appointed by the City Commission. The Plans are reported as a fiduciary component in accordance with Governmental Accounting Standards Board Statement Number 84.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government. 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 is 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 *road and drainage district special revenue fund* is used to account for proceeds of the local option gas taxes and district assessments that are restricted to transportation and/or stormwater drainage services.

The *fire rescue district special revenue fund* is used to account for proceeds of district assessments that are restricted for fire rescue emergency services and public safety.

The *solid waste district special revenue fund* is used to account for proceeds of district assessments that are restricted for solid waste collection and transportation of refuse, yard waste and recyclable material.

The *surtax capital projects fund* is used to account for the proceeds from the local option one-cent infrastructure surtax imposed by Sarasota County. The funds are restricted for the acquisition and/or construction of specific capital projects.

The City reports the following major proprietary fund:

The *water and sewer utilities fund* accounts for the activities associated with providing water and sewer services to the residents of the City. The City operates a sewage treatment plant, sewage pumping stations and collection systems, and a water treatment/distribution plant.

Additionally, the City reports the following funds:

The *self-insurance funds* (internal service funds) account for the activities of risk self-insurance (workers' compensation, auto and general liability) and medical self-insurance provided to other departments on a cost reimbursement basis.

The *pension trust funds* (fiduciary funds) account for the activities of the City's firefighters' and police officers' pension trust funds, which accumulate resources for pension benefit payments to qualified pension participants.

The *county road impact fees custodial fund* (fiduciary fund) accounts for the impact fees collected for and disbursed to Sarasota County.

The *county justice impact fees custodial fund* (fiduciary fund) accounts for the impact fees collected for and disbursed to Sarasota County.

The *county general government impact fees custodial fund* (fiduciary fund) accounts for the impact fees collected for and disbursed to Sarasota County.

The *education impact fees custodial fund* (fiduciary fund) accounts for the impact fees collected for and disbursed to Sarasota County School Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for services between the City's various funds. Elimination of these charges would distort the direct costs and program revenues reported for the functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 water and sewer enterprise fund are charges to customers for sales and services. 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 nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned and unassigned resources as they are needed.

4. ASSETS, LIABILITIES, AND NET POSITION OR FUND BALANCE

a) Cash and investments

The City is authorized by City Ordinance 2016-10, adopted April 26, 2016, to invest surplus funds in accordance with Florida Statute 218.415. Investment guidelines have been defined in the policy and authorize the City to invest in the following:

- 1) U.S. Treasuries and Government Guaranteed Obligations

- 2) Federal Agencies and Government Sponsored Enterprises (GSE)
- 3) Supranationals
- 4) Corporates
- 5) Municipals
- 6) Agency Mortgage Backed Securities
- 7) Asset-backed securities
- 8) Non-Negotiable Certificates of Deposit and Savings Accounts
- 9) Commercial Paper
- 10) Repurchase Agreements
- 11) Money Market Funds
- 12) Fixed Income Mutual Funds
- 13) Local Government Investment Pools
- 14) The Florida Local Government Surplus Funds Trust Funds (“Florida Prime”)

The City maintains a cash and investment pool that is available for use by all funds. Investment income and loss is allocated to individual funds based upon their average daily balance in the cash pool. Each fund’s individual equity in the City’s cash and investment pool is considered to be a cash equivalent, since the funds can deposit or withdraw cash at any time without prior notice or penalty.

Investments for the City are reported at fair value based upon quoted market prices. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or values obtained from independent pricing services.

b) 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 noncurrent portion of interfund loans.) All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

The non-current advances between funds, as reported in the fund financial statements, are offset by a corresponding nonspendable portion of fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles.

Lease receivables are measured at the present value of lease payments expected to be received during the lease term.

c) Inventories

Inventories are adjusted to annual counts and are valued at cost, using the first-in/first-out method. Inventory is accounted for using the consumption method, whereby inventories are recorded as expenditures when they are used.

d) Prepaid items

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

e) Restricted assets

The balances of restricted asset accounts in the business-type activities column at September 30, 2022 are as follows:

| | |
|------------------------------------|----------------------|
| Customer deposits | \$ 185,403 |
| Renewal and replacement funds | 1,509,368 |
| Capital project construction funds | <u>18,060,677</u> |
| Cash and investments | <u>\$ 19,755,448</u> |
| Capacity fees receivables | \$ 97,582 |

f) Capital assets

Capital assets, which include property, plant, and equipment, 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 \$5,000 or more (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value 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 asset lives are not capitalized.

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

| <u>Assets</u> | <u>Years</u> |
|------------------------|--------------|
| Buildings | 40 |
| Improvements | 5-50 |
| Furniture and fixtures | 5-10 |
| Equipment | 7-30 |
| Vehicles | 5 |

g) Deferred outflows/inflows of resources

In addition to assets and liabilities, the statement of net position and the governmental funds balance sheet will sometimes report separate sections for deferred outflows/inflows of resources. *Deferred outflows of resources* represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that period. *Deferred inflows of resources* represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that period. The City has various items that qualify for reporting in these categories. In the governmental and business-type activities columns of the

government-wide statement of net position, a deferred charge on debt refunding is reported as a deferred outflow, resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Unavailable revenues are also reported as deferred inflows only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: grant receivables, lease receivables and other receivables. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

Additionally, the City has deferred inflows and deferred outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by actuaries, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. The changes in proportion and differences between City contributions and proportionate share of contributions are also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

h) Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay and other employee benefit amounts. These amounts are accrued when incurred in the government-wide and proprietary fund financial statements. In the case of governmental funds, the only portion of the liability reported would be the amount of reimbursable unused leave payable to employees who had terminated their employment as of the end of the fiscal year.

i) Long-term obligations

In the government-wide financial statements and 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, discounts and insurance costs are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize debt proceeds, including capital leases, during the current period. The face amount of debt issued is reported as "other financing sources."

j) Net position

The government-wide and business-type fund financial statements utilize a net position presentation.

Net position is presented in three components – net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – this component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted – this component of net position has constraints placed on them either externally by third parties (creditors, grantors, contributors or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Unrestricted – this component consists of net position that does not meet the definition of “net investment in capital assets” and “restricted”.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Certain proceeds of the City’s enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as *restricted* net position on the balance sheet because their use is limited by applicable bond covenants. District revenues and impact fee revenues are set aside to be used for their respective purposes in accordance with state statutes, regulations, and City ordinances.

k) Fund balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Classifications of fund balance are established as authorized by City Resolution No. 2011-R-14. Fund balance is reported in up to five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable Fund Balance – consists of funds that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid items) and long-term loans and notes receivable.

Restricted Fund Balance – consists of funds that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – consists of funds that are set aside for a specific purpose by the City’s highest level of decision-making authority (ordinance). Formal action must be taken prior to the end of the fiscal year, but the amount, which will be subject to the constraint, may be determined in the subsequent period. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned Fund Balance – consists of funds that are set aside with the intent to be used for a specific purpose. The intended use can be established by the City Commission, delegated to a group (Management Team) or delegated to an individual City Manager or Finance Director. Projects that have been budgeted in prior fiscal years but are not complete are assigned the resources necessary to

complete if not committed under contract. This amount would represent the portion of fund balance to be used in the subsequent year's budget or to accumulate resources for a future capital project. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned Fund Balance – consists of excess funds that have not been classified in the previous four categories. The City reports positive unassigned fund balances only in the General Fund. Negative unassigned fund balances may be reported in the other funds.

When a governmental fund has multiple classifications of fund balance, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

The City's formal General Fund fund balance policy establishes an emergency and disaster reserve of twenty percent of the General Fund operating expenditures. In addition, the policy establishes an economic stabilization reserve of up to ten percent of General Fund operating expenditures. The formal fund balance policy also includes the City's three dependent districts (Road & Drainage, Fire Rescue and Solid Waste) and the City's Building Department with the same targeted reserves of twenty percent (emergency and disaster) and ten percent (economic stabilization) of respective operating expenditures.

The composition of nonspendable, restricted, committed, assigned and unassigned fund balances at September 30, 2022 is following:

| Governmental Fund Balance Components: | Major Funds | | | |
|--|----------------------|---|---------------------------------|---------------------------------|
| | General Fund | Road and Drainage District | Fire Rescue District | Solid Waste District |
| Nonspendable: | | | | |
| Prepaid items | \$ - | \$ - | \$ - | \$ - |
| Leases | 58,517 | 14,157 | 13,500 | - |
| Inventories | - | - | - | - |
| Total nonspendable | <u>58,517</u> | <u>14,157</u> | <u>13,500</u> | <u>-</u> |
| Restricted: | | | | |
| Debt service | - | - | - | - |
| Capital projects | - | - | - | - |
| Enabling legislation - dependent districts | - | 24,646,574 | 6,202,368 | 6,912,045 |
| Law enforcement | - | - | - | - |
| Building Department | - | - | - | - |
| Impact fees | - | - | - | - |
| Environmental management | - | - | - | - |
| Total restricted | <u>-</u> | <u>24,646,574</u> | <u>6,202,368</u> | <u>6,912,045</u> |
| Committed: | | | | |
| Capital projects | - | - | - | - |
| Building inspectors' education | - | - | - | - |
| Tree replacement | - | - | - | - |
| Parks and recreation | - | - | - | - |
| General government | - | - | - | - |
| Fleet maintenance | - | - | - | - |
| Public art | 125,753 | - | - | - |
| Historical preservation | - | - | - | - |
| Other - contractual | 148,233 | - | - | - |
| Total committed | <u>273,986</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Assigned: | | | | |
| Subsequent year expenditures | 1,998,740 | - | - | - |
| Other purposes | 1,288,416 | - | - | - |
| Total assigned | <u>3,287,156</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Unassigned | <u>21,068,206</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances | <u>\$ 24,687,865</u> | <u>\$ 24,660,731</u> | <u>\$ 6,215,868</u> | <u>\$ 6,912,045</u> |

(continued)

| <u>Governmental Fund Balance Components:</u> | <u>Major Funds</u> | | |
|--|----------------------|---------------------------------|---------------------------------|
| | <u>Surtax</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
| Nonspendable: | | | |
| Prepaid items | \$ 151,889 | \$ 504,948 | \$ 656,837 |
| Leases | - | - | 86,174 |
| Inventories | - | 55,405 | 55,405.00 |
| Total nonspendable | 151,889 | 560,353 | 798,416 |
| Restricted: | | | |
| Debt service | - | 1,613,459 | 1,613,459 |
| Capital projects | 40,196,405 | - | 40,196,405 |
| Enabling legislation - dependent districts | - | 13,830,471 | 51,591,458 |
| Law enforcement | - | 165,465 | 165,465 |
| Building Department | - | 9,074,708 | 9,074,708 |
| Impact fees | - | 19,583,807 | 19,583,807 |
| Environmental management | - | 318,213 | 318,213 |
| Total restricted | 40,196,405 | 44,586,123 | 122,543,515 |
| Committed: | | | |
| Capital projects | - | 2,048,125 | 2,048,125 |
| Building inspectors' education | - | 361,618 | 361,618 |
| Tree replacement | - | 1,820,138 | 1,820,138 |
| Parks and recreation | - | 3,734,902 | 3,734,902 |
| General government | - | 628,010 | 628,010 |
| Fleet maintenance | - | 876,993 | 876,993 |
| Public art | - | - | 125,753 |
| Historical preservation | - | 1,958 | 1,958 |
| Other - contractual | - | - | 148,233 |
| Total committed | - | 9,471,744 | 9,745,730 |
| Assigned: | | | |
| Subsequent year expenditures | - | - | 1,998,740 |
| Other purposes | - | - | 1,288,416 |
| Total assigned | - | - | 3,287,156 |
| Unassigned | - | - | 21,068,206 |
| Total fund balances | <u>\$ 40,348,294</u> | <u>\$ 54,618,220</u> | <u>\$ 157,443,023</u> |

5. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental units requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

6. IMPLEMENTAION OF GOVERNMENTAL ACCOUNTING STANDARDS STATEMENT

The City implemented GASB Statement No.87, *Leases* for the fiscal year ending September 30, 2022, as required. The statement establishes a single model for lease accounting based on the principal 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 asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Leases are to me measured using the facts and circumstances that existed at the beginning of the year of implementation, which for the City is October 1, 2021.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. BUDGETARY INFORMATION

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

- During the month of July, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1st for the purpose of determining millage requirements. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at City Hall to obtain taxpayer comments during September.
- On or before September 30th, the budget is legally enacted for funds through passage of an ordinance.
- The City Commission must approve any revisions altering the budgeted amounts of total expenditures of any fund.
- Budgets have been adopted for the governmental and enterprise funds on a basis consistent with generally accepted accounting principles (GAAP). Expenditures may not legally exceed appropriations plus accumulated fund equity at the fund level. All annual appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutorily required budgetary process. All encumbrances lapse at year-end; however, it is the City's intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. Encumbrances outstanding at year-end were \$1,053,779 for the General Fund, \$1,819,285 for the Road and Drainage District, \$1,748,500 for the Solid Waste District, \$5,975,565 for the Surtax Fund, \$3,043,242 for nonmajor funds, and \$7,023,828 for the Water and Sewer Utilities Fund.

Appropriations of various City projects are also recorded as reservations of budget and employed as an extension of the statutorily required budgetary process. All project appropriations lapse at year-end; however, it is the City's intention to substantially honor these appropriations under authority provided in the subsequent year's budget. Project appropriations outstanding at year-end were \$382,870 for the General Fund, \$11,575,817 for the Road and Drainage District, \$264,208 for the Fire Rescue District, \$296,364 for the Solid Waste District, \$26,088,339 for the Surtax Fund, \$14,085,530 for nonmajor funds, and \$17,040,133 for the Water and Sewer Utilities Fund.

Budgeted amounts are as originally adopted or amended by the City. Supplemental appropriations made during the fiscal year are included in the "Final Budgeted Amount" columns on the *Budgetary Comparison Schedules*. Supplemental budgetary appropriations for major funds made during the year included the following:

- The General Fund expenditure budget was increased \$598,803 to fund additional personnel and operating costs; costs associated with the Economic Development interlocal agreement; and the 1st floor lobby piece of art.
- The Surtax expenditure budget was increased \$1,610,261 to fund Warm Mineral Springs building renovations and Legacy Trail extension parking.

All other supplementary budgetary appropriations in the major funds were not material in relation to the original budget.

NOTE C – DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its securities that are in possession of an outside party.

At September 30, 2022, City's book balance of cash was \$4,764,578 and the bank balances were \$5,237,271. The difference between the book balance and the bank balance is deposits in transit and uncleared checks. The bank balances are insured by the Federal Depository Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. The remaining balances are collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. The City's investment policy requires that securities be secured through third-party custody in the City's name.

Interest Rate Risk

As of September 30, 2022, the City had the following investments and maturities:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less than 1</u> | <u>1-5</u> | <u>More than 5</u> |
|---------------------------|-----------------------|-----------------------|-----------------------|---------------------|
| U.S. Treasuries | \$ 36,457,678 | \$ - | \$ 36,457,678 | \$ - |
| Federal instrumentalities | 18,313,527 | 5,674,010 | 9,294,498 | 3,345,019 |
| Supra-national bonds | 6,248,824 | 2,930,529 | 3,318,295 | - |
| Municipal bonds | 1,708,990 | 64,212 | 1,644,778 | - |
| Corporate notes | 42,640,027 | 2,566,448 | 40,073,579 | - |
| Asset backed securities | 21,743,189 | 29,074 | 21,714,115 | - |
| SBA - LGIP | 46,502,491 | 46,502,491 | - | - |
| FL PALM | 47,902,407 | 47,902,407 | - | - |
| Money market | 1,101,898 | 1,101,898 | - | - |
| | <u>\$ 222,619,031</u> | <u>\$ 106,771,069</u> | <u>\$ 112,502,943</u> | <u>\$ 3,345,019</u> |

Following is a reconciliation of the investment schedule above to cash and investments reported on the entity-wide statement of net position:

Reconciliation with Statement of Net Position:

| | |
|-----------------------------------|-----------------------|
| Cash and investments | \$ 207,283,287 |
| Cash and investments - restricted | 19,755,448 |
| | <u>227,038,735</u> |
| Add custodial funds' cash | 367,974 |
| Less cash book balance | (4,764,578) |
| Less cash on hand | (23,100) |
| Fair value total | <u>\$ 222,619,031</u> |

In compliance with the City's investment policy, as of September 30, 2022, the City minimized the interest rate risk by limiting the effective duration of security types not to exceed five and one-half years and structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations.

Credit Risk

The City's investment policy limits credit risk by restricting the authorized investments to those stated in Note A, Section 4(a). The following table illustrates the credit quality distribution with credit exposure as a percentage of the City's investment securities:

| <u>Investment Type</u> | <u>Rating</u> | <u>Portfolio</u> |
|--|----------------------|-------------------------|
| U.S. Treasury Notes | - | 16% |
| Federal Instrumentalities | - | 8% |
| Supra-national agencies | AAA | 3% |
| Corporate notes | NR to AA+ | 19% |
| Asset backed securities | NR to AAA | 10% |
| Municipal bonds | NR to AAA | 1% |
| Principal stability funds: | | |
| Florida Public Assets for Liquidity Management | AAAm | 22% |
| SBA Florida Prime | AAAm | 21% |

The City's investment policy establishes limitations on portfolio composition by investment type in order to control concentration of credit risk. The following maximum limits are guidelines established for diversification by instrument:

| | |
|---|------|
| U.S. Government Guaranteed Securities | 100% |
| Federal Agencies/GSE | 75% |
| Supranationals | 25% |
| Corporates | 50% |
| Municipals | 25% |
| Agency Mortgage Backed Securities | 25% |
| Asset Backed Securities | 25% |
| Non-Negotiable Collateralized Bank Deposits or Savings Accounts | 50% |
| Commercial Paper | 50% |
| Repurchase Agreements | 40% |
| Money Market Funds | 50% |
| Fixed Income Mutual Funds | 20% |
| Intergovernmental Pools (LGIPs) | 50% |
| Florida Local Government Surplus Funds Trust Funds | 25% |

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the City has the ability to access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset which are typically based on the City’s own assumptions, as there is little, if any, related market activity.

Investments that are measured at fair value using the net asset value (NAV) per share, or its equivalent, as a practical expedient are not classified in the fair value hierarchy.

The City had the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2022:

| <u>Investment Type</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Total</u> |
|---------------------------|----------------------|----------------------|-----------------------|
| U.S. Treasuries | \$ 36,457,678 | \$ - | \$ 36,457,678 |
| Federal Instrumentalities | - | 18,313,527 | 18,313,527 |
| Supra-national bonds | - | 6,248,824 | 6,248,824 |
| Municipal bonds | - | 1,708,990 | 1,708,990 |
| Corporate notes | - | 42,640,027 | 42,640,027 |
| Asset backed securities | - | 21,743,189 | 21,743,189 |
| Money market | 1,101,898 | - | 1,101,898 |
| | <u>\$ 37,559,576</u> | <u>\$ 90,654,557</u> | <u>\$ 128,214,133</u> |
| SBA Florida Prime LGIP | | | 46,502,491 |
| FL PALM | | | 47,902,407 |
| | | | <u>\$ 222,619,031</u> |

See separate disclosures in Note J for the investments held in the City’s Fire and Police pension funds.

NOTE D- RECEIVABLES

Receivables as of year-end for the City’s individual major funds, nonmajor funds in the aggregate and proprietary fund, including the applicable allowances for uncollectible accounts, are as follows:

| | General Fund | Road & Drainage District | Fire Rescue District | Solid Waste District | Surtax |
|---------------------------------------|--------------|-----------------------------|-------------------------|-------------------------|--------------|
| Receivables: | | | | | |
| Taxes | \$ 336,149 | \$ - | \$ - | \$ - | \$ - |
| Franchise fees | 934,569 | - | - | - | - |
| Accounts | 2,396,181 | 18,633 | 1,434 | 67,052 | - |
| Leases | 1,869,624 | 627,068 | 396,959 | - | - |
| Intergovernmental | 2,350,160 | 775,285 | 158,096 | 717 | 1,616,619 |
| Special assessments | - | - | - | - | - |
| Gross receivables | 7,886,683 | 1,420,986 | 556,489 | 67,769 | 1,616,619 |
| Less: allowance for uncollectibles | (1,647,126) | - | - | - | - |
| Net total receivables | \$ 6,239,557 | \$ 1,420,986 | \$ 556,489 | \$ 67,769 | \$ 1,616,619 |

| | Self-Insurance Medical Fund | Water & Sewer Utilities | Nonmajor Governmental Funds | Total (all columns) |
|---------------------------------------|--------------------------------|----------------------------|-----------------------------------|------------------------|
| Receivables: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 336,149 |
| Franchise fees | - | - | - | 934,569 |
| Accounts | 18,490 | 4,055,291 | 5,257 | 6,562,338 |
| Leases | - | - | - | 2,893,651 |
| Intergovernmental | - | 110,515 | 8,517 | 5,019,909 |
| Special assessments | - | 13,932 | - | 13,932 |
| Gross receivables | 18,490 | 4,179,738 | 13,774 | 15,760,548 |
| Less: allowance for uncollectibles | - | (301,316) | - | (1,948,442) |
| Net total receivables | \$ 18,490 | \$ 3,878,422 | \$ 13,774 | \$ 13,812,106 |

NOTE E- PROPERTY TAX

Property taxes are levied on November 1 of each year and are due and payable upon receipt of the notice of levy. The Sarasota County, Florida, Tax Collector's Office bills and collects property taxes on behalf of the City. The tax rate to finance general governmental services for the fiscal year ended September 30, 2022 was \$3.7667 per \$1,000 of assessed taxable property value. Property tax revenues are recognized currently in the fiscal year for which the taxes are levied. On May 1 of each year, unpaid taxes become a lien on the property. The past due tax certificates are later sold at public auction and the proceeds thus collected are remitted to the City.

No accrual for the property tax levy becoming due in November 2022 is included in the accompanying financial statements since such taxes do not meet the necessary criteria. The major dates in the property tax process are listed on the following table.

| PROPERTY TAX CALENDAR | |
|------------------------------|--|
| July 1 | Assessment roll validated |
| | |
| September 30 | Millage resolution approved |
| | |
| October 1 | Beginning of fiscal year for which tax is to be levied |
| | |
| November 1 | Tax bills rendered and due |
| | |
| November 1 - March 31 | Property taxes due with various discount rates |
| | |
| April 1 | Taxes delinquent |
| | |
| May 31 | Tax certificates sold by County |

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022, was as follows:

| | <u>Primary Government</u> | | | |
|--|---------------------------|----------------------|---------------------|-----------------------|
| | Beginning | | | Ending |
| | <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> |
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 23,618,523 | \$ 2,178,867 | \$ - | \$ 25,797,390 |
| Works of art | 17,372 | - | - | 17,372 |
| Construction in progress | 7,880,035 | 3,199,253 | 2,206,302 | 8,872,986 |
| Total capital assets not being depreciated | <u>31,515,930</u> | <u>5,378,120</u> | <u>2,206,302</u> | <u>34,687,748</u> |
| Other capital assets: | | | | |
| Buildings | 55,827,602 | 9,234,570 | - | 65,062,172 |
| Improvements other than buildings | 296,506,138 | 6,834,562 | - | 303,340,700 |
| Equipment | 57,156,911 | 4,244,902 | 1,853,390 | 59,548,423 |
| Total other capital assets | <u>409,490,651</u> | <u>20,314,034</u> | <u>1,853,390</u> | <u>427,951,295</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 19,742,172 | 1,668,141 | - | 21,410,313 |
| Improvements other than buildings | 94,867,431 | 6,267,354 | - | 101,134,785 |
| Equipment | 32,924,036 | 5,657,489 | 1,641,387 | 36,940,138 |
| Total accumulated depreciation | <u>147,533,639</u> | <u>13,592,984</u> | <u>1,641,387</u> | <u>159,485,236</u> |
| Total other capital assets, net of acc. depreciation | <u>261,957,012</u> | <u>6,721,050</u> | <u>212,003</u> | <u>268,466,059</u> |
| Governmental activities capital assets, net | <u>\$ 293,472,942</u> | <u>\$ 12,099,170</u> | <u>\$ 2,418,305</u> | <u>\$ 303,153,807</u> |
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 3,566,866 | \$ 2,983,106 | \$ - | \$ 6,549,972 |
| Construction in progress | 4,784,773 | 1,928,251 | 4,078,768 | 2,634,256 |
| Total capital assets not being depreciated | <u>8,351,639</u> | <u>4,911,357</u> | <u>4,078,768</u> | <u>9,184,228</u> |
| Other capital assets: | | | | |
| Buildings | 15,511,776 | 96,270 | 3,212 | 15,604,834 |
| Improvements other than buildings | 217,801,288 | 10,108,048 | 223,800 | 227,685,536 |
| Equipment | 18,183,164 | 1,149,538 | 61,190 | 19,271,512 |
| Total other capital assets | <u>251,496,228</u> | <u>11,353,856</u> | <u>288,202</u> | <u>262,561,882</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 1,391,185 | 324,174 | 3,212 | 1,712,147 |
| Improvements other than buildings | 60,866,681 | 5,294,017 | 223,800 | 65,936,898 |
| Equipment | 10,527,903 | 1,357,031 | 61,190 | 11,823,744 |
| Total accumulated depreciation | <u>72,785,769</u> | <u>6,975,222</u> | <u>288,202</u> | <u>79,472,789</u> |
| Total other capital assets, net of acc. depreciation | <u>178,710,459</u> | <u>4,378,634</u> | <u>-</u> | <u>183,089,093</u> |
| Business-type activities capital assets, net | <u>\$ 187,062,098</u> | <u>\$ 9,289,991</u> | <u>\$ 4,078,768</u> | <u>\$ 192,273,321</u> |

Depreciation expense was charged to functions as follows:

| | |
|---|----------------------|
| General government | \$ 885,084 |
| Public safety | 2,790,268 |
| Physical environment | 3,772,657 |
| Transportation | 4,376,652 |
| Human services | 73,510 |
| Culture and recreation | <u>1,694,813</u> |
| Total governmental activities depreciation expense | <u>\$ 13,592,984</u> |
| Business-type activities | |
| Water and sewer utility | <u>\$ 6,975,222</u> |
| Total business-type activities depreciation expense | <u>\$ 6,975,222</u> |

Commitments

Uncompleted commitments at September 30, 2022 consist of the following:

| <u>Project</u> | <u>Spent-to-Date</u> | <u>Remaining Commitment</u> |
|---|----------------------|---------------------------------|
| Fire rescue construction and equipment | \$ 1,998,623 | \$ 2,247,602 |
| Parks & recreation construction | 966,357 | 2,654,739 |
| Facilities maintenance equipment | - | 663,136 |
| Road and drainage construction and equipment | 9,389,154 | 3,775,277 |
| Information technology equipment | 775,149 | 194,698 |
| Police department equipment | - | 756,680 |
| Solid waste equipment | - | 2,124,266 |
| Fleet equipment | - | 46,814 |
| Water and sewer operations construction and equipment | <u>3,514,556</u> | <u>7,850,664</u> |
| Total | <u>\$ 16,643,839</u> | <u>\$ 20,313,876</u> |

NOTE G – LEASES

Lease Receivables

The City has four cell tower land leases with various terms beginning in 2008 and terminating in 2039. Rent payments increase annually by an escalator equal to three or four percent. The City receives monthly payments on these leases. For fiscal year ending September 30, 2022, the City recognized \$244,484 of rental income from the payments. The City also recognized \$54,409 of interest income from these leases. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the terms of the lease at a discount rate calculated using the City's approximate incremental borrowing rate.

NOTE H – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances at September 30, 2022 is as follows:

Due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|----------------------------|-------------------|
| General | Non-major governmental | \$ 99,401 |
| | Road and Drainage District | 177,199 |
| | Fire Rescue District | 366,821 |
| | Solid Waste District | 61,684 |
| | Water and Sewer Utility | 205,116 |
| | | <u>\$ 910,221</u> |

Balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

Transfers out:

| <u>Transfers in:</u> | General Fund | Road and Drainage District | Fire Rescue District | Solid Waste District | Nonmajor Governmental Funds | Water & Sewer Utilities | Total |
|-----------------------------|-------------------|----------------------------------|-------------------------|-------------------------|-----------------------------------|-------------------------------|---------------------|
| General Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 625,800 | \$ 625,800 |
| Nonmajor Governmental Funds | 480,500 | 2,950,000 | 2,803,200 | 557,430 | 90,000 | - | 6,881,130 |
| Total | <u>\$ 480,500</u> | <u>\$ 2,950,000</u> | <u>\$ 2,803,200</u> | <u>\$ 557,430</u> | <u>\$ 90,000</u> | <u>\$ 625,800</u> | <u>\$ 7,506,930</u> |

Transfers are used to move revenues from the fund that the budget requires to collect them to the fund that the budget requires to expend them. The transfers-in amounts to the nonmajor governmental funds consists of monies to be set aside to provide for the renewal and replacement of capital assets. The transfers-in amount to the General Fund represents a return-on-investment payment from the Water & Sewer Utilities Enterprise Fund.

NOTE I – LONG-TERM LIABILITIES

Long-term Liability Activity

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

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due within One Year |
|---|----------------------|----------------------|------------------------|----------------------|-----------------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| Transportation improvement bonds | \$ 32,740,000 | \$ - | \$ (1,630,000) | \$ 31,110,000 | \$ 1,705,000 |
| Total OPEB liability | 4,548,103 | 508,750 | (1,294,431) | 3,762,422 | - |
| Net pension liability | 21,672,057 | 51,623,662 | (24,812,034) | 48,483,685 | - |
| Compensated absences | 3,994,458 | 7,535,663 | (6,204,899) | 5,325,222 | 887,715 |
| <i>Governmental activities long-term liabilities</i> | <u>\$ 62,954,618</u> | <u>\$ 59,668,075</u> | <u>\$ (33,941,364)</u> | <u>\$ 88,681,329</u> | <u>\$ 2,592,715</u> |
| Business-type activities: | | | | | |
| Bonds payable: | | | | | |
| Revenue bonds | \$ 20,788,685 | \$ - | \$ (3,307,955) | \$ 17,480,730 | \$ 1,918,833 |
| Total OPEB liability | 217,584 | 38,358 | (15,076) | 240,866 | - |
| Net pension liability | 1,662,330 | 3,405,122 | (667,536) | 4,399,916 | - |
| Compensated absences | 353,576 | 700,806 | (563,039) | 491,343 | 81,907 |
| Deposits payable | 208,275 | 107,385 | (130,257) | 185,403 | 116,776 |
| <i>Business-type activities long-term liabilities</i> | <u>\$ 23,230,450</u> | <u>\$ 4,251,671</u> | <u>\$ (4,683,863)</u> | <u>\$ 22,798,258</u> | <u>\$ 2,117,516</u> |

Liquidation - Governmental Funds

Bonds – In the governmental funds, the liability for bonds payable is paid by the Road Reconstruction Bond Debt Service Fund.

Other post-employment benefits - In the governmental funds, the OPEB liability is liquidated from the General Fund, Road and Drainage District Fund, Fire Rescue District Fund, Solid Waste District Fund, Building Fund, Tree Replacement Fund and the Fleet Maintenance Fund.

Net pension liability - In the governmental funds, the net pension liability is liquidated from the General Fund, Road and Drainage District Fund, Fire Rescue District Fund, Solid Waste District Fund, Building Fund, Tree Replacement Fund and the Fleet Maintenance Fund.

Compensated absences - In the governmental funds, the liability for compensated absences is liquidated from the General Fund, Road and Drainage District Fund, Fire Rescue District Fund, Solid Waste District Fund, Building Fund, Tree Replacement Fund and the Fleet Maintenance Fund.

Refunding Losses

A refunding loss of \$817,039 incurred in conjunction with the issuance of the Utility System Refunding Revenue Bonds, Series 2005, is being amortized over the life of the bonds (25 years) using the bonds outstanding method. Amortization of the refunding loss on the Series 2005 bonds was \$26,158 for the year ended September 30, 2022 and is included as a component of interest expense. Unamortized refunding loss of \$111,489 is recorded as a deferred outflow on the statement of net position.

A refunding loss of \$820,427 incurred in conjunction with the issuance of the Utility System Refunding Revenue Bonds, Series 2014, is being amortized over the life of the bonds (9 years) using the bonds outstanding method. Amortization of the refunding loss on the Series 2014 bonds was \$19,313 for the year ended September 30, 2022 and is included as a component of interest expense.

A refunding loss of \$3,565,809 incurred in conjunction with the issuance of the Taxable Capital Improvement Refunding Revenue Note, Series 2020, is being amortized over the life of the note (230 months) using the straight-line method. Amortization of the refunding loss on the Series 2020 note was \$186,042 for the year ended September 30, 2022 and is included as a component of interest expense. Unamortized refunding loss of \$3,116,207 is recorded as a deferred outflow on the statement of net position.

Refunding Revenue Notes

Utility System Refunding Private Placement Revenue Notes, Series 2014A and Series 2014B, dated April 15, 2014 were issued in the amount of \$10,000,000 and \$1,670,000, respectively, for the purposes of providing funds to currently refund the City's outstanding Utility System Refunding Revenue Bond, Series 2010 maturing on October 1, 2014 through October 1, 2022. The Series 2014 Notes are expected to be repaid over a period of nine years. At a true interest cost of 2.15% for 2014A and 2.1% for 2014B, total interest paid over the life of the Series 2014 notes will be \$1,160,562. The expected source of repayment is the pledged funds (water and sewer revenues). The Series 2014 notes shall be on parity in all respects and shall rank equally as to lien on and source and security form the pledged funds with the outstanding parity bonds. The City currently refunded the Series 2010 bonds to reduce its total debt service payments over the next nine years by \$622,257 and to obtain an economic gain (difference between the present value of the debt service payments of the old and new debt) of \$342,541.

Taxable Capital Improvement Refunding Revenue Note, Series 2020, dated May 7, 2020 was issued in the amount of \$31,485,000 with a taxable interest rate of 2.91% and an option to convert the loan to a fixed, tax-exempt rate of 2.30% during the call window in 2023. The City issued the note to advance refund the callable portion of the City's outstanding Transportation Improvement Assessment Bonds, Series 2013 and pay the costs of issuance related to the Series 2020 Note. The City used the net proceeds along with other resources to purchase State and Local Government Securities (SLGS) that were deposited in an irrevocable escrow fund to provide for all future debt service on the refunded portion of the Series 2013 bonds. As a result, that portion of the Series 2013 bonds is considered defeased, and the City has removed the liability from its accounts. The outstanding principal of this Series 2020 note is \$29,925,000 at September 30, 2022.

The Taxable Capital Improvement Refunding Revenue Note advanced refunding allows the City to retire the debt two years earlier than the original final maturity on the refunded bonds. This is a result of the City contributing excess accumulated revenues at closing to reduce the borrowing size, along with savings from a reduced interest rate, to accelerate principal payments without an increase in budgeted debt service. The advanced refunding results in an economic gain (difference between the present value of the debt service payments of the old and new debt) of \$1,536,640. The aggregate difference in debt service between the refunding debt and the refunded debt is \$6,935,491.

Revenue Bond

Utility System Revenue Bond, Series 2020, dated November 12, 2020, was issued in the amount of \$16,264,500 with a tax-exempt interest rate of 1.16%. The City issued the bond to extinguish the City's three outstanding Clean Water State Revolving Fund Loan (SRF Loans) as well as pay the costs of issuance related to the Series 2020 Bond. The structure of this Series 2020 Bond allows the City to retire the debt conterminously with the same final maturity, which shortened the life of the debt for two of the SRF loans by up to six years. The City currently refunded the SRF loans to reduce its total debt service payments over the next seventeen years by \$1,265,098 and to obtain an economic gain (difference between the present value of the debt service payments of the old and new debt) of \$1,259,970. The outstanding principal of this Series 2020 note is \$13,343,500 at September 30, 2022.

Deposits Payable

Before rendering water or wastewater service, the City may require an applicant for service to satisfactorily establish credit by paying a cash deposit. The amount of the initial deposit shall be according to customer class and meter size. After the customer has established continuous utility service for a period of twenty-four months and meets the following requirements, the customer's security deposit will be refunded as a credit to their utility account: 1) customer has not been disconnected for nonpayment; 2) customer has not had a returned payment in the last six months; 3) customer has not tampered with the meter; and 4) customer has not used service in a fraudulent or unauthorized manner.

Debt Maturity:

Debt service requirements at September 30, 2022 were as follows:

Governmental-type Activities - Assessment Bonds/Note
Transportation Improvement Assessment Bonds/Note

| <u>Year Ended</u> <u>September 30</u> | <u>Principal</u> | <u>Interest</u> |
|--|----------------------|---------------------|
| 2023 | 1,705,000 | 930,068 |
| 2024 | 1,775,000 | 855,686 |
| 2025 | 1,830,000 | 804,033 |
| 2026 | 1,885,000 | 750,780 |
| 2027 | 1,940,000 | 695,927 |
| 2028-2032 | 10,570,000 | 2,599,795 |
| 2033-2037 | 11,405,000 | 969,176 |
| Total | <u>\$ 31,110,000</u> | <u>\$ 7,605,465</u> |

Business-type Activities - Revenue Bonds/Notes
Water and Sewer Utility

| <u>Year Ended</u> <u>September 30</u> | <u>Principal</u> | <u>Interest</u> |
|--|----------------------|---------------------|
| 2023 | 1,918,833 | 323,411 |
| 2024 | 1,951,985 | 288,463 |
| 2025 | 1,990,619 | 251,835 |
| 2026 | 2,023,973 | 214,540 |
| 2027 | 2,061,974 | 176,396 |
| 2028-2032 | 7,533,346 | 302,348 |
| Total | <u>\$ 17,480,730</u> | <u>\$ 1,556,993</u> |

Description of Debt:

\$39,525,000 Series 2013 Transportation Improvement Assessment Bonds, due in annual installments of \$855,000 - \$1,185,000 beginning July 1, 2014 through July 1, 2023; interest between 1.00% - 5.00%; secured by a pledge of non-ad valorem capital assessments. Proceeds from the bonds provided financing for the reconstruction and rehabilitation of approximately 266 miles of existing roadways within the City. The total pledged revenue at 9/30/22, which equals remaining principal and interest, is \$1,244,250. Principal and interest paid for the current year and total capital assessments were \$1,240,500 and \$3,109,455, respectively.

Governmental

Business-type

\$ 1,185,000

\$ -

\$31,485,000 Series 2020 Taxable Capital Improvement Refunding Revenue Note, due in annual installments of \$560,000 - \$2,510,000 beginning July 1, 2020 through July 1, 2037; interest at 2.91%; secured by a pledge of non-ad valorem capital assessments. Proceeds from the bonds advance refunded the callable portion of the City's outstanding Transportation Improvement Assessment Bonds, Series 2013 and paid the costs of issuance. The total pledged revenue at 9/30/22, which equals remaining principal and interest, is \$37,471,215. Principal and interest paid for the current year and total capital assessments were \$1,390,513 and \$3,109,455, respectively.

29,925,000

-

\$6,211,908 Series 2005 Utility System Refunding Private Placement Revenue Bonds, due in annual installments of \$17,177 - \$592,317 beginning September 30, 2006 through September 30, 2030; interest at 4.02%; secured by a pledge of the net revenues of the system operations and impact fees. Proceeds from the bonds refunded a portion of the 2000 bonds, which provided financing for improvements to the wastewater treatment system. The pledged revenue at 9/30/22, which equals remaining principal and interest, is \$4,931,674. Principal and interest paid for the current year and total net revenues were \$618,709 and \$11,535,658, respectively.

-

4,137,230

\$16,264,500 Series 2020 Utility System Revenue Bond, due in semi-annual installments of \$1,112,254 - \$1,635,681 beginning April 1, 2021 through October 1, 2031; interest at 1.16%; secured by a pledge of the net revenues of the system operations and impact fees. Proceeds from the bonds paid off all outstanding State Revolving Fund Loans, which provided financing for improvements to the wastewater treatment system. The pledged revenue at 9/30/22, which equals remaining principal and interest, is \$14,106,049. Principal and interest paid for the current year and total net revenues were \$1,624,134 and \$11,535,658, respectively.

-

13,343,500

TOTAL

\$ 31,110,000

\$ 17,480,730

Other Long-Term Debt Information

Total interest expense for the year ended September 30, 2022 was \$1,169,319 in the governmental activities and \$433,756 in the business-type activities.

In accordance with bond covenants and Section 148 of the Internal Revenue Code, the City is required to rebate to the U.S. Treasury, every five years, earnings on bond proceeds in excess of the bond yield. For the year ended September 30, 2022, no amounts were earned that will have to be rebated to the U.S. Treasury.

The City does not participate as a lessee in any significant leases, and accordingly, does not report any lease liabilities.

NOTE J – EMPLOYEE RETIREMENT SYSTEMS

The City has three pension plans covering all full-time employees after meeting appropriate age and service requirements. They are the Florida Retirement System, the Municipal Police Officers' Pension Trust Fund and the Municipal Firefighters' Pension Trust Fund.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's two plans and the FRS plan and additions to/deductions from these plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

FLORIDA RETIREMENT SYSTEM

General Information - All of the City's full-time, non-uniform (general) employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website:

http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

PLAN DESCRIPTION

The FRS Pension Plan is a cost-sharing multiple-employer qualified defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) available for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers and firefighters, meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service, while employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits and annual cost-of-living adjustments to eligible participants.

The DROP Program, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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 5 highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 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 class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits. The following chart shows the percentage value for each year of service credit earned:

| Class, Initial Enrollment and Retirement Age/Years of Service | % Value |
|---|----------------|
| <i>Regular Class members initially enrolled before July 1, 2011</i> | |
| Retirement up to age 62 or up to 30 years of service | 1.60 |
| Retirement at age 63 or with 31 years of service | 1.63 |
| Retirement at age 64 or with 32 years of service | 1.65 |
| Retirement at age 65 or with 33 or more years of service | 1.68 |
| <i>Regular Class members initially enrolled on or after July 1, 2011</i> | |
| Retirement up to age 65 or up to 33 years of service | 1.60 |
| Retirement at age 66 or with 34 years of service | 1.63 |
| Retirement at age 67 or with 35 years of service | 1.65 |
| Retirement at age 68 or with 36 or more years of service | 1.68 |
| <i>Elected County Officers</i> | 3.00 |
| <i>Senior Management Service Class</i> | 2.00 |
| <i>Special Risk Regular</i> | |
| Service from December 1, 1970 through September 30, 1974 | 2.00 |
| Service on and after October 1, 1974 | 3.00 |

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

CONTRIBUTIONS

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary on a pretax basis to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively, were as follows:

| Membership Class | October 1, 2021 thru June 30, 2022 | July 1, 2022 thru September 30, 2022 |
|--|---|---|
| <i>FRS, Regular</i> | 10.82% | 11.91% |
| <i>FRS, Elected Officers</i> | 51.42% | 57.00% |
| <i>FRS, Senior Management Service</i> | 29.01% | 31.57% |
| <i>FRS, Special Risk Administrative Support</i> | 37.76% | 38.65% |
| <i>FRS, Special Risk</i> | 25.89% | 27.83% |
| <i>FRS, DROP</i> | 18.34% | 18.60% |

Note: Employer rates include 1.66 percent for the postemployment health insurance subsidy, October 1, 2021 thru September 30, 2022. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

The City's contributions, including employee contributions, to the Pension Plan totaled \$6,886,237 for the fiscal year ended September 30, 2022.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At September 30, 2022, the City reported a liability of \$42,236,351 for its proportionate share of the Pension Plan’s net pension liability, an increase of \$34,000,607 over last year’s liability of \$8,235,744. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City’s proportionate share of the net pension liability was based on the City’s 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the City’s proportionate share was .113514055 percent, which was an increase of .004487149 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$6,033,692. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 2,005,983 | \$ - |
| Change of assumptions | 5,201,583 | - |
| Net difference between projected and actual earnings on Pension Plan investments | 2,788,861 | - |
| Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions | 5,195,807 | - |
| City Pension Plan contributions subsequent to the measurement date | 1,479,980 | - |
| Total | <u>\$ 16,672,214</u> | <u>\$ -</u> |

The deferred outflows of resources related to the Pension Plan, totaling \$1,479,980 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

| Fiscal Year Ending | Amount |
|--------------------|--------------|
| September 30: | |
| 2023 | \$ 3,674,004 |
| 2024 | 1,386,375 |
| 2025 | (1,240,727) |
| 2026 | 10,795,313 |
| 2027 | 577,269 |
| Thereafter | - |

Actuarial Assumptions – The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

| | |
|---------------------------|--|
| Inflation | 2.40% |
| Salary increases | 3.25%, average, including inflation |
| Investment rate of return | 6.70%, net of pension plan investment expense, including inflation |

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2022 valuation 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:

| Asset Class | Target Allocation (1) | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|--------------------------|------------------------------|---------------------------------|---|---------------------------|
| Cash | 1.00% | 2.60% | 2.60% | 1.10% |
| Fixed Income | 19.80% | 4.40% | 4.40% | 3.20% |
| Global Equity | 54.00% | 8.80% | 7.30% | 17.80% |
| Strategic Investments | 3.80% | 6.20% | 5.90% | 7.80% |
| Private Equity | 11.10% | 12.00% | 8.90% | 26.30% |
| Real Estate (Property) | 10.30% | 7.40% | 6.30% | 15.70% |
| Total | <u>100.00%</u> | | | |
| Assumed Inflation - Mean | | | 2.40% | 1.30% |

(1) As outlined in the FRS Pension Plan’s investment policy

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the Pension 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.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

| | 1% Decrease 5.70% | Current Discount Rate 6.70% | 1% Increase 7.70% |
|--|----------------------|-----------------------------------|----------------------|
| City's proportionate share of the net pension liability | \$ 73,044,864 | \$ 42,236,351 | \$ 16,476,767 |

PENSION PLAN FIDUCIARY NET POSITION

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

PAYABLES TO THE PENSION PLAN

At September 30, 2022, the City reported a payable in the amount of \$223,405 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2022.

HIS Plan

PLAN DESCRIPTION

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Detailed information about the HIS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report which may be obtained through the Florida Department of Management Services website at http://www.dms.myflorida.com/workforce_operations/retirement/publications.

BENEFITS PROVIDED

For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

CONTRIBUTIONS

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2022, the HIS contribution for the period October 1, 2021 through September 30, 2022 was 1.66% pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding five years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$648,008 for the fiscal year ended September 30, 2022.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At September 30, 2022, the City reported a liability of \$10,647,249 for its proportionate share of the HIS Plan’s net pension liability, a decrease of \$1,049,020 over last year’s liability of \$11,696,269. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City’s proportionate share of the net pension liability was based on the City’s 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the City's proportionate share was .100525430 percent, which was an increase of .005174144 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$1,221,643. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 323,169 | \$ 46,849 |
| Change of assumptions | 610,307 | 1,647,123 |
| Net difference between projected and actual earnings on HIS Plan investments | 15,415 | - |
| Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions | 2,153,782 | - |
| City HIS Plan contributions subsequent to the measurement date | 175,208 | - |
| Total | <u>\$ 3,277,881</u> | <u>\$ 1,693,972</u> |

The deferred outflows of resources related to the HIS Plan, totaling \$175,208 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

| Fiscal Year Ending September 30: | <u>Amount</u> |
|-------------------------------------|---------------|
| 2023 | \$ 337,360 |
| 2024 | 181,921 |
| 2025 | 83,179 |
| 2026 | 184,118 |
| 2027 | 427,361 |
| Thereafter | 194,762 |

Actuarial Assumptions – The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------|-------------------------------------|
| Inflation | 2.40% |
| Salary increases | 3.25%, average, including inflation |
| Municipal bond rate | 3.54% |

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

Discount Rate - The discount rate used to measure the total pension liability 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 FRS Actuarial Assumption Conference. The discount rates used at the two dates differ due to changes in the applicable municipal bond index.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate:

| | 1% Decrease 2.54% | Current Discount Rate 3.54% | 1% Increase 4.54% |
|--|----------------------|-----------------------------------|----------------------|
| City's proportionate share of the net pension liability | \$ 12,181,327 | \$ 10,647,249 | \$ 9,377,831 |

PENSION PLAN FIDUCIARY NET POSITION

Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

PAYABLES TO THE PENSION PLAN

At September 30, 2022, the City reported a payable in the amount of \$26,448 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2022.

Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts

contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2021-22 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 9.30%, Special Risk Administrative Support class 10.95%, Special Risk class 17.00%, Senior Management Service class 10.67% and City Elected Officers class 14.34%. The allocations include a required employee contribution of 3% of gross compensation for each member class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his/her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

Effective July 1, 2017, retirees of the Investment Plan are eligible for renewed membership in the Investment Plan. The retiree must be employed in an FRS-covered position on or after July 1, 2017 in order to gain renewed membership. This new provision does not afford renewed membership retroactively for the period of July 1, 2010 to June 30, 2017, nor does it grant disability benefits for renewed members.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan pension expense totaled \$2,157,658 for the fiscal year ended September 30, 2022.

MUNICIPAL POLICE OFFICERS' PENSION - LOCAL OPTION TRUST FUND

PLAN DESCRIPTION

Full-time police officers of the City of North Port Police Department participate in either the City of North Port, Florida Police Officers' Pension - Local Option Trust Fund (the "Plan") or the Florida Retirement System (FRS). Per Resolution passed by the City, effective July 1, 2016, police officers hired on or after this date participate solely in the FRS. Members active on July 1, 2016 had the option of participating prospectively in the FRS. The Florida Police Officers' Pension – Local Option Trust Fund is a single-employer defined benefit pension plan that was established December 14, 1979, pursuant to Florida Statutes, Chapter 185 and the City of North Port (City) Ordinance. Benefit provisions are established by City ordinances and the Florida Statutes and may be amended by the City Commission. The Plan is managed by a five-member Board of Trustees

comprised of two members appointed by the Commission of the City of North Port, Florida (the City), two police officers elected by the Plan membership and one member elected by the other four members and subsequently appointed, as a ministerial duty, by the City Commission. The Plan is part of the City's financial reporting entity and is therefore included in these financial statements as a Pension Trust Fund. The City of North Port, Florida Police Officers' Pension – Local Option Trust Fund annually issues a publicly available financial report that includes financial statements and required supplementary information. The latest available report may be obtained by writing to the Board of Trustees, c/o Amber McNeill, Plan Administrator, Resource Centers, LLC, 4100 Center Pointe Drive, Ste. 108, Fort Myers, Florida 33916.

BENEFITS PROVIDED

Under the Plan, a member may retire with normal benefits after the earlier of age 55 with 10 years of credited service, or completion of 25 years of credited service, regardless of age. Normal retirement benefits for members hired prior to May 27, 2014 are 3.5% of the member's average final compensation times credited service years, plus a \$165 monthly benefit supplement. For members hired after May 27, 2014, the normal retirement benefit is 3.15% of average final compensation times credited service years, plus a \$165 monthly benefit supplement. Early retirement benefits are available for members who are age 45 and have ten years of credited service. For members hired prior to May 27, 2014, the monthly pension benefit calculated as of the date of early retirement is reduced 3% per year for each year prior to normal retirement and the member has less than 15 years of credited service, 2% per year for members with at least 15 years of service but less than 20 years of service, and 1% per year for members with more than 20 years of service. For members hired after May 27, 2014, the monthly pension benefit calculated as of the date of early retirement is reduced 3% for each year by which the commencement of benefits precedes the normal retirement date. Additionally, the Plan has provisions for disability retirement, death benefits and deferred vested benefits.

Any member who is eligible for normal retirement may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a police officer. Upon participation in the DROP, the member becomes a retiree for all plan purposes so that he or she ceases to accrue any further benefits under the Plan. The DROP balance at September 30, 2022 was \$238,884.

Effective October 1, 2015, a supplemental retirement benefit in the form of individual share accounts was created for each active police officer (including DROP participants). The supplemental share plan retirement benefit is funded solely by premium tax revenues received by the City pursuant to Florida Statutes Chapter 185. A plan member with ten or more years of credited service upon termination of employment shall be eligible to receive a distribution of 100% of the balance in his or her share account, together with all earnings and losses and interest credited to the share account through date of termination of employment.

CONTRIBUTIONS

Contribution requirements are established and may be amended by the City Commission and are based on the benefit structure established by the City. Plan members are required to contribute 8% of their annual covered salary. The payments are deducted from the members' salary and remitted by the City to the Plan at the end of each pay period. The City makes quarterly contributions to the Plan based on the greater of an actuarially determined employer contribution based on a percentage of covered payroll or the minimum percentage of 18% as specified by City ordinance. In addition, the Plan receives an annual contribution of casualty insurance premium tax monies from the State of Florida pursuant to Chapter 185, *Florida Statutes* (the state contribution). The City recognizes these on-behalf payments from the State as revenue and personnel expenditures in the City's General Fund before they are recorded as contributions in the Police Officers' Pension Fund.

The City's contributions, including employee contributions, to the Pension Plan totaled \$1,965,576 for the fiscal year ended September 30, 2022.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At September 30, 2022, the City reported a net pension asset of \$4,225,464 for the Police Officers’ Pension, a decrease of \$2,835,881 over last year’s liability of \$1,389,583. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020, updated to September 30, 2021.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$653,746. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 274,255 | \$ 695,942 |
| Change of assumptions | 2,824,778 | - |
| Net difference between projected and actual earnings on Pension Plan investments | - | 6,135,586 |
| City Pension Plan contributions subsequent to the measurement date | 2,101,703 | - |
| Total | \$ 5,200,736 | \$ 6,831,528 |

The deferred outflows of resources related to the Pension Plan, totaling \$2,101,703 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

| Year Ended September 30: | Amount |
|--------------------------|--------------|
| 2023 | \$ (488,693) |
| 2024 | (540,694) |
| 2025 | (1,204,857) |
| 2026 | (1,498,251) |
| 2027 | - |
| Thereafter | - |

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of October 1, 2020, updated to September 30, 2021, using the following actuarial assumptions applied to all periods included in the measurement:

| | |
|---------------------------|---------------|
| Inflation | 2.50% |
| Salary increases | Service based |
| Investment rate of return | 7.00% |

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

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

The most recent actuarial experience study used to review the other significant assumptions was dated September 9, 2021.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce long term expected rates of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021, are summarized in the following table:

| <u>Asset Class</u> | <u>Long Term Expected Real Rate of Return</u> |
|---------------------------|---|
| Domestic equity | 7.5% |
| International equity | 8.5% |
| Intermediate fixed income | 2.5% |
| Global bond | 3.5% |
| Real estate | 4.5% |
| GTAA | 3.5% |

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan

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

Changes in the net pension liability of the City: The changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2022 were as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a-b) |
|---|--|--|--|
| Balances at 9/30/21 | \$ 53,389,183 | \$ 51,999,600 | \$ 1,389,583 |
| Changes for the year: | | | |
| Service cost | 1,610,388 | - | 1,610,388 |
| Interest on total pension liability | 3,950,133 | - | 3,950,133 |
| Differences between expected and actual experience | (367,528) | - | (367,528) |
| Change in assumptions | 2,796,088 | - | 2,796,088 |
| Benefit payments, including refunds of employee contributions | (2,512,541) | (2,512,541) | - |
| Contributions - employer & employee | - | 2,699,109 | (2,699,109) |
| Net investment income | - | 11,316,980 | (11,316,980) |
| Administrative expenses | - | (87,890) | 87,890 |
| Other changes | 324,071 | - | 324,071 |
| Net change | 5,800,611 | 11,415,658 | (5,615,047) |
| Balances at 9/30/22 | \$ 59,189,794 | \$ 63,415,258 | \$ (4,225,464) |

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

| | 1% Decrease 6.00% | Current Discount Rate 7.00% | 1% Increase 8.00% |
|------------------------------|----------------------|-----------------------------------|----------------------|
| City's net pension liability | \$ 3,118,713 | \$ (4,225,464) | \$ (10,305,898) |

PENSION PLAN FIDUCIARY NET POSITION

Detailed information regarding the Plan’s fiduciary net position is available in the separately issued City of North Port, Florida Police Officers’ Pension – Local Option Trust Fund financial report.

MUNICIPAL FIREFIGHTERS’ PENSION - LOCAL OPTION TRUST FUND

PLAN DESCRIPTION

Full-time firefighters of the City of North Port Fire Department participate in either the City of North Port, Florida Firefighters’ Pension - Local Option Trust Fund (the “Plan”) or the Florida Retirement System (FRS). Firefighters hired after July 1, 2016 participate solely in the FRS. Members active on July 1, 2016 had the option of participating prospectively in the FRS. The Plan is a single employer defined benefit pension fund that was established November 5, 1974, pursuant to Florida Statutes, Chapter 175, and City Ordinance 74-13. The Plan was amended most recently by Ordinance 2012-18. Benefit provisions are established by City

ordinances and the Florida Statutes and may be amended by the City Commission. The Plan is managed by a five-member Board of Trustees comprised of two members appointed by the Commission of the City of North Port, Florida (the City), two members elected by the Plan membership and one member elected by the other four members and subsequently appointed, as a ministerial duty, by the City Commission. The Plan is part of the City's financial reporting entity and is therefore included in these financial statements as a Pension Trust Fund. The City of North Port, Florida Firefighters' Pension – Local Option Trust Fund annually issues a publicly available financial report that includes financial statements and required supplementary information. The latest available report may be obtained by writing to the Board of Trustees, c/o David A. Carroll, Plan Administrator, 492 River Hills Drive, Max Meadows, Virginia 24360.

BENEFITS PROVIDED

Under the Plan, a member may retire with normal benefits after the earlier of age 55 with 10 years of credited service, or age 52 with 25 years of credited service. Reduced early retirement benefits are available once a member reaches age 50 and accumulates 10 years of credited service. Normal retirement benefits are 3.5% (3.0% for members hired on or after October 12, 2012) of the member's average final compensation times credited service years. Early retirement benefits are the same as normal retirement benefits, reduced by 3.0% for each year by which the commencement of benefits precedes the normal retirement date. Additionally, the Plan has provisions for disability retirement, death benefits and deferred vested benefits.

Any member hired before October 1, 2012, who is eligible for normal retirement may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a firefighter. Upon participation in the DROP, the member becomes a retiree for all plan purposes so that he or she ceases to accrue any further benefits under the Plan. Members hired on or after October 1, 2012, are not eligible to participate in the DROP. The DROP balance as of September 30, 2022, was \$2,959.

Effective September 1, 2012, a supplemental retirement benefit in the form of individual share accounts was created for each active firefighter, living retiree (including DROP participants) and disability benefit recipients and beneficiary survivors receiving a survivor retirement benefit. For plan years beginning October 1, 2012 and later, all premium tax revenues received by the City in excess of \$250,000 will be allocated to the share accounts based on years of credited service. Effective December 31, 2013, and each December 31 thereafter, each share account will be credited or debited with earnings or losses based upon the amount in the share account at the close of the immediately preceding plan year at a rate equal to the Plan's actual net rate of investment return for the preceding plan year. An active firefighter (including DROP participants) with ten or more years of credited service upon termination of employment shall be eligible to receive a distribution of 100% of the balance in their respective share account, together with all earnings and losses and interest credited to the share account through the date of termination of employment. Retiree participants (including disability benefit recipients and beneficiary survivors) shall receive distribution of the annual share allocation in the form of a thirteenth monthly check equal to the annual crediting described above. Vested terminated members shall be entitled to participate in this supplemental retirement benefit upon commencing receipt of retirement benefits from the Plan.

CONTRIBUTIONS

Contribution requirements are established and may be amended by the City of North Port Commission and are based on the benefit structure established by the City. Members are required to contribute 10.6% of their salary (effective March 1, 2016). Pursuant to Chapter 175 of the Florida Statutes, a premium tax on certain casualty insurance contracts written on North Port properties is collected by the state and remitted to the Fund for the state's annual contribution amount. The City recognizes these on-behalf payments from the State as revenue and personnel expenditures in the City's General Fund before they are recorded as contributions in the Firefighters' Pension Fund. The City is required to contribute the remaining amounts necessary to finance the

benefits through periodic contributions at actuarially determined rates. Administrative costs are financed through investment earnings.

The City’s contributions, including employee contributions, to the Pension Plan totaled \$1,218,302 for the fiscal year ended September 30, 2022.

PENSION ASSETS, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At September 30, 2022, the City reported a net pension asset of \$4,843,727 for the Firefighters’ Pension, an increase of \$2,831,985 over last year’s net pension asset of \$2,011,742. The net pension asset was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020, updated to September 30, 2021.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$1,128,248. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 206,875 | \$ 766,788 |
| Change of assumptions | 1,003,625 | - |
| Net difference between projected and actual earnings on Pension Plan investments | - | 5,321,255 |
| City Pension Plan contributions subsequent to the measurement date | 697,953 | - |
| Total | \$ 1,908,453 | \$ 6,088,043 |

The deferred outflows of resources related to the Pension Plan, totaling \$697,953 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources related to the Pension Plan will be recognized in pension expense as follows:

| Fiscal Year Ending Year Ended September 30: | <u>Amount</u> |
|--|---------------|
| 2023 | \$ (728,902) |
| 2024 | (1,191,811) |
| 2025 | (1,619,604) |
| 2026 | (1,337,226) |
| 2027 | - |
| Thereafter | - |

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

| | |
|---------------------------|---------------|
| Inflation | 2.50% |
| Salary increases | Service based |
| Investment rate of return | 7.00% |

Mortality Rate Healthy Active Lives:

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

Male: PubS.H-2010 for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

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

The most recent actuarial experience study used to review the other significant assumptions was dated May 10, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce long term expected rates of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2021, are summarized in the following table:

| Asset Class | Long Term Expected Real Rate of Return |
|---------------------------|---|
| Domestic equity | 7.5% |
| International equity | 8.5% |
| Broad market fixed income | 2.5% |
| Global fixed income | 3.5% |
| Real estate | 4.5% |
| GTAA | 3.5% |

Discount rate. The discount rate used to measure the total pension asset was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability of the City: The changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2022 were as follows:

| | <u>Total Pension Liability (a)</u> | <u>Plan Fiduciary Net Position (b)</u> | <u>Net Pension Liability (asset) (a-b)</u> |
|---|--|--|--|
| Balances at 9/30/21 | \$ 57,446,547 | \$ 55,434,805 | \$ 2,011,742 |
| Changes for the year: | | | |
| Service cost | 998,065 | - | 998,065 |
| Interest on total pension liability | 4,016,731 | - | 4,016,731 |
| Differences between expected and actual experience | (18,990) | - | (18,990) |
| Change in assumptions | - | - | - |
| Benefit payments, including refunds of employee contributions | (2,125,487) | (2,125,487) | - |
| Contributions - employer & employee | - | 1,622,331 | (1,622,331) |
| Net investment income | - | 10,546,396 | (10,546,396) |
| Administrative expenses | - | (73,156) | 73,156 |
| Other changes | 244,296 | - | 244,296 |
| Net change | <u>3,114,615</u> | <u>9,970,084</u> | <u>(6,855,469)</u> |
| Balances at 9/30/22 | <u>\$ 60,561,162</u> | <u>\$ 65,404,889</u> | <u>\$ (4,843,727)</u> |

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension asset of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

| | 1% Decrease 6.00% | Current Discount Rate 7.00% | 1% Increase 8.00% |
|--------------------------------------|----------------------|-----------------------------------|----------------------|
| City's net pension (asset) liability | \$ 3,079,657 | \$ (4,843,727) | \$ (11,367,302) |

PENSION PLAN FIDUCIARY NET POSITION

Detailed information regarding the Plan's fiduciary net position is available in the separately issued City of North Port, Florida Firefighters' Pension – Local Option Trust Fund financial report.

Applicable totals for all of the City's defined benefit pension plans are reflected below:

| | <u>Police Officers' Pension</u> | <u>Firefighters' Pension</u> | <u>FRS Pension</u> | <u>HIS Pension</u> | <u>Total</u> |
|--------------------------------|---|----------------------------------|------------------------|------------------------|----------------|
| City's net pension asset | \$ (4,225,464) | \$ (4,843,727) | \$ - | \$ - | \$ (9,069,191) |
| City's net pension liability | - | - | 42,236,351 | 10,647,250 | 52,883,601 |
| Deferred outflows of resources | 5,200,736 | 1,908,453 | 16,672,214 | 3,277,881 | 27,059,284 |
| Deferred inflows of resources | 6,831,528 | 6,088,043 | - | 1,693,972 | 14,613,543 |
| Pension expense/expenditure | 653,746 | 1,128,248 | 8,191,350 | 1,221,643 | 11,194,987 |

NOTE K – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – Retired Police Officers, Firefighters and general employees, as well as their dependents, are permitted to remain covered under the City’s single-employer defined benefit medical plan as long as they pay the premium not exceeding the rate developed by blending the claims experience of all plan members for the plan and coverage elected. The plan does not issue a stand-alone financial report.

Benefits Provided - The City subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at the blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City has assumed an obligation to pay for the implicit subsidy for the covered lifetimes of the current retirees and their spouses, as well for the covered lifetimes of the current employees after they retire in the future.

The plan also provides all retirees and their dependents with dental, vision and life benefits at a subsidized cost.

Funding Policy – Currently, the City’s OPEB benefits are unfunded. Since this OPEB is directly tied to insurance coverage for active employees, a separate single employer benefit plan has not been established to account for the benefits and obligations related to the implicit rate subsidy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, the ultimate subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to its investment policy.

Employees Covered by Benefit Terms

Per the most current actuarial valuation census date of September 2022, the following employees were covered by the benefits terms:

| | |
|--|-----------|
| Active employees | 648 |
| Inactive employees or spouses currently receiving benefits | <u>25</u> |
| | 673 |

Total OPEB Liability

At September 30, 2022, the City reported a total OPEB liability of \$4,003,288, a decrease of \$762,399 over last year’s liability of \$4,765,687. The total OPEB liability was measured as of September 30, 2022 and was determined by an actuarial valuation date of October 1, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the October 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|--|
| Inflation | 3.00% |
| Salary increases | 4.00% |
| Discount rate | 4.77% |
| Healthcare cost trend rates | 9.00% for 2022, decreasing to an ultimate rate of 4.50% for 2037 and later years |
| Retirees' share of benefit-related costs | 100% of projected health insurance premiums for retirees |

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of September 30, 2022.

Mortality rates were based on the PubS.H-2010 Mortality Table – Safety for Police & Fire and PubG.H-2010 Mortality Table – General for all other participants.

The actuarial assumptions used in the October 1, 2021 valuation were based on census data as of September 30, 2022.

Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

| | |
|--|-------------------------|
| Total OPEB liability, September 30, 2021 | <u>\$ 4,765,687</u> |
| Service cost | 226,699 |
| Interest | 112,569 |
| Difference between expected and actual experience | 154,406 |
| Changes in assumptions and other inputs | (989,625) |
| Benefit payments | (266,448) |
| Other changes | - |
| Net changes | <u>(762,399)</u> |
| Total OPEB liability, September 30, 2022 | <u>\$ 4,003,288</u> |

Changes of assumptions reflects a change in the discount rate from 2.43% for 2021 to 4.77% for 2022.

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

The following represents 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 1% lower or 1% higher than the current discount rate:

| | Discount Rate | | |
|--------------------|----------------------|-----------------------|--------------------|
| | <u>1% Increase</u> | <u>Valuation Rate</u> | <u>1% Decrease</u> |
| Net OPEB liability | \$3,734,295 | \$4,003,288 | \$4,302,333 |
| Change | -6.72% | | 7.47% |

The following represents 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 1% lower or 1% higher than the current healthcare cost trend rates:

| | Health Care Trend | | |
|--------------------|--------------------------|-----------------------|--------------------|
| | <u>1% Increase</u> | <u>Valuation Rate</u> | <u>1% Decrease</u> |
| Net OPEB liability | \$4,383,151 | \$4,003,288 | \$3,675,750 |
| Change | 9.49% | | -8.18% |

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$335,664. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Difference between expected and actual experience | \$ 138,052 | \$ 16,526 |
| Changes of assumptions | 856,172 | 1,158,246 |
| Total | <u>\$ 994,224</u> | <u>\$ 1,174,772</u> |

Future deferred outflows/inflows of resources are as follows:

| Fiscal Year Ending | Amount |
|----------------------|------------|
| <u>September 30:</u> | |
| 2023 | \$ (3,604) |
| 2024 | (3,604) |
| 2025 | (3,604) |
| 2026 | (3,604) |
| 2027 | (3,604) |
| Thereafter | (162,526) |

NOTE L – DEFERRED COMPENSATION PLAN

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

Plan amendments have been made, so that the plan is in compliance with IRC Section 457, as amended by the 1996 changes to the tax code. The assets are now held in various custodial accounts. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the various participants of the plan.

NOTE M - 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. Risk Management attempts to identify and evaluate the areas of potential loss to the City in order to reduce their occurrences. Acknowledging that some loss is inevitable, routine or predictable losses are self-insured, while other more unpredictable or catastrophic losses are transferred to insurance companies.

Effective October 1, 2018, the City became self-insured with respect to employee medical coverage. This covers all eligible active employees and their dependents, as well as retirees that opt in. The Humans Resources Department manages the medical self-insured plan.

The City has a self-insurance risk retention program for workers' compensation, automobile liability and general liability (including employee benefits, law enforcement, public officials' and employment practices liability). Workers' compensation risks in excess of \$350,000 per occurrence, automobile liability risks in excess of \$100,000 per person/per accident, and general liability risks in excess of \$100,000 per person/per occurrence are co-insured with an outside carrier.

The programs are accounted for using internal service funds. Revenues for these funds consist mostly of amounts contributed by other City funds. Both revenues and the related charges are recorded as interfund services. Accordingly, the related charges are reflected as expenditures, or expense items, in the appropriate funds.

Liabilities of the self-insurance funds are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities typically include an amount for claims that have been incurred but not reported (IBNRs). There were no material amounts of IBNR claims recorded as of fiscal year-end.

Self-insurance risk claims expense for fiscal year ending September 30, 2022 were as follows: workers' compensation (\$715,996); automobile (\$298,248) and general liability (\$464,173). Self-insurance medical claims expense for the same period was \$9,054,652.

NOTE N – CONTINGENT LIABILITIES

Amounts received or receivable from grant 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 such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements.

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - GAAP BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---------------------------------|-------------------------|-------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Positive (Negative)</u> |
| REVENUES | | | | |
| Taxes | \$ 26,296,680 | \$ 26,296,680 | \$ 26,252,489 | \$ (44,191) |
| Permits and special assessments | 4,151,690 | 4,151,690 | 5,206,301 | 1,054,611 |
| Intergovernmental | 10,414,350 | 10,522,280 | 13,184,886 | 2,662,606 |
| Charges for services | 11,927,360 | 11,927,360 | 12,570,763 | 643,403 |
| Fines and forfeiture | 163,730 | 163,730 | 252,375 | 88,645 |
| Investment earnings (losses) | 100,000 | 100,000 | (723,949) | (823,949) |
| Miscellaneous | 450,740 | 511,990 | 678,837 | 166,847 |
| Total revenues | <u>53,504,550</u> | <u>53,673,730</u> | <u>57,421,702</u> | <u>3,747,972</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| City Commission | 469,140 | 483,645 | 440,489 | 43,156 |
| City Attorney | 1,181,960 | 1,181,960 | 1,045,173 | 136,787 |
| City Clerk | 787,130 | 826,650 | 789,562 | 37,088 |
| Finance | 1,877,700 | 1,890,700 | 1,902,427 | (11,727) |
| Planning & Zoning | 1,185,120 | 2,053,760 | 1,298,175 | 755,585 |
| IT | 2,963,950 | 2,967,950 | 2,843,669 | 124,281 |
| Human Resources | 1,135,870 | 1,180,870 | 1,118,905 | 61,965 |
| City Manager | 1,403,830 | 1,530,853 | 1,453,261 | 77,592 |
| Facilities Maintenance | 2,689,920 | 2,738,719 | 2,590,237 | 148,482 |
| Non-Departmental | 836,030 | 859,885 | 817,534 | 42,351 |
| Total General government | <u>14,530,650</u> | <u>15,714,992</u> | <u>14,299,432</u> | <u>1,415,560</u> |
| Public safety: | | | | |
| Building | 789,260 | 789,260 | 483,324 | 305,936 |
| Police | 22,284,340 | 22,334,698 | 22,747,672 | (412,974) |
| Emergency Medical Services | 9,726,730 | 9,586,071 | 9,277,373 | 308,698 |
| Total Public safety | <u>32,800,330</u> | <u>32,710,029</u> | <u>32,508,369</u> | <u>201,660</u> |
| Economic environment: | | | | |
| Economic Development | 526,990 | 689,209 | 568,928 | 120,281 |
| Human services: | | | | |
| Social Services | \$ 486,900 | \$ 576,579 | \$ 568,562 | \$ 8,017 |

(continued)

The budget basis is in accordance with accounting standards generally accepted in the United States of America.

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - GAAP BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Positive (Negative)</u> |
| Culture and recreation: | | | | |
| Recreation | \$ 2,034,010 | \$ 2,029,331 | \$ 1,981,575 | \$ 47,756 |
| North Port Aquatic Center | 1,638,660 | 1,638,660 | 1,491,520 | 147,140 |
| Parks Maintenance | 2,009,080 | 2,024,071 | 1,821,009 | 203,062 |
| Works of Art | - | 1,750 | 1,619 | 131 |
| Total Parks and recreation | <u>5,681,750</u> | <u>5,693,812</u> | <u>5,295,723</u> | <u>398,089</u> |
| Capital outlay | <u>749,200</u> | <u>928,094</u> | <u>241,006</u> | <u>687,088</u> |
| Total expenditures | <u>54,775,820</u> | <u>56,312,715</u> | <u>53,482,020</u> | <u>2,830,695</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,271,270)</u> | <u>(2,638,985)</u> | <u>3,939,682</u> | <u>6,578,667</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 625,800 | 625,800 | 625,800 | - |
| Transfers out | (480,500) | (480,500) | (480,500) | - |
| Insurance recoveries | - | - | 42,427 | 42,427 |
| Total other financing sources (uses) | <u>145,300</u> | <u>145,300</u> | <u>187,727</u> | <u>42,427</u> |
| Net change in fund balance | (1,125,970) | (2,493,685) | 4,127,409 | 6,621,094 |
| Fund balances - beginning | <u>20,560,456</u> | <u>20,560,456</u> | <u>20,560,456</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 19,434,486</u> | <u>\$ 18,066,771</u> | <u>\$ 24,687,865</u> | <u>\$ 6,621,094</u> |

CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ROAD AND DRAINAGE DISTRICT SPECIAL REVENUE FUND - GAAP BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget |
|--|-------------------------|----------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| REVENUES | | | | |
| Taxes | \$ 3,356,880 | \$ 3,356,880 | \$ 3,601,774 | \$ 244,894 |
| Intergovernmental | 840,930 | 840,930 | 946,756 | 105,826 |
| Charges for services | 15,762,660 | 15,762,660 | 17,119,927 | 1,357,267 |
| Investment earnings (losses) | 200,000 | 200,000 | (670,843) | (870,843) |
| Miscellaneous | 69,500 | 69,500 | 309,418 | 239,918 |
| Total revenues | <u>20,229,970</u> | <u>20,229,970</u> | <u>21,307,032</u> | <u>1,077,062</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Physical environment | 5,753,194 | 8,000,465 | 5,452,831 | 2,547,634 |
| Transportation | 11,680,726 | 16,243,369 | 11,070,900 | 5,172,469 |
| Capital outlay | 2,591,400 | 6,718,548 | 1,652,439 | 5,066,109 |
| Total expenditures | <u>20,025,320</u> | <u>30,962,382</u> | <u>18,176,170</u> | <u>12,786,212</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>204,650</u> | <u>(10,732,412)</u> | <u>3,130,862</u> | <u>13,863,274</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (2,950,000) | (2,950,000) | (2,950,000) | - |
| Insurance recoveries | 4,000 | 4,000 | 43,595 | 39,595 |
| Total other financing sources (uses) | <u>(2,946,000)</u> | <u>(2,946,000)</u> | <u>(2,906,405)</u> | <u>39,595</u> |
| Net change in fund balance | (2,741,350) | (13,678,412) | 224,457 | 13,902,869 |
| Fund balances - beginning | <u>24,436,274</u> | <u>24,436,274</u> | <u>24,436,274</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 21,694,924</u> | <u>\$ 10,757,862</u> | <u>\$ 24,660,731</u> | <u>\$ 13,902,869</u> |

The budget basis is in accordance with accounting standards generally accepted in the United States of America.

CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE RESCUE DISTRICT SPECIAL REVENUE FUND - GAAP BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES | | | | |
| Taxes | \$ 221,170 | \$ 221,170 | \$ 170,377 | \$ (50,793) |
| Permits, fees and special assessments | 25,150 | 63,480 | 104,093 | 40,613 |
| Intergovernmental | 139,290 | 139,290 | 267,523 | 128,233 |
| Charges for services | 13,810,260 | 13,771,930 | 13,979,385 | 207,455 |
| Investment earnings (losses) | 20,000 | 20,000 | (239,357) | (259,357) |
| Miscellaneous | 38,860 | 38,860 | 77,473 | 38,613 |
| Total revenues | 14,254,730 | 14,254,730 | 14,359,494 | 104,764 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 12,143,170 | 12,132,800 | 11,222,748 | 910,052 |
| Capital outlay | 206,190 | 816,560 | 327,263 | 489,297 |
| Total expenditures | 12,349,360 | 12,949,360 | 11,550,011 | 1,399,349 |
| Excess (deficiency) of revenues over (under) expenditures | 1,905,370 | 1,305,370 | 2,809,483 | 1,504,113 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (2,803,200) | (2,803,200) | (2,803,200) | - |
| Total other financing sources (uses) | (2,803,200) | (2,803,200) | (2,803,200) | - |
| Net change in fund balance | (897,830) | (1,497,830) | 6,283 | 1,504,113 |
| Fund balances - beginning | 6,209,585 | 6,209,585 | 6,209,585 | - |
| Fund balances - ending | \$ 5,311,755 | \$ 4,711,755 | \$ 6,215,868 | \$ 1,504,113 |

The budget basis is in accordance with accounting standards generally accepted in the United States of America.

**CITY OF NORTH PORT, FLORIDA
BUDGET VARIANCE REPORT
DEPENDENT SPECIAL DISTRICT - SOLID WASTE DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget |
|--|-------------------------|---------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 10,737,110 | \$ 10,737,110 | \$ 11,741,748 | \$ 1,004,638 |
| Investment earnings (losses) | 45,000 | 45,000 | (229,749) | (274,749) |
| Miscellaneous | 18,000 | 18,000 | 39,743 | 21,743 |
| Total revenues | <u>10,800,110</u> | <u>10,800,110</u> | <u>11,551,742</u> | <u>751,632</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Physical environment | 10,020,330 | 9,863,374 | 9,452,475 | 410,899 |
| Capital outlay | 107,200 | 2,341,491 | 306,842 | 2,034,649 |
| Total expenditures | <u>10,127,530</u> | <u>12,204,865</u> | <u>9,759,317</u> | <u>2,445,548</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>672,580</u> | <u>(1,404,755)</u> | <u>1,792,425</u> | <u>3,197,180</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (557,430) | (557,430) | (557,430) | - |
| Insurance recoveries | - | - | 137 | 137 |
| Total other financing sources (uses) | <u>(557,430)</u> | <u>(557,430)</u> | <u>(557,293)</u> | <u>137</u> |
| Net change in fund balance | 115,150 | (1,962,185) | 1,235,132 | 3,197,317 |
| Fund balances - beginning | <u>5,676,913</u> | <u>5,676,913</u> | <u>5,676,913</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 5,792,063</u> | <u>\$ 3,714,728</u> | <u>\$ 6,912,045</u> | <u>\$ 3,197,317</u> |

**CITY OF NORTH PORT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM**

| Reporting Period Ending Measurement Date | 9/30/2022 6/30/2022 | 9/30/2021 6/30/2021 | 9/30/2020 6/30/2020 | 9/30/2019 6/30/2019 | 9/30/2018 6/30/2018 | 9/30/2017 6/30/2017 | 9/30/2016 6/30/2016 | 9/30/2015 6/30/2015 | 9/30/2014 6/30/2014 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| City's proportion of the net pension liability | 11.351405500% | 0.109026906% | 0.106909631% | 0.092593407% | 0.073301635% | 0.065258818% | 0.045151798% | 0.046986625% | 0.046039515% |
| City's proportionate share of the net pension liability | \$ 42,236,351 | \$ 8,235,744 | \$ 46,336,209 | \$ 31,887,880 | \$ 22,078,832 | \$ 19,303,121 | \$ 11,400,864 | \$ 6,068,953 | \$ 2,809,087 |
| City's covered payroll during the measurement period | \$ 36,682,179 | \$ 33,758,043 | \$ 31,655,209 | \$ 28,169,562 | \$ 23,757,517 | \$ 21,020,634 | \$ 17,307,411 | \$ 16,803,308 | \$ 16,641,254 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 115.14% | 24.40% | 146.38% | 113.20% | 92.93% | 91.83% | 65.87% | 36.12% | 16.88% |
| Plan fiduciary net position as a percentage of the total pension liability | 82.89% | 96.40% | 78.85% | 82.61% | 84.26% | 83.89% | 84.88% | 92.00% | 96.09% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM**

| Reporting Period Ending | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 4,843,851 | \$ 4,153,454 | \$ 3,552,133 | \$ 2,871,064 | \$ 2,089,038 | \$ 1,698,848 | \$ 1,101,099 | \$ 1,145,574 | \$ 1,008,461 |
| Contributions in relation to the contractually determined contributions | (4,843,851) | (4,153,454) | (3,552,133) | (2,871,064) | (2,089,038) | (1,698,848) | (1,101,099) | (1,145,574) | (1,008,461) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| City's covered payroll | 39,036,608 | 34,424,901 | 32,240,924 | 29,166,166 | 24,593,513 | 20,856,232 | 18,171,274 | 16,856,399 | 16,516,607 |
| Contributions as a percentage of covered payroll | 12.41% | 12.07% | 11.02% | 9.84% | 8.49% | 8.15% | 6.06% | 6.80% | 6.11% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NORTH PORT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
HEALTH INSURANCE SUBSIDY PROGRAM

| Reporting Period Ending Measurement Date | 9/30/2022 6/30/2022 | 9/30/2021 6/30/2021 | 9/30/2020 6/30/2020 | 9/30/2019 6/30/2019 | 9/30/2018 6/30/2018 | 9/30/2017 6/30/2017 | 9/30/2016 6/30/2016 | 9/30/2015 6/30/2015 | 9/30/2014 6/30/2014 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| City's proportion of the net pension liability | 0.100525430% | 0.095351286% | 0.091218923% | 0.084215030% | 0.072737184% | 0.065919137% | 0.055995879% | 0.055413179% | 0.056009210% |
| City's proportionate share of the net pension liability | \$ 10,647,249 | \$ 11,696,269 | \$ 11,137,682 | \$ 9,422,819 | \$ 7,698,585 | \$ 7,048,378 | \$ 6,526,088 | \$ 5,651,273 | \$ 5,236,998 |
| City's covered payroll during the measurement period | \$ 36,682,179 | \$ 33,758,043 | \$ 31,655,209 | \$ 28,169,562 | \$ 23,757,517 | \$ 21,020,634 | \$ 17,307,411 | \$ 16,803,308 | \$ 16,641,254 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 29.03% | 34.65% | 35.18% | 33.45% | 32.40% | 33.53% | 37.71% | 33.63% | 31.47% |
| Plan fiduciary net position as a percentage of the total pension liability | 4.81% | 3.00% | 3.00% | 2.63% | 2.15% | 1.64% | 0.97% | 0.50% | 0.99% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NORTH PORT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
HEALTH INSURANCE SUBSIDY PROGRAM

| Reporting Period Ending | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Contractually required contribution | \$ 608,264 | \$ 560,476 | \$ 525,652 | \$ 467,638 | \$ 394,456 | \$ 348,863 | \$ 287,015 | \$ 211,824 | \$ 191,869 |
| Contributions in relation to the contractually determined contributions | (608,264) | (560,476) | (525,652) | (467,638) | (394,456) | (348,863) | (287,015) | (211,824) | (191,869) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| City's covered payroll | 39,036,608 | 34,424,901 | 32,240,924 | 29,166,166 | 24,593,513 | 20,856,232 | 18,171,274 | 16,856,399 | 16,516,607 |
| Contributions as a percentage of covered payroll | 1.56% | 1.63% | 1.63% | 1.60% | 1.60% | 1.67% | 1.58% | 1.26% | 1.16% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
NORTH PORT POLICE OFFICERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS**

| Reporting Period Ending Measurement Date | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------|
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 1,489,129 | \$ 1,610,388 | \$ 1,680,272 | \$ 1,707,877 | \$ 1,780,290 | \$ 1,882,560 | \$ 1,693,377 | \$ 1,991,280 | \$ 1,967,848 | |
| Interest on total pension liability | 4,158,366 | 3,950,133 | 3,764,787 | 3,518,998 | 3,364,267 | 3,103,881 | 2,867,478 | 2,731,953 | 2,485,396 | |
| Change in excess state money | - | - | - | - | - | - | (688,670) | 162,203 | 127,413 | |
| Share plan allocation | 335,040 | 260,760 | 243,055 | 215,381 | 173,918 | 125,720 | 159,765 | - | - | |
| Changes of benefit terms | - | - | - | - | - | - | 4,812 | - | - | |
| Differences between expected and actual experience | 809,284 | (367,528) | (607,594) | 488,870 | (582,492) | 472,241 | (860,314) | (1,104,588) | - | |
| Changes of assumptions | - | 2,796,088 | 602,053 | 565,173 | 528,699 | 569,256 | 782,433 | - | - | |
| Contributions - buy back | - | 63,311 | - | - | 1,225 | 53,000 | 71,560 | 24,568 | - | |
| Benefit payments, including refunds of employee contributions | (2,547,375) | (2,512,541) | (2,294,330) | (2,793,475) | (2,329,700) | (1,827,860) | (1,878,394) | (1,323,724) | (1,267,557) | |
| Net change in total pension liability | 4,244,444 | 5,800,611 | 3,388,243 | 3,702,824 | 2,936,207 | 4,378,798 | 2,152,047 | 2,481,692 | 3,313,100 | |
| Total pension liability - beginning | 59,189,794 | 53,389,183 | 50,000,940 | 46,298,116 | 43,361,909 | 38,983,111 | 36,831,064 | 34,349,372 | 31,036,272 | |
| Total pension liability - ending (a) | \$ 63,434,238 | \$ 59,189,794 | \$ 53,389,183 | \$ 50,000,940 | \$ 46,298,116 | \$ 43,361,909 | \$ 38,983,111 | \$ 36,831,064 | \$ 34,349,372 | |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 1,486,663 | \$ 1,671,015 | \$ 1,943,746 | \$ 1,969,588 | \$ 2,045,282 | \$ 1,831,771 | \$ 2,270,516 | \$ 2,374,183 | \$ 2,254,752 | |
| Contributions - state | 615,040 | 540,760 | 523,055 | 495,381 | 453,918 | 405,720 | 378,333 | 341,432 | 306,642 | |
| Contributions - employee | 478,913 | 487,334 | 423,515 | 439,024 | 475,208 | 557,859 | 500,840 | 517,932 | 528,422 | |
| Net investment income (loss) | (9,157,447) | 11,316,980 | 5,059,449 | 1,152,706 | 3,758,327 | 4,560,969 | 2,445,510 | (212,104) | 2,200,982 | |
| Benefit payments, including refunds of employee contributions | (2,547,375) | (2,512,541) | (2,296,002) | (2,793,475) | (2,352,282) | (1,827,860) | (1,880,377) | (1,323,724) | (1,267,557) | |
| Administrative expenses | (84,954) | (87,890) | (107,897) | (109,655) | (94,350) | (70,413) | (78,881) | (68,912) | (70,301) | |
| Net change in plan fiduciary net position | (9,209,160) | 11,415,658 | 5,545,866 | 1,153,569 | 4,286,103 | 5,458,046 | 3,635,941 | 1,628,807 | 3,952,940 | |
| Plan fiduciary net position - beginning | 63,415,258 | 51,999,600 | 46,453,734 | 45,300,165 | 41,014,062 | 35,556,016 | 31,920,075 | 30,291,268 | 26,338,328 | |
| Plan fiduciary net position - ending (b) | 54,206,098 | 63,415,258 | 51,999,600 | 46,453,734 | 45,300,165 | 41,014,062 | 35,556,016 | 31,920,075 | 30,291,268 | |
| Net pension liability - ending (a) - (b) | \$ 9,228,140 | \$ (4,225,464) | \$ 1,389,583 | \$ 3,547,206 | \$ 997,951 | \$ 2,347,847 | \$ 3,427,095 | \$ 4,910,989 | \$ 4,058,104 | |
| Plan fiduciary net position as a percentage of the total pension liability | 85.45% | 107.14% | 97.40% | 92.91% | 97.84% | 94.59% | 91.21% | 86.67% | 88.19% | |
| Covered payroll | \$ 5,986,423 | \$ 5,292,794 | \$ 5,301,467 | \$ 5,487,798 | \$ 5,940,108 | \$ 6,310,736 | \$ 6,260,499 | \$ 6,550,454 | \$ 6,605,273 | |
| City's net pension liability as a percentage of covered payroll | 154.15% | -79.83% | 26.21% | 64.64% | 16.80% | 37.20% | 54.74% | 74.97% | 61.44% | |

Notes to the Schedule:
The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
NORTH PORT POLICE OFFICERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS**

| Reporting Period Ending Measurement Date | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|
| Actuarially determined contributions | \$ 1,766,663 | \$ 1,951,015 | \$ 2,223,746 | \$ 2,249,588 | \$ 2,325,282 | \$ 2,111,771 | \$ 2,449,745 | \$ 2,553,412 | \$ 2,429,885 | |
| From excess state monies reserve Contributions in relation to the the actuarially determined contributions | - | - | - | - | - | - | 528,906 | - | - | - |
| | 1,766,663 | 1,951,015 | 2,223,746 | 2,249,588 | 2,325,282 | 2,111,771 | 2,550,516 | 2,553,412 | 2,429,885 | |
| Covered payroll | 5,986,423 | 5,292,794 | 5,487,798 | 5,487,798 | 5,940,108 | 6,310,736 | 6,260,499 | 6,550,454 | 6,605,273 | |
| Contributions as a percentage of covered payroll | 29.51% | 36.86% | 40.52% | 40.99% | 39.15% | 33.46% | 40.74% | 38.98% | 36.79% | |

Valuation Date 10/1/2020

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

Methods and assumptions used to determine contribution rates:

Mortality rate *Healthy Active Lives:*

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

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

Healthy Retiree Lives:

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

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

Beneficiary Lives:

Female: PubS.H-2010 for Healthy Retirees.

Male: PubS.H-2010 for Healthy Retirees, set back one year.

Disabled Lives:

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

The above described mortality assumption rates were mandated by Chapter 2015-157, *Laws of Florida*. This law mandates

the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The

above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees.

2.50% per year

Inflation Credited Service Assumption

Salary increases First 2 years 17.0%

2 - 10 years 8.5%

11 - 20 years 6.0%

More than 20 years 2.0%

(continued)

**CITY OF NORTH PORT, FLORIDA
NORTH PORT POLICE OFFICERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS**

| | | |
|------------------------|---|---------------------|
| Interest rate | 7.00% per year compounded annually, net of investment related expenses. | |
| Payroll growth | 0.00% per year | |
| Final year salary load | Projected salary at retirement is increased 2.0% to account for non-regular compensation (no load for members hired after January 1, 2012). | |
| Normal retirement | Years Eligible for Normal Ret. | Percent Retiring |
| | 0 | 66.7% |
| | 1 | 50.0% |
| | 2 or more | 100.0% |
| Early retirement | Commencing with attainment of early retirement status (age 45 with 10 years of service). Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year. | |
| Termination rates | <u>Credited Service</u> | <u>Assumption</u> |
| | First year | 24.0% |
| | 1 - 4 years | 6.0% |
| | 5 - 19 years | 3.0% |
| | 20 or more years | 0.0% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
 NORTH PORT POLICE OFFICERS' PENSION TRUST FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PENSION INVESTMENT RETURN**

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------|--------|--------|-------|-------|--------|-------|--------|-------|
| Annual money-weighted rate of return, net of investment expenses for the City's pension plan | -14.54% | 21.93% | 10.94% | 2.55% | 9.13% | 12.74% | 7.41% | -0.62% | 8.12% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NORTH PORT, FLORIDA
NORTH PORT FIREFIGHTERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION (ASSET) LIABILITY
AND RELATED RATIOS

| Reporting Period Ending Measurement Date | 9/30/2023 9/30/2022 | 9/30/2022 9/30/2021 | 9/30/2021 9/30/2020 | 9/30/2020 9/30/2019 | 9/30/2019 9/30/2018 | 9/30/2018 9/30/2017 | 9/30/2017 9/30/2016 | 9/30/2016 9/30/2015 | 9/30/2015 9/30/2014 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Total pension liability | | | | | | | | | |
| Service cost | \$ 1,007,552 | \$ 998,065 | \$ 900,497 | \$ 917,681 | \$ 904,670 | \$ 1,264,321 | \$ 1,693,631 | \$ 1,716,153 | \$ 1,686,083 |
| Interest on total pension liability | 4,204,163 | 4,016,731 | 3,803,540 | 3,566,668 | 3,351,560 | 3,620,964 | 3,400,658 | 3,048,515 | 2,767,378 |
| Share plan allocation | - | 244,296 | 186,174 | 169,797 | 164,503 | 126,129 | 121,775 | 126,215 | 137,316 |
| Changes of benefit terms | - | - | - | (5,208) | - | - | 174,592 | - | - |
| Differences between expected and actual experience | 613,506 | (18,990) | 250,384 | 864,392 | 876,960 | (2,641,499) | (2,262,386) | 555,367 | - |
| Changes of assumptions | 4,000,894 | - | 1,631,930 | 1,577,924 | - | (831,381) | 1,378,943 | - | - |
| Contributions - buy back | - | - | - | - | - | - | 2,808 | - | - |
| Benefit payments, including refunds of employee contributions | (3,018,499) | (2,125,487) | (1,776,208) | (2,568,220) | (2,306,593) | (1,200,337) | (1,104,257) | (1,288,806) | (924,447) |
| Net change in total pension liability | 6,807,616 | 3,114,615 | 4,996,317 | 4,523,034 | 2,991,100 | 338,197 | 3,405,764 | 4,157,444 | 3,666,330 |
| Total pension liability - beginning | 60,561,162 | 57,446,547 | 52,450,230 | 47,927,196 | 44,936,096 | 44,597,899 | 41,192,135 | 37,034,691 | 33,368,361 |
| Total pension liability - ending (a) | \$ 67,368,778 | \$ 60,561,162 | \$ 57,446,547 | \$ 52,450,230 | \$ 47,927,196 | \$ 44,936,096 | \$ 44,597,899 | \$ 41,192,135 | \$ 37,034,691 |
| Plan fiduciary net position | | | | | | | | | |
| Contributions - employer | \$ 789,693 | \$ 709,952 | \$ 651,211 | \$ 682,166 | \$ 675,521 | \$ 670,404 | \$ 1,000,835 | \$ 1,079,568 | \$ 1,250,193 |
| Contributions - state | (91,740) | 494,296 | 436,173 | 419,796 | 414,503 | 376,129 | 371,775 | 376,215 | 387,316 |
| Contributions - employee | 428,610 | 418,083 | 383,491 | 401,719 | 397,806 | 394,793 | 529,101 | 554,392 | 585,968 |
| Net investment income | (9,073,913) | 10,546,396 | 4,625,187 | 1,880,144 | 4,318,358 | 4,557,086 | 2,867,698 | 430,037 | 3,008,184 |
| Benefit payments, including refunds of employee contributions | (3,018,499) | (2,125,487) | (1,783,317) | (2,568,220) | (2,306,337) | (1,200,337) | (1,108,103) | (1,288,806) | (924,447) |
| Administrative expenses | (84,813) | (73,156) | (81,658) | (70,429) | (88,089) | (86,131) | (83,371) | (66,053) | (64,072) |
| Net change in plan fiduciary net position | (11,050,662) | 9,970,084 | 4,231,087 | 745,176 | 3,411,506 | 4,711,944 | 3,577,935 | 1,085,353 | 4,243,142 |
| Plan fiduciary net position - beginning | 65,404,889 | 55,434,805 | 51,203,718 | 50,458,542 | 47,047,036 | 42,335,092 | 38,757,157 | 37,671,804 | 33,428,662 |
| Plan fiduciary net position - ending (b) | \$ 54,354,227 | \$ 65,404,889 | \$ 55,434,805 | \$ 51,203,718 | \$ 50,458,542 | \$ 47,047,036 | \$ 42,335,092 | \$ 38,757,157 | \$ 37,671,804 |
| Net pension liability (asset) - ending (a) - (b) | \$ 13,014,551 | \$ (4,843,727) | \$ 2,011,742 | \$ 1,246,512 | \$ (2,531,346) | \$ (2,110,940) | \$ 2,262,807 | \$ 2,434,978 | \$ (637,113) |
| Plan fiduciary net position as a percentage of the total pension liability | 80.68% | 108.00% | 96.50% | 97.62% | 105.28% | 104.70% | 94.93% | 94.09% | 101.72% |
| Covered payroll | \$ 4,043,488 | \$ 3,944,177 | \$ 3,617,839 | \$ 3,789,804 | \$ 3,752,890 | \$ 3,724,458 | \$ 5,136,900 | \$ 5,806,134 | \$ 5,689,014 |
| City's net pension liability as a percentage of covered payroll | 321.86% | -122.81% | 55.61% | 32.89% | -67.45% | -56.68% | 44.05% | 41.94% | -11.20% |

Notes to the Schedule:
The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
NORTH PORT FIREFIGHTERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS**

| Reporting Period Ending Measurement Date | 9/30/2023 9/30/2022 | 9/30/2022 9/30/2021 | 9/30/2021 9/30/2020 | 9/30/2020 9/30/2019 | 9/30/2019 9/30/2018 | 9/30/2018 9/30/2017 | 9/30/2017 9/30/2016 | 9/30/2016 9/30/2015 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Actuarially determined contributions | \$ 1,020,404 | \$ 959,952 | \$ 901,211 | \$ 932,165 | \$ 925,520 | \$ 920,402 | \$ 1,250,835 | \$ 1,353,147 |
| Contributions in relation to the actuarially determined contributions | 1,039,693 (19,289) | 959,952 - | 901,211 - | 932,166 (1) | 925,521 (1) | 901,310 19,092 | 1,269,928 (19,093) | 1,353,147 - |
| Covered payroll | 4,043,488 | 3,944,177 | 3,789,804 | 3,789,804 | 3,752,890 | 3,724,458 | 5,136,900 | 5,806,134 |
| Contributions as a percentage of covered payroll | 25.71% | 24.34% | 23.78% | 24.60% | 24.66% | 24.20% | 24.72% | 23.31% |

Valuation Date 10/1/2020
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

- Funding method: Entry age normal actuarial cost method
- Amortization method: New UAAL amortization are amortized over 15 years.
- Asset valuation method: Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average market value return. It is possible that over time this technique will produce an insignificant bias above or below market value.

Mortality *Healthy Active Lives*:

Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 for Employees, set forward one year.

Healthy Retiree Lives:

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

Beneficiary Lives:

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

Disabled Lives:

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

All rates are projected generationally with Mortality Improvement Scale MP-2008. We feel this assumption sufficiently accommodates future mortality improvements.

Salary increases

| Service | Increase |
|-------------|----------|
| < 10 years | 7.0% |
| 10-14 years | 5.5% |
| 15-29 years | 5.0% |
| 20+ years | 4.5% |

This assumption was adopted with the May 10, 2017 actuarial experience study.
7.00% per year compounded annually

Interest rate

(continued)

**CITY OF NORTH PORT, FLORIDA
NORTH PORT FIREFIGHTERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS**

| | | | |
|----------------------|--|------------|---------------------|
| Payroll growth | 0.00% per year. This assumption is supported given that the Plan is closed to new hires. | | |
| Post retirement COLA | 3.00% from age 55 until 63 | | |
| Retirement age | <u>Service</u> | <u>Age</u> | <u>Assumed Rate</u> |
| | < 25 years | 50-51 | 10.0% |
| | | 52-53 | 25.0% |
| | | 54-57 | 50.0% |
| | | 58+ | 100.0% |
| | 25+ years | 50 | 5.0% |
| | | 51 | 50.0% |
| | | 52+ | 100.0% |

This assumption was adopted in conjunction with the May 10, 2017 actuarial experience study. See table below. It is assumed that 75% of disablements are service related.

| | | |
|-----------------------|---|--|
| Disability rates | This assumption was adopted in conjunction with the May 10, 2017 actuarial experience study. See table below. | |
| Termination rates | | |
| Disability rate table | <u>Age</u> | <u>% Becoming Disabled During the Year</u> |
| | 20 | 0.03% |
| | 30 | 0.04% |
| | 40 | 0.07% |
| | 50 | 0.18% |

| | | | |
|------------------------|----------------|------------|---------------------|
| Termination rate table | <u>Service</u> | <u>Age</u> | <u>Assumed Rate</u> |
| | <5 | 20-24 | 10.0% |
| | | 25-29 | 7.0% |
| | | 30-49 | 6.0% |
| | | 50-54 | 1.0% |
| | | 55+ | 0.1% |
| | 5+ | 20-44 | 6.0% |
| | | 45-49 | 5.0% |
| | | 50-54 | 1.0% |
| | | 55+ | 0.1% |

This assumption was adopted with the May 10, 2017 actuarial experience study.

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NORTH PORT, FLORIDA
 NORTH PORT FIREFIGHTERS' PENSION TRUST FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PENSION INVESTMENT RETURN

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------|--------|-------|-------|-------|--------|-------|-------|-------|
| Annual money-weighted rate of return, net of investment expenses for the City's pension plan | -14.06% | 19.22% | 9.11% | 3.75% | 9.32% | 10.78% | 7.24% | 1.09% | 8.84% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

| Measurement Date | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | | |
| Service cost | \$ 226,699 | \$ 270,402 | \$ 201,821 | \$ 250,464 | \$ 238,046 |
| Interest on total OPEB liability | 112,569 | 99,267 | 130,588 | 125,181 | 106,492 |
| Difference between expected and actual experience | 154,406 | - | (23,828) | - | - |
| Changes of assumptions and other inputs | (989,625) | (125,505) | 808,143 | 19,198 | 57,988 |
| Benefit payments | (266,448) | (234,264) | (197,694) | (175,788) | (152,898) |
| Other changes | - | - | 90,206 | 567 | 21,985 |
| Net change in total OPEB liability | <u>(762,399)</u> | <u>9,900</u> | <u>1,009,236</u> | <u>219,622</u> | <u>271,613</u> |
| Total OPEB liability - beginning | 4,765,687 | 4,755,787 | 3,746,551 | 3,526,929 | 3,255,316 |
| Total OPEB liability - ending | <u>\$ 4,003,288</u> | <u>\$ 4,765,687</u> | <u>\$ 4,755,787</u> | <u>\$ 3,746,551</u> | <u>\$ 3,526,929</u> |
| | | | | | |
| Covered-employee payroll | \$ 44,160,400 | \$ 34,930,762 | \$ 34,930,762 | \$ 31,678,389 | \$ 31,678,389 |
| | | | | | |
| City's total OPEB liability as a percentage of covered payroll | 9.07% | 13.61% | 13.61% | 11.13% | 11.13% |

Notes to the Schedule:

- 1) The schedule will present 10 years of information once it is accumulated.
- 2) There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.



COMBINING & INDIVIDUAL FUND STATEMENTS AND SCHEDULES

This section includes financial statements and schedules which are not part of the basic financial statements, but are presented for purposes of additional analysis.

**CITY OF NORTH PORT, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022**

Special Revenue

| | Inspector Education | Florida Contraband Forfeiture | Police Education | Historical Preservation |
|---|--------------------------------|--|-----------------------------|------------------------------------|
| ASSETS: | | | | |
| Cash and investments | \$ 407,524 | \$ 180,024 | \$ 23,278 | \$ 1,958 |
| Receivables (net of allowance for uncollectibles) | - | - | - | - |
| Due from other governments | - | - | 1,565 | - |
| Prepaid items | - | - | - | - |
| Inventories | - | - | - | - |
| Total assets | <u>\$ 407,524</u> | <u>\$ 180,024</u> | <u>\$ 24,843</u> | <u>\$ 1,958</u> |
| LIABILITIES: | | | | |
| Accounts payable | \$ 45,906 | \$ 39,402 | \$ - | \$ - |
| Due to other funds | - | - | - | - |
| Due to other governments | - | - | - | - |
| Total liabilities | <u>45,906</u> | <u>39,402</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES: | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | 140,622 | 24,843 | - |
| Committed | 361,618 | - | - | 1,958 |
| Total fund balances | <u>361,618</u> | <u>140,622</u> | <u>24,843</u> | <u>1,958</u> |
| Total liabilities and fund balances | <u>\$ 407,524</u> | <u>\$ 180,024</u> | <u>\$ 24,843</u> | <u>\$ 1,958</u> |

Special Revenue

| Tree Replacement | Warm Mineral Springs | Building Department | Escheated Lots - Land & Future Projects | Environmental Management |
|-------------------------|-----------------------------|----------------------------|--|---------------------------------|
| \$ 1,816,686 | \$ 3,799,887 | \$ 8,883,254 | \$ 628,010 | \$ 318,213 |
| 4,200 | 1,057 | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>\$ 1,820,886</u> | <u>\$ 3,800,944</u> | <u>\$ 8,883,254</u> | <u>\$ 628,010</u> | <u>\$ 318,213</u> |
| | | | | |
| \$ 292 | \$ 57,997 | \$ 53,796 | \$ - | \$ - |
| 456 | - | 62,921 | - | - |
| - | 8,045 | - | - | - |
| <u>748</u> | <u>66,042</u> | <u>116,717</u> | <u>-</u> | <u>-</u> |
| | | | | |
| - | - | - | - | - |
| - | - | 8,766,537 | - | 318,213 |
| 1,820,138 | 3,734,902 | - | 628,010 | - |
| <u>1,820,138</u> | <u>3,734,902</u> | <u>8,766,537</u> | <u>628,010</u> | <u>318,213</u> |
| | | | | |
| <u>\$ 1,820,886</u> | <u>\$ 3,800,944</u> | <u>\$ 8,883,254</u> | <u>\$ 628,010</u> | <u>\$ 318,213</u> |

(continued)

**CITY OF NORTH PORT, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | |
|---|------------------------------|--|--|-----------------------------|
| | <u>Fleet Maintenance</u> | <u>Road Reconstruction Bond Debt Service</u> | <u>Law Enforcement Impact Fees</u> | <u>Fire Impact Fees</u> |
| ASSETS: | | | | |
| Cash and investments | \$ 1,152,234 | \$ 1,606,515 | \$ 670,352 | \$ 1,150,501 |
| Receivables (net of allowance for uncollectibles) | - | - | - | - |
| Due from other governments | 8 | 6,944 | - | - |
| Prepaid items | - | - | 53,297 | - |
| Inventories | 55,405 | - | - | - |
| Total assets | <u>\$ 1,207,647</u> | <u>\$ 1,613,459</u> | <u>\$ 723,649</u> | <u>\$ 1,150,501</u> |
| LIABILITIES: | | | | |
| Accounts payable | \$ 239,225 | \$ - | \$ 4,485 | \$ 321,868 |
| Due to other funds | 36,024 | - | - | - |
| Due to other governments | - | - | - | - |
| Total liabilities | <u>275,249</u> | <u>-</u> | <u>4,485</u> | <u>321,868</u> |
| FUND BALANCES: | | | | |
| Nonspendable | 55,405 | - | 53,297 | - |
| Restricted | - | 1,613,459 | 665,867 | 828,633 |
| Committed | 876,993 | - | - | - |
| Total fund balances | <u>932,398</u> | <u>1,613,459</u> | <u>719,164</u> | <u>828,633</u> |
| Total liabilities and fund balances | <u>\$ 1,207,647</u> | <u>\$ 1,613,459</u> | <u>\$ 723,649</u> | <u>\$ 1,150,501</u> |

Capital Projects

| Parks and Recreation Impact Fees | Transportation Impact Fees | Solid Waste Impact Fees | General Government Impact Fees | Renewal & Replacement - General Fund |
|---|-----------------------------------|--------------------------------|---------------------------------------|---|
| \$ 4,108,934 | \$ 11,184,991 | \$ 914,781 | \$ 2,263,580 | \$ 1,637,905 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 79,715 |
| - | - | - | - | - |
| <u>\$ 4,108,934</u> | <u>\$ 11,184,991</u> | <u>\$ 914,781</u> | <u>\$ 2,263,580</u> | <u>\$ 1,717,620</u> |
| | | | | |
| \$ 4,641 | \$ - | \$ - | \$ - | \$ 357,224 |
| - | - | - | - | - |
| - | 378,338 | - | - | - |
| <u>4,641</u> | <u>378,338</u> | <u>-</u> | <u>-</u> | <u>357,224</u> |
| | | | | |
| - | - | - | - | 79,715 |
| 4,104,293 | 10,806,653 | 914,781 | 2,263,580 | - |
| - | - | - | - | 1,280,681 |
| <u>4,104,293</u> | <u>10,806,653</u> | <u>914,781</u> | <u>2,263,580</u> | <u>1,360,396</u> |
| | | | | |
| <u>\$ 4,108,934</u> | <u>\$ 11,184,991</u> | <u>\$ 914,781</u> | <u>\$ 2,263,580</u> | <u>\$ 1,717,620</u> |

(continued)

**CITY OF NORTH PORT, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

| | Capital Projects | | | |
|---|---|---|---|--|
| | Renewal & Replacement - Road & Drainage District | Renewal & Replacement - Fire Rescue District | Renewal & Replacement - Solid Waste District | Renewal & Replacement - Building Fund |
| ASSETS: | | | | |
| Cash and investments | \$ 4,891,222 | \$ 6,142,525 | \$ 2,796,724 | \$ 308,171 |
| Receivables (net of allowance for uncollectibles) | - | - | - | - |
| Due from other governments | - | - | - | - |
| Prepaid items | - | 371,936 | - | - |
| Inventories | - | - | - | - |
| Total assets | \$ 4,891,222 | \$ 6,514,461 | \$ 2,796,724 | \$ 308,171 |
| LIABILITIES: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - |
| Due to other governments | - | - | - | - |
| Total liabilities | - | - | - | - |
| FUND BALANCES: | | | | |
| Nonspendable | - | 371,936 | - | - |
| Restricted | 4,891,222 | 6,142,525 | 2,796,724 | 308,171 |
| Committed | - | - | - | - |
| Total fund balances | 4,891,222 | 6,514,461 | 2,796,724 | 308,171 |
| Total liabilities and fund balances | \$ 4,891,222 | \$ 6,514,461 | \$ 2,796,724 | \$ 308,171 |

Capital Projects

| Renewal & Replacement - Fleet Management Fund | Total Nonmajor Governmental Funds |
|--|--|
| \$ 767,444 | \$ 55,654,713 |
| - | 5,257 |
| - | 8,517 |
| - | 504,948 |
| - | 55,405 |
| <u>\$ 767,444</u> | <u>\$ 56,228,840</u> |
| | |
| \$ - | \$ 1,124,836 |
| - | 99,401 |
| - | 386,383 |
| <u>-</u> | <u>1,610,620</u> |
| | |
| - | 560,353 |
| - | 44,586,123 |
| 767,444 | 9,471,744 |
| <u>767,444</u> | <u>54,618,220</u> |
| | |
| <u>\$ 767,444</u> | <u>\$ 56,228,840</u> |

**CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | Special Revenue | | | |
|--|--------------------------------|--|-----------------------------|------------------------------------|
| | Inspector Education | Florida Contraband Forfeiture | Police Education | Historical Preservation |
| REVENUES: | | | | |
| Permits, fees and special assessments | \$ 86,887 | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | 4,852 | 18,444 | - |
| Investment losses | (8,516) | (6,179) | (729) | (48) |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>78,371</u> | <u>(1,327)</u> | <u>17,715</u> | <u>(48)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | 20,403 | 179,138 | 14,000 | - |
| Physical environment | - | - | - | - |
| Transportation | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Capital outlay | - | 125,149 | - | - |
| Debt service | - | - | - | - |
| Total expenditures | <u>20,403</u> | <u>304,287</u> | <u>14,000</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>57,968</u> | <u>(305,614)</u> | <u>3,715</u> | <u>(48)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Insurance recoveries | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 57,968 | (305,614) | 3,715 | (48) |
| Fund balances - beginning | <u>303,650</u> | <u>446,236</u> | <u>21,128</u> | <u>2,006</u> |
| Fund balances - ending | <u>\$ 361,618</u> | <u>\$ 140,622</u> | <u>\$ 24,843</u> | <u>\$ 1,958</u> |

Special Revenue

| Tree Replacement | Warm Mineral Springs | Building Department | Escheated Lots - Land & Future Projects | Environmental Management |
|-------------------------|-----------------------------|----------------------------|--|---------------------------------|
| \$ 382,821 | \$ - | \$ 5,766,969 | \$ - | \$ - |
| - | 1,947,050 | 67,756 | - | - |
| 60,840 | - | - | - | - |
| (37,627) | (77,791) | (184,576) | (15,233) | (7,721) |
| - | - | 841 | - | - |
| <u>406,034</u> | <u>1,869,259</u> | <u>5,650,990</u> | <u>(15,233)</u> | <u>(7,721)</u> |
| - | - | - | - | - |
| - | - | 4,061,838 | - | - |
| 115,125 | - | - | - | - |
| - | - | - | - | - |
| - | 913,337 | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>115,125</u> | <u>913,337</u> | <u>4,061,838</u> | <u>-</u> | <u>-</u> |
| <u>290,909</u> | <u>955,922</u> | <u>1,589,152</u> | <u>(15,233)</u> | <u>(7,721)</u> |
| - | - | - | - | - |
| - | - | (40,000) | - | - |
| - | - | 18,748 | - | - |
| <u>-</u> | <u>-</u> | <u>(21,252)</u> | <u>-</u> | <u>-</u> |
| 290,909 | 955,922 | 1,567,900 | (15,233) | (7,721) |
| <u>1,529,229</u> | <u>2,778,980</u> | <u>7,198,637</u> | <u>643,243</u> | <u>325,934</u> |
| <u>\$ 1,820,138</u> | <u>\$ 3,734,902</u> | <u>\$ 8,766,537</u> | <u>\$ 628,010</u> | <u>\$ 318,213</u> |

(continued)

**CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | |
|--|------------------------------|--|--|-----------------------------|
| | <u>Fleet Maintenance</u> | <u>Road Reconstruction Bond Debt Service</u> | <u>Law Enforcement Impact Fees</u> | <u>Fire Impact Fees</u> |
| REVENUES: | | | | |
| Permits, fees and special assessments | \$ - | \$ 3,109,455 | \$ 423,081 | \$ 528,418 |
| Charges for services | 6,299,693 | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Investment losses | (19,492) | (60,101) | (28,646) | (24,079) |
| Miscellaneous | 507 | - | - | - |
| Total revenues | <u>6,280,708</u> | <u>3,049,354</u> | <u>394,435</u> | <u>504,339</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 5,931,514 | - | - | - |
| Public safety | - | - | 76,475 | 186,609 |
| Physical environment | - | - | - | - |
| Transportation | - | 32,644 | - | - |
| Culture and recreation | - | - | - | - |
| Capital outlay | 29,935 | - | 868,868 | 318,831 |
| Debt service | - | 2,631,013 | - | - |
| Total expenditures | <u>5,961,449</u> | <u>2,663,657</u> | <u>945,343</u> | <u>505,440</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>319,259</u> | <u>385,697</u> | <u>(550,908)</u> | <u>(1,101)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (50,000) | - | - | - |
| Insurance recoveries | - | - | - | - |
| Total other financing sources (uses) | <u>(50,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 269,259 | 385,697 | (550,908) | (1,101) |
| Fund balances - beginning | <u>663,139</u> | <u>1,227,762</u> | <u>1,270,072</u> | <u>829,734</u> |
| Fund balances - ending | <u>\$ 932,398</u> | <u>\$ 1,613,459</u> | <u>\$ 719,164</u> | <u>\$ 828,633</u> |

Capital Projects

| Parks and Recreation Impact Fees | Transportation Impact Fees | Solid Waste Impact Fees | General Government Impact Fees | Renewal & Replacement - General Fund |
|---|---------------------------------------|------------------------------------|---|---|
| \$ 1,367,534 | \$ 5,109,102 | \$ 341,203 | \$ 480,097 | \$ - |
| - | - | - | - | - |
| - | - | - | - | - |
| (82,997) | (241,456) | (17,851) | (48,935) | (42,548) |
| - | - | - | - | - |
| <u>1,284,537</u> | <u>4,867,646</u> | <u>323,352</u> | <u>431,162</u> | <u>(42,548)</u> |
| - | - | - | - | 160,831 |
| - | - | - | - | 19,803 |
| - | - | - | - | - |
| - | 2,150,293 | - | - | - |
| 1,700 | - | - | - | - |
| 3,655 | - | - | - | 475,059 |
| - | - | - | - | - |
| <u>5,355</u> | <u>2,150,293</u> | <u>-</u> | <u>-</u> | <u>655,693</u> |
| <u>1,279,182</u> | <u>2,717,353</u> | <u>323,352</u> | <u>431,162</u> | <u>(698,241)</u> |
| - | - | - | - | 480,500 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 480,500 |
| 1,279,182 | 2,717,353 | 323,352 | 431,162 | (217,741) |
| <u>2,825,111</u> | <u>8,089,300</u> | <u>591,429</u> | <u>1,832,418</u> | <u>1,578,137</u> |
| <u>\$ 4,104,293</u> | <u>\$ 10,806,653</u> | <u>\$ 914,781</u> | <u>\$ 2,263,580</u> | <u>\$ 1,360,396</u> |

(continued)

**CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | Capital Projects | | | |
|--|---|---|---|--|
| | Renewal & Replacement - Road & Drainage District | Renewal & Replacement - Fire Rescue District | Renewal & Replacement - Solid Waste District | Renewal & Replacement - Building Fund |
| REVENUES: | | | | |
| Permits, fees and special assessments | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Investment losses | (89,007) | (125,481) | (61,788) | (7,039) |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>(89,007)</u> | <u>(125,481)</u> | <u>(61,788)</u> | <u>(7,039)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | 19,803 | - | - |
| Physical environment | - | - | - | - |
| Transportation | 26 | - | - | - |
| Culture and recreation | - | - | - | - |
| Capital outlay | 182,278 | - | 1,020,391 | - |
| Debt service | - | - | - | - |
| Total expenditures | <u>182,304</u> | <u>19,803</u> | <u>1,020,391</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(271,311)</u> | <u>(145,284)</u> | <u>(1,082,179)</u> | <u>(7,039)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 2,950,000 | 2,803,200 | 557,430 | 40,000 |
| Transfers out | - | - | - | - |
| Insurance recoveries | - | - | 125,620 | - |
| Total other financing sources (uses) | <u>2,950,000</u> | <u>2,803,200</u> | <u>683,050</u> | <u>40,000</u> |
| Net change in fund balances | 2,678,689 | 2,657,916 | (399,129) | 32,961 |
| Fund balances - beginning | <u>2,212,533</u> | <u>3,856,545</u> | <u>3,195,853</u> | <u>275,210</u> |
| Fund balances - ending | <u>\$ 4,891,222</u> | <u>\$ 6,514,461</u> | <u>\$ 2,796,724</u> | <u>\$ 308,171</u> |

Capital Projects

| Renewal & Replacement - Fleet Management Fund | Total Nonmajor Governmental Funds |
|--|--|
| \$ - | \$ 17,595,567 |
| - | 8,314,499 |
| - | 84,136 |
| (18,072) | (1,205,912) |
| - | 1,348 |
| <u>(18,072)</u> | <u>24,789,638</u> |
| - | 6,092,345 |
| - | 4,578,069 |
| - | 115,125 |
| - | 2,182,963 |
| - | 915,037 |
| - | 3,024,166 |
| - | 2,631,013 |
| - | <u>19,538,718</u> |
| <u>(18,072)</u> | <u>5,250,920</u> |
| 50,000 | 6,881,130 |
| - | (90,000) |
| - | 144,368 |
| <u>50,000</u> | <u>6,935,498</u> |
| 31,928 | 12,186,418 |
| <u>735,516</u> | <u>42,431,802</u> |
| <u>\$ 767,444</u> | <u>\$ 54,618,220</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 INSPECTOR EDUCATION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget |
|---------------------------------------|-------------------------|-------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| REVENUES | | | | |
| Permits, fees and special assessments | \$ 87,110 | \$ 87,110 | \$ 86,887 | \$ (223) |
| Investment earnings (losses) | 1,000 | 1,000 | (8,516) | (9,516) |
| Total revenues | <u>88,110</u> | <u>88,110</u> | <u>78,371</u> | <u>(9,739)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | <u>41,820</u> | <u>41,820</u> | <u>20,403</u> | <u>21,417</u> |
| Total expenditures | <u>41,820</u> | <u>41,820</u> | <u>20,403</u> | <u>21,417</u> |
| Net change in fund balance | <u>46,290</u> | <u>46,290</u> | <u>57,968</u> | <u>11,678</u> |
| Fund balances - beginning | <u>303,650</u> | <u>303,650</u> | <u>303,650</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 349,940</u> | <u>\$ 349,940</u> | <u>\$ 361,618</u> | <u>\$ 11,678</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 FLORIDA CONTRABAND FORFEITURE SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------------|------------------|-----------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES | | | | |
| Fines and forfeitures | \$ - | \$ - | \$ 4,852 | \$ 4,852 |
| Investment earnings (losses) | 250 | 250 | (6,179) | (6,429) |
| Total revenues | 250 | 250 | (1,327) | (1,577) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 160,910 | 217,710 | 179,138 | 38,572 |
| Capital outlay | 249,000 | 192,200 | 125,149 | 67,051 |
| Total expenditures | 409,910 | 409,910 | 304,287 | 105,623 |
| Net change in fund balance | (409,660) | (409,660) | (305,614) | 104,046 |
| Fund balances - beginning | 446,236 | 446,236 | 446,236 | - |
| Fund balances - ending | \$ 36,576 | \$ 36,576 | \$ 140,622 | \$ 104,046 |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 POLICE EDUCATION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget |
|----------------------------------|-------------------------|------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| REVENUES | | | | |
| Fines and forfeitures | \$ 9,000 | \$ 9,000 | \$ 18,444 | \$ 9,444 |
| Investment earnings (losses) | 250 | 250 | (729) | (979) |
| Total revenues | <u>9,250</u> | <u>9,250</u> | <u>17,715</u> | <u>8,465</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | <u>14,000</u> | <u>14,000</u> | <u>14,000</u> | <u>-</u> |
| Total expenditures | <u>14,000</u> | <u>14,000</u> | <u>14,000</u> | <u>-</u> |
| Net change in fund balance | (4,750) | (4,750) | 3,715 | 8,465 |
| Fund balances - beginning | <u>21,128</u> | <u>21,128</u> | <u>21,128</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 16,378</u> | <u>\$ 16,378</u> | <u>\$ 24,843</u> | <u>\$ 8,465</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 HISTORICAL PRESERVATION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|----------------------------------|-------------------------|-----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Positive (Negative)</u> |
| REVENUES | | | | |
| Investment earnings (losses) | \$ - | \$ - | \$ (48) | \$ (48) |
| Total revenues | <u>-</u> | <u>-</u> | <u>(48)</u> | <u>(48)</u> |
| Net change in fund balance | - | - | (48) | (48) |
| Fund balances - beginning | <u>2,006</u> | <u>2,006</u> | <u>2,006</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 2,006</u> | <u>\$ 2,006</u> | <u>\$ 1,958</u> | <u>\$ (48)</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 TREE REPLACEMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------------|------------------|--------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES | | | | |
| Permits, fees and special assessments | \$ 200,000 | \$ 200,000 | \$ 382,821 | \$ 182,821 |
| Fines and forfeitures | - | - | 60,840 | 60,840 |
| Investment earnings (losses) | 3,000 | 3,000 | (37,627) | (40,627) |
| Total revenues | 203,000 | 203,000 | 406,034 | 203,034 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Physical environment | 160,440 | 173,765 | 115,125 | 58,640 |
| Total expenditures | 160,440 | 173,765 | 115,125 | 58,640 |
| Net change in fund balance | 42,560 | 29,235 | 290,909 | 261,674 |
| Fund balances - beginning | 1,529,229 | 1,529,229 | 1,529,229 | - |
| Fund balances - ending | \$ 1,571,789 | \$ 1,558,464 | \$ 1,820,138 | \$ 261,674 |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 WARM MINERAL SPRINGS SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------------|------------------|--------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 1,281,050 | \$ 1,341,050 | \$ 1,947,050 | \$ 606,000 |
| Investment earnings (losses) | 5,000 | 5,000 | (77,791) | (82,791) |
| Total revenues | 1,286,050 | 1,346,050 | 1,869,259 | 523,209 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | 875,580 | 1,081,115 | 913,337 | 167,778 |
| Capital outlay | - | 2,119,959 | - | 2,119,959 |
| Total expenditures | 875,580 | 3,201,074 | 913,337 | 2,287,737 |
| Net change in fund balance | 410,470 | (1,855,024) | 955,922 | 2,810,946 |
| Fund balances - beginning | 2,778,980 | 2,778,980 | 2,778,980 | - |
| Fund balances - ending | \$ 3,189,450 | \$ 923,956 | \$ 3,734,902 | \$ 2,810,946 |

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DEPARTMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Positive (Negative)</u> |
| REVENUES | | | | |
| Permits, fees and special assessments | \$ 3,215,430 | \$ 3,215,430 | \$ 5,766,969 | \$ 2,551,539 |
| Charges for services | 40,600 | 40,600 | 67,756 | 27,156 |
| Investment earnings (losses) | 30,000 | 30,000 | (184,576) | (214,576) |
| Miscellaneous | 2,000 | 2,000 | 841 | (1,159) |
| Total revenues | <u>3,288,030</u> | <u>3,288,030</u> | <u>5,650,990</u> | <u>2,362,960</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 4,274,990 | 4,535,315 | 4,061,838 | 473,477 |
| Capital outlay | <u>675,210</u> | <u>3,678,340</u> | <u>-</u> | <u>3,678,340</u> |
| Total expenditures | <u>4,950,200</u> | <u>8,213,655</u> | <u>4,061,838</u> | <u>4,151,817</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,662,170)</u> | <u>(4,925,625)</u> | <u>1,589,152</u> | <u>6,514,777</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (40,000) | (40,000) | (40,000) | - |
| Insurance recoveries | <u>-</u> | <u>-</u> | <u>18,748</u> | <u>(18,748)</u> |
| Total other financing sources (uses) | <u>(40,000)</u> | <u>(40,000)</u> | <u>(21,252)</u> | <u>-</u> |
| Net change in fund balance | (1,702,170) | (4,965,625) | 1,567,900 | 6,533,525 |
| Fund balances - beginning | <u>7,198,637</u> | <u>7,198,637</u> | <u>7,198,637</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 5,496,467</u> | <u>\$ 2,233,012</u> | <u>\$ 8,766,537</u> | <u>\$ 6,533,525</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 ESCHEATED LOTS - LAND AND FUTURE PROJECTS SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|----------------------------------|-------------------------|------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Positive (Negative)</u> |
| REVENUES | | | | |
| Investment earnings (losses) | \$ - | \$ - | \$ (15,233) | \$ (15,233) |
| Total revenues | - | - | (15,233) | (15,233) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Capital outlay | - | 602,054 | - | 602,054 |
| Total expenditures | - | 602,054 | - | 602,054 |
| Net change in fund balance | - | (602,054) | (15,233) | 586,821 |
| Fund balances - beginning | <u>643,243</u> | <u>643,243</u> | <u>643,243</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 643,243</u> | <u>\$ 41,189</u> | <u>\$ 628,010</u> | <u>\$ 586,821</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 ENVIRONMENTAL MANAGEMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|----------------------------------|-------------------------|------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Positive (Negative)</u> |
| REVENUES | | | | |
| Investment earnings (losses) | \$ 1,000 | \$ 1,000 | \$ (7,721) | \$ (8,721) |
| Total revenues | <u>1,000</u> | <u>1,000</u> | <u>(7,721)</u> | <u>(8,721)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | - | 1,269 | - | 1,269 |
| Capital outlay | - | 284,504 | - | 284,504 |
| Total expenditures | <u>-</u> | <u>285,773</u> | <u>-</u> | <u>285,773</u> |
| Net change in fund balance | 1,000 | (284,773) | (7,721) | 277,052 |
| Fund balances - beginning | <u>325,934</u> | <u>325,934</u> | <u>325,934</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 326,934</u> | <u>\$ 41,161</u> | <u>\$ 318,213</u> | <u>\$ 277,052</u> |

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FLEET MANAGEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Positive (Negative)</u> |
| REVENUES | | | | |
| Charges for services | \$ 6,146,820 | \$ 6,146,820 | \$ 6,299,693 | \$ 152,873 |
| Investment earnings (losses) | 1,000 | 1,000 | (19,492) | (20,492) |
| Miscellaneous | - | - | 507 | 507 |
| Total revenues | <u>6,147,820</u> | <u>6,147,820</u> | <u>6,280,708</u> | <u>132,888</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 5,865,640 | 5,832,891 | 5,931,514 | (98,623) |
| Capital outlay | <u>25,000</u> | <u>114,949</u> | <u>29,935</u> | <u>85,014</u> |
| Total expenditures | <u>5,890,640</u> | <u>5,947,840</u> | <u>5,961,449</u> | <u>(13,609)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>257,180</u> | <u>199,980</u> | <u>319,259</u> | <u>119,279</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer out | <u>(50,000)</u> | <u>(50,000)</u> | <u>(50,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(50,000)</u> | <u>(50,000)</u> | <u>(50,000)</u> | <u>-</u> |
| Net change in fund balance | 207,180 | 149,980 | 269,259 | 119,279 |
| Fund balances - beginning | <u>663,139</u> | <u>663,139</u> | <u>663,139</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 870,319</u> | <u>\$ 813,119</u> | <u>\$ 932,398</u> | <u>\$ 119,279</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 ROAD RECONSTRUCTION BOND DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|----------------------------|----------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Positive (Negative)</u> |
| REVENUES | | | | |
| Permits and special assessments | \$ 3,010,000 | \$ 3,010,000 | \$ 3,109,455 | \$ 99,455 |
| Investment earnings (losses) | 5,000 | 5,000 | (60,101) | (65,101) |
| Total revenues | <u>3,015,000</u> | <u>3,015,000</u> | <u>3,049,354</u> | <u>34,354</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation | 40,000 | 40,000 | 32,644 | 7,356 |
| Debt service | <u>2,631,010</u> | <u>2,631,010</u> | <u>2,631,013</u> | <u>(3)</u> |
| Total expenditures | <u>2,671,010</u> | <u>2,671,010</u> | <u>2,663,657</u> | <u>7,353</u> |
| Net change in fund balance | 343,990 | 343,990 | 385,697 | 41,707 |
| Fund balances - beginning | <u>1,227,762</u> | <u>1,227,762</u> | <u>1,227,762</u> | <u>-</u> |
| Fund balances - ending | <u><u>\$ 1,571,752</u></u> | <u><u>\$ 1,571,752</u></u> | <u><u>\$ 1,613,459</u></u> | <u><u>\$ 41,707</u></u> |

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT IMPACT FEES CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|--------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Permits, fees and special assessments | \$ 891,040 | \$ 891,040 | \$ 423,081 | \$ (467,959) |
| Investment earnings (losses) | 4,000 | 4,000 | (28,646) | (32,646) |
| Total revenues | <u>895,040</u> | <u>895,040</u> | <u>394,435</u> | <u>(500,605)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | - | 1,496 | 76,475 | (74,979) |
| Capital outlay | 385,000 | 466,004 | 868,868 | (402,864) |
| Total expenditures | <u>385,000</u> | <u>467,500</u> | <u>945,343</u> | <u>(477,843)</u> |
| Excess of revenues over expenditures | <u>510,040</u> | <u>427,540</u> | <u>(550,908)</u> | <u>(978,448)</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers out | - | (1,135,025) | - | 1,135,025 |
| Total other financing sources | <u>-</u> | <u>(1,135,025)</u> | <u>-</u> | <u>1,135,025</u> |
| Net change in fund balance | 510,040 | (707,485) | (550,908) | 156,577 |
| Fund balances - beginning | <u>1,270,072</u> | <u>1,270,072</u> | <u>1,270,072</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,780,112</u> | <u>\$ 562,587</u> | <u>\$ 719,164</u> | <u>\$ 156,577</u> |

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE IMPACT FEES CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Permits, fees and special assessments | \$ 1,123,570 | \$ 1,123,570 | \$ 528,418 | \$ (595,152) |
| Investment earnings (losses) | 5,000 | 5,000 | (24,079) | (29,079) |
| Total revenues | <u>1,128,570</u> | <u>1,128,570</u> | <u>504,339</u> | <u>(624,231)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Safety | - | 10,382 | 186,609 | (176,227) |
| Capital outlay | 486,000 | 828,577 | 318,831 | 509,746 |
| Total expenditures | <u>486,000</u> | <u>838,959</u> | <u>505,440</u> | <u>333,519</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>642,570</u> | <u>289,611</u> | <u>(1,101)</u> | <u>(290,712)</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers out | - | (502,170) | - | 502,170 |
| Total other financing sources | <u>-</u> | <u>(502,170)</u> | <u>-</u> | <u>502,170</u> |
| Net change in fund balances | 642,570 | (212,559) | (1,101) | 211,458 |
| Fund balances - beginning | <u>829,734</u> | <u>829,734</u> | <u>829,734</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,472,304</u> | <u>\$ 617,175</u> | <u>\$ 828,633</u> | <u>\$ 211,458</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 PARKS AND RECREATION IMPACT FEES CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Permits, fees and special assessments | \$ 2,764,410 | \$ 2,764,410 | \$ 1,367,534 | \$ (1,396,876) |
| Investment earnings (losses) | 1,000 | 1,000 | (82,997) | (83,997) |
| Total revenues | <u>2,765,410</u> | <u>2,765,410</u> | <u>1,284,537</u> | <u>(1,480,873)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | 500,000 | 500,000 | 1,700 | 498,300 |
| Capital outlay | 688,020 | 2,575,935 | 3,655 | 2,572,280 |
| Total expenditures | <u>1,188,020</u> | <u>3,075,935</u> | <u>5,355</u> | <u>3,070,580</u> |
| Net change in fund balances | 1,577,390 | (310,525) | 1,279,182 | 1,589,707 |
| Fund balances - beginning | <u>2,825,111</u> | <u>2,825,111</u> | <u>2,825,111</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 4,402,501</u> | <u>\$ 2,514,586</u> | <u>\$ 4,104,293</u> | <u>\$ 1,589,707</u> |

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEES CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|----------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Permits, fees and special assessments | \$ 11,322,220 | \$ 11,322,220 | \$ 5,109,102 | \$ (6,213,118) |
| Investment earnings (losses) | 25,000 | 25,000 | (241,456) | (266,456) |
| Total revenues | <u>11,347,220</u> | <u>11,347,220</u> | <u>4,867,646</u> | <u>(6,479,574)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation | 3,000,000 | 3,000,000 | 2,150,293 | 849,707 |
| Capital outlay | - | 2,403,104 | - | 2,403,104 |
| Total expenditures | <u>3,000,000</u> | <u>5,403,104</u> | <u>2,150,293</u> | <u>3,252,811</u> |
| Net change in fund balances | 8,347,220 | 5,944,116 | 2,717,353 | (3,226,763) |
| Fund balances - beginning | <u>8,089,300</u> | <u>8,089,300</u> | <u>8,089,300</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 16,436,520</u> | <u>\$ 14,033,416</u> | <u>\$ 10,806,653</u> | <u>\$ (3,226,763)</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 SOLID WASTE IMPACT FEES CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|----------------------------------|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Permits and special assessments | \$ 671,040 | \$ 671,040 | \$ 341,203 | \$ (329,837) |
| Investment earnings (losses) | 2,000 | 2,000 | (17,851) | (19,851) |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>673,040</u> | <u>673,040</u> | <u>323,352</u> | <u>(349,688)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Physical environment | - | 9,358 | - | 9,358 |
| Capital outlay | - | 5,520 | - | 5,520 |
| Total expenditures | <u>-</u> | <u>14,878</u> | <u>-</u> | <u>14,878</u> |
| Net change in fund balances | 673,040 | 658,162 | 323,352 | (334,810) |
| Fund balances - beginning | <u>591,429</u> | <u>591,429</u> | <u>591,429</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,264,469</u> | <u>\$ 1,249,591</u> | <u>\$ 914,781</u> | <u>\$ (334,810)</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL GOVERNMENT IMPACT FEES CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|----------------------------|----------------------------|----------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Permits, fees and special assessments | \$ 1,021,100 | \$ 1,021,100 | \$ 480,097 | \$ (541,003) |
| Investment earnings (losses) | 4,000 | 4,000 | (48,935) | (52,935) |
| Total revenues | <u>1,025,100</u> | <u>1,025,100</u> | <u>431,162</u> | <u>(593,938)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Capital outlay | 60,000 | 180,000 | - | 180,000 |
| Total expenditures | <u>60,000</u> | <u>180,000</u> | <u>-</u> | <u>180,000</u> |
| Net change in fund balances | 965,100 | 845,100 | 431,162 | (413,938) |
| Fund balances - beginning | <u>1,832,418</u> | <u>1,832,418</u> | <u>1,832,418</u> | <u>-</u> |
| Fund balances - ending | <u><u>\$ 2,797,518</u></u> | <u><u>\$ 2,677,518</u></u> | <u><u>\$ 2,263,580</u></u> | <u><u>\$ (413,938)</u></u> |

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SURTAX CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local option sales taxes | \$ 13,180,120 | \$ 13,180,120 | \$ 16,341,885 | \$ 3,161,765 |
| Charges for services | - | - | 78,089 | 78,089 |
| Investment earnings (losses) | 100,000 | 100,000 | (894,379) | (994,379) |
| Miscellaneous | - | - | 98,796 | 98,796 |
| Total revenues | <u>13,280,120</u> | <u>13,280,120</u> | <u>15,624,391</u> | <u>2,344,271</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | 12,626 | - | 12,626 |
| Public safety | 300,000 | 450,906 | 144,464 | 306,442 |
| Transportation | 1,717,680 | 5,664,265 | 4,640,758 | 1,023,507 |
| Culture and recreation | 50,000 | 57,793 | 58,315 | (522) |
| Capital outlay | 10,895,340 | 37,025,296 | 6,100,987 | 30,924,309 |
| Total expenditures | <u>12,963,020</u> | <u>43,210,886</u> | <u>10,944,524</u> | <u>32,266,362</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>317,100</u> | <u>(29,930,766)</u> | <u>4,679,867</u> | <u>34,610,633</u> |
| Net change in fund balances | 317,100 | (29,930,766) | 4,679,867 | 34,610,633 |
| Fund balances - beginning | <u>35,668,427</u> | <u>35,668,427</u> | <u>35,668,427</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 35,985,527</u> | <u>\$ 5,737,661</u> | <u>\$ 40,348,294</u> | <u>\$ 34,610,633</u> |

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RENEWAL AND REPLACEMENT - GENERAL FUND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Investment earnings (losses) | \$ 1,000 | \$ 1,000 | \$ (42,548) | \$ (43,548) |
| Total revenues | <u>1,000</u> | <u>1,000</u> | <u>(42,548)</u> | <u>(43,548)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | 160,831 | (160,831) |
| Public safety | - | - | 19,803 | (19,803) |
| Capital outlay | 702,160 | 941,560 | 475,059 | 466,501 |
| Total expenditures | <u>702,160</u> | <u>941,560</u> | <u>655,693</u> | <u>285,867</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(701,160)</u> | <u>(940,560)</u> | <u>(698,241)</u> | <u>242,319</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 480,500 | 480,500 | 480,500 | - |
| Total other financing sources (uses) | <u>480,500</u> | <u>480,500</u> | <u>480,500</u> | <u>-</u> |
| Net change in fund balances | (220,660) | (460,060) | (217,741) | 242,319 |
| Fund balances - beginning | <u>1,578,137</u> | <u>1,578,137</u> | <u>1,578,137</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,357,477</u> | <u>\$ 1,118,077</u> | <u>\$ 1,360,396</u> | <u>\$ 242,319</u> |

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RENEWAL AND REPLACEMENT - ROAD AND DRAINAGE DISTRICT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Investment earnings (losses) | \$ 5,000 | \$ 5,000 | \$ (89,007) | \$ (94,007) |
| Total revenues | <u>5,000</u> | <u>5,000</u> | <u>(89,007)</u> | <u>(94,007)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation | - | 27 | 26 | 1 |
| Capital outlay | 919,550 | 1,007,816 | 182,278 | 825,538 |
| Total expenditures | <u>919,550</u> | <u>1,007,843</u> | <u>182,304</u> | <u>825,539</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(914,550)</u> | <u>(1,002,843)</u> | <u>(271,311)</u> | <u>731,532</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 2,950,000 | 2,950,000 | 2,950,000 | - |
| Total other financing sources (uses) | <u>2,950,000</u> | <u>2,950,000</u> | <u>2,950,000</u> | <u>-</u> |
| Net change in fund balances | 2,035,450 | 1,947,157 | 2,678,689 | 731,532 |
| Fund balances - beginning | <u>2,212,533</u> | <u>2,212,533</u> | <u>2,212,533</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 4,247,983</u> | <u>\$ 4,159,690</u> | <u>\$ 4,891,222</u> | <u>\$ 731,532</u> |

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RENEWAL AND REPLACEMENT - FIRE RESCUE DISTRICT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Positive (Negative)</u> |
| REVENUES | | | | |
| Investment earnings (losses) | \$ 7,000 | \$ 7,000 | \$ (125,481) | \$ (132,481) |
| Total revenues | <u>7,000</u> | <u>7,000</u> | <u>(125,481)</u> | <u>(132,481)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | - | - | 19,803 | (19,803) |
| Capital outlay | <u>779,160</u> | <u>2,011,697</u> | <u>-</u> | <u>2,011,697</u> |
| Total expenditures | <u>779,160</u> | <u>2,011,697</u> | <u>19,803</u> | <u>1,991,894</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(772,160)</u> | <u>(2,004,697)</u> | <u>(145,284)</u> | <u>1,859,413</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | <u>2,803,200</u> | <u>2,803,200</u> | <u>2,803,200</u> | <u>-</u> |
| Total other financing sources (uses) | <u>2,803,200</u> | <u>2,803,200</u> | <u>2,803,200</u> | <u>-</u> |
| Net change in fund balances | 2,031,040 | 798,503 | 2,657,916 | 1,859,413 |
| Fund balances - beginning | <u>3,856,545</u> | <u>3,856,545</u> | <u>3,856,545</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 5,887,585</u> | <u>\$ 4,655,048</u> | <u>\$ 6,514,461</u> | <u>\$ 1,859,413</u> |

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RENEWAL AND REPLACEMENT - SOLID WASTE DISTRICT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Investment earnings (losses) | \$ 10,000 | \$ 10,000 | \$ (61,788) | \$ (71,788) |
| Total revenues | <u>10,000</u> | <u>10,000</u> | <u>(61,788)</u> | <u>(71,788)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Physical environment | - | 4,612 | - | 4,612 |
| Capital outlay | - | 1,618,176 | 1,020,391 | 597,785 |
| Total expenditures | <u>-</u> | <u>1,622,788</u> | <u>1,020,391</u> | <u>602,397</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>10,000</u> | <u>(1,612,788)</u> | <u>(1,082,179)</u> | <u>530,609</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 557,430 | 557,430 | 557,430 | - |
| Insurance recoveries | - | - | 125,620 | 125,620 |
| Total other financing sources (uses) | <u>557,430</u> | <u>557,430</u> | <u>683,050</u> | <u>125,620</u> |
| Net change in fund balances | 567,430 | (1,055,358) | (399,129) | 656,229 |
| Fund balances - beginning | <u>3,195,853</u> | <u>3,195,853</u> | <u>3,195,853</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 3,763,283</u> | <u>\$ 2,140,495</u> | <u>\$ 2,796,724</u> | <u>\$ 656,229</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 RENEWAL AND REPLACEMENT - BUILDING FUND CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Investment earnings (losses) | \$ 1,000 | \$ 1,000 | \$ (7,039) | \$ (8,039) |
| Total revenues | <u>1,000</u> | <u>1,000</u> | <u>(7,039)</u> | <u>(8,039)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 40,000 | 40,000 | 40,000 | - |
| Total other financing sources (uses) | <u>40,000</u> | <u>40,000</u> | <u>40,000</u> | <u>-</u> |
| Net change in fund balances | 41,000 | 41,000 | 32,961 | (8,039) |
| Fund balances - beginning | <u>275,210</u> | <u>275,210</u> | <u>275,210</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 316,210</u> | <u>\$ 316,210</u> | <u>\$ 308,171</u> | <u>\$ (8,039)</u> |

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 RENEWAL AND REPLACEMENT - FLEET MANAGEMENT FUND CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Investment earnings (losses) | \$ 1,000 | \$ 1,000 | \$ (18,072) | \$ (19,072) |
| Total revenues | <u>1,000</u> | <u>1,000</u> | <u>(18,072)</u> | <u>(19,072)</u> |
| EXPENDITURES | | | | |
| Capital outlay | 42,810 | 51,060 | - | 51,060 |
| Total expenditures | <u>42,810</u> | <u>51,060</u> | <u>-</u> | <u>51,060</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(41,810)</u> | <u>(50,060)</u> | <u>(18,072)</u> | <u>31,988</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 50,000 | 50,000 | 50,000 | - |
| Total other financing sources (uses) | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> | <u>-</u> |
| Net change in fund balances | 8,190 | (60) | 31,928 | 31,988 |
| Fund balances - beginning | <u>735,516</u> | <u>735,516</u> | <u>735,516</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 743,706</u> | <u>\$ 735,456</u> | <u>\$ 767,444</u> | <u>\$ 31,988</u> |



INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or fund to other departments or funds of the government on a cost reimbursement basis.

SELF-INSURANCE RISK FUND - This fund is used to account for the self-insurance cost of providing coverage for workers' compensation, vehicle, and general liability.

SELF-INSURANCE MEDICAL FUND - This fund is used to account for the provision of medical benefits to City employees and their dependents through the City's self-insurance program.

**CITY OF NORTH PORT, FLORIDA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2022**

| | Internal Service Funds | | |
|-----------------------------|----------------------------------|-------------------------------------|--------------|
| | Self Insurance - Risk | Self Insurance - Medical | Total |
| ASSETS | | | |
| Cash and investments | \$ 378,412 | \$ 3,327,776 | \$ 3,706,188 |
| Accounts receivable | - | 18,490 | 18,490 |
| Total assets | 378,412 | 3,346,266 | 3,724,678 |
| LIABILITIES | | | |
| Liability for unpaid claims | 1,571,527 | 755,983 | 2,327,510 |
| Total liabilities | 1,571,527 | 755,983 | 2,327,510 |
| NET POSITION | | | |
| Unrestricted | (1,193,115) | 2,590,283 | 1,397,168 |
| Total net position | \$ (1,193,115) | \$ 2,590,283 | \$ 1,397,168 |

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

| | Internal Service Funds | | |
|---|----------------------------------|-------------------------------------|---------------------|
| | Self Insurance - Risk | Self Insurance - Medical | Total |
| OPERATING REVENUES | | | |
| Charges for services: | | | |
| Self-insurance fees | \$ 2,079,780 | \$ 10,063,778 | \$ 12,143,558 |
| Miscellaneous | - | 373,450 | 373,450 |
| Total operating revenues | <u>2,079,780</u> | <u>10,437,228</u> | <u>12,517,008</u> |
| OPERATING EXPENSES | | | |
| General and administrative | 2,693,824 | 11,300,314 | 13,994,138 |
| Total operating expenses | <u>2,693,824</u> | <u>11,300,314</u> | <u>13,994,138</u> |
| Operating loss | <u>(614,044)</u> | <u>(863,086)</u> | <u>(1,477,130)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment losses | (4,538) | (99,365) | (103,903) |
| Total nonoperating revenues | <u>(4,538)</u> | <u>(99,365)</u> | <u>(103,903)</u> |
| Change in net position | (618,582) | (962,451) | (1,581,033) |
| NET POSITION (DEFICIT) - BEGINNING OF YEAR | <u>(574,533)</u> | <u>3,552,734</u> | <u>2,978,201</u> |
| NET POSITION (DEFICIT) - END OF YEAR | <u>\$ (1,193,115)</u> | <u>\$ 2,590,283</u> | <u>\$ 1,397,168</u> |

**CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

| | Internal Service Funds | | |
|---|----------------------------------|-------------------------------------|-----------------------|
| | Self Insurance - Risk | Self Insurance - Medical | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$ 2,086,447 | \$ 10,419,975 | \$ 12,506,422 |
| Payments to vendors for goods and services | (1,215,407) | (2,245,685) | (3,461,092) |
| Claims paid | (1,297,308) | (8,815,074) | (10,112,382) |
| Net cash used for operating activities | (426,268) | (640,784) | (1,067,052) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment income received | (4,538) | (99,365) | (103,903) |
| Net cash used for investing activities | (4,538) | (99,365) | (103,903) |
| Net change in cash and cash equivalents | (430,806) | (740,149) | (1,170,955) |
| Cash and cash equivalents, October 1 | 809,218 | 4,067,925 | 4,877,143 |
| Cash and cash equivalents, September 30 | <u>\$ 378,412</u> | <u>\$ 3,327,776</u> | <u>\$ 3,706,188</u> |
| Classified as: | | | |
| Current assets | <u>\$ 378,412</u> | <u>\$ 3,327,776</u> | <u>\$ 3,706,188</u> |
| Total | <u>\$ 378,412</u> | <u>\$ 3,327,776</u> | <u>\$ 3,706,188</u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Operating loss | \$ (614,044) | \$ (863,086) | \$ (1,477,130) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Decrease in accounts receivable | 6,667 | (17,253) | (10,586) |
| Increase in accounts payable | - | (23) | (23) |
| Increase in claims payable | 181,109 | 239,578 | 420,687 |
| Total adjustments | <u>187,776</u> | <u>222,302</u> | <u>410,078</u> |
| Net cash used for operating activities | <u>\$ (426,268)</u> | <u>\$ (640,784)</u> | <u>\$ (1,067,052)</u> |

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Trust funds are used to administer resources reserved and held by a governmental unit in a trustee capacity. Use of these trust funds facilitates the discharge of responsibilities placed upon the governmental unit by virtue of law or other authority.

POLICE OFFICERS' PENSION TRUST FUND - This fund is used to account for the accumulation of resources for pension benefit payments to participants of the City's Municipal Police Officers' Pension Plan.

FIREFIGHTERS' PENSION TRUST FUND - This fund is used to account for the accumulation of resources for pension benefit payments to participants of the City's Municipal Firefighters' Pension Plan.

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the government as an agent for individuals, private organizations and/or other governmental units. They are custodial in nature and do not involve the measurement of results of operations.

COUNTY ROAD IMPACT FEES FUND - This fund is used to account for county road impact fees collected for and disbursed to Sarasota County.

EDUCATION IMPACT FEES FUND - This fund is used to account for education impact fees collected for and disbursed to the Sarasota County School Board.

COUNTY JUSTICE IMPACT FEES FUND - This fund is used to account for county justice impact fees collected for and disbursed to Sarasota County.

COUNTY GENERAL GOVERNMENT IMPACT FEES FUND - This fund is used to account for county general government impact fees collected for and disbursed to Sarasota County.

CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2022

| | Pension Trust Funds | | |
|---|--|---|-----------------------|
| | Police Officers' Pension Trust Fund | Firefighters' Pension Trust Fund | Totals |
| ASSETS | | | |
| Cash and equivalents | \$ 653,301 | \$ - | \$ 653,301 |
| Prepaid expenses | 3,551 | - | 3,551 |
| Receivables: | | | |
| Contributions receivable | 1,006,519 | 216,064 | 1,222,583 |
| Interest and dividends receivable | 61,076 | - | 61,076 |
| Total receivables | 1,067,595 | 216,064 | 1,283,659 |
| Investments, at fair market value: | | | |
| Money market funds | - | 634,433 | 634,433 |
| Equity securities | 29,337,121 | 29,395,470 | 58,732,591 |
| Fixed income mutual funds | 15,459,908 | 16,596,816 | 32,056,724 |
| Commingled real estate funds | 7,505,437 | 7,530,517 | 15,035,954 |
| International equity securities | 385,638 | - | 385,638 |
| Total investments, at fair value | 52,688,104 | 54,157,236 | 106,845,340 |
| Total assets | 54,412,551 | 54,373,300 | 108,785,851 |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | 206,453 | 19,073 | 225,526 |
| Total liabilities | 206,453 | 19,073 | 225,526 |
| NET POSITION RESTRICTED FOR PENSIONS | \$ 54,206,098 | \$ 54,354,227 | \$ 108,560,325 |

CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | Pension Trust Funds | | |
|---|--|---|-----------------------|
| | Police Officers' Pension Trust Fund | Firefighters' Pension Trust Fund | Totals |
| ADDITIONS | | | |
| Contributions: | | | |
| Plan members | \$ 478,913 | \$ 428,609 | \$ 907,522 |
| State of Florida | 615,040 | 340,753 | 955,793 |
| City of North Port | 1,486,663 | 789,693 | 2,276,356 |
| Total contributions | <u>2,580,616</u> | <u>1,559,055</u> | <u>4,139,671</u> |
| Investment income: | | | |
| Net change in fair value of investments | (10,781,623) | (11,215,611) | (21,997,234) |
| Interest and dividends | <u>1,733,779</u> | <u>2,269,840</u> | <u>4,003,619</u> |
| Investment losses | (9,047,844) | (8,945,771) | (17,993,615) |
| Less investment expenses | <u>(109,603)</u> | <u>(128,142)</u> | <u>(237,745)</u> |
| Net investment income | <u>(9,157,447)</u> | <u>(9,073,913)</u> | <u>(18,231,360)</u> |
| Total additions | <u>(6,576,831)</u> | <u>(7,514,858)</u> | <u>(14,091,689)</u> |
| DEDUCTIONS | | | |
| Benefits to participants | 2,547,375 | 2,649,040 | 5,196,415 |
| Share account distributions | - | 369,459 | 369,459 |
| Administrative expenses | 84,954 | 84,812 | 169,766 |
| State contribution refund | - | 432,493 | 432,493 |
| Total deductions | <u>2,632,329</u> | <u>3,535,804</u> | <u>6,168,133</u> |
| NET INCREASE | (9,209,160) | (11,050,662) | (20,259,822) |
| NET POSITION - BEGINNING | <u>63,415,258</u> | <u>65,404,889</u> | <u>128,820,147</u> |
| NET POSITION - ENDING | <u>\$ 54,206,098</u> | <u>\$ 54,354,227</u> | <u>\$ 108,560,325</u> |

CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022

| | Custodial Funds | | | | |
|---------------------------|---|--|---|---|---------------|
| | County Road Impact Fees Custodial Fund | County Justice Impact Fees Custodial Fund | County General Government Impact Fees Custodial Fund | Education Impact Fees Custodial Fund | Totals |
| ASSETS | | | | | |
| Cash and equivalents | \$ 50,549 | \$ 123,840 | \$ 19,689 | \$ 173,896 | \$ 367,974 |
| Total assets | 50,549 | 123,840 | 19,689 | 173,896 | 367,974 |
| LIABILITIES | | | | | |
| Due to other entities | 50,549 | 123,840 | 19,689 | 173,896 | 367,974 |
| Total liabilities | 50,549 | 123,840 | 19,689 | 173,896 | 367,974 |
| TOTAL NET POSITION | \$ - | \$ - | \$ - | \$ - | \$ - |

CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | Custodial Funds | | | | |
|--|---|--|---|---|------------------|
| | County Road Impact Fees Custodial Fund | County Justice Impact Fees Custodial Fund | County General Government Impact Fees Custodial Fund | Education Impact Fees Custodial Fund | Totals |
| ADDITIONS | | | | | |
| Impact fee collections for other governments | \$ 650,230 | \$ 1,410,307 | \$ 225,015 | \$ 2,250,064 | \$ 4,535,616 |
| Total additions | <u>650,230</u> | <u>1,410,307</u> | <u>225,015</u> | <u>2,250,064</u> | <u>4,535,616</u> |
| DEDUCTIONS | | | | | |
| Payments of Impact fees to other governments | <u>650,230</u> | <u>1,410,307</u> | <u>225,015</u> | <u>2,250,064</u> | <u>4,535,616</u> |
| Total deductions | <u>650,230</u> | <u>1,410,307</u> | <u>225,015</u> | <u>2,250,064</u> | <u>4,535,616</u> |
| NET CHANGE | - | - | - | - | - |
| NET POSITION - BEGINNING | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION - ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |



**Statistical Section
(Unaudited)**

This part of the City of North Port's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

| <u>Contents</u> | <u>Pages</u> |
|--|---------------------|
| Financial Trends Information These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 154-159 |
| Revenue Capacity Information These schedules contain information to help the reader assess the City's local revenue source | 160-163 |
| Debt Capacity Information These schedules present information to help the reader assess the City's debt burden and its ability to issue additional debt in the future. | 164-169 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place | 170-171 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 172-174 |

Sources: Unless otherwise noted, the information in these schedules was obtained from the Annual Comprehensive Financial Reports for the relevant year.

Schedule 1
City of North Port, Florida
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 230,333,540 | \$ 234,882,721 | \$ 237,026,274 | \$ 241,472,557 | \$ 244,303,830 | \$ 243,253,519 | \$ 258,208,628 | \$ 261,865,644 | \$ 263,234,471 | \$ 273,461,654 |
| Restricted | 45,641,773 | 55,770,974 | 62,452,659 | 71,250,430 | 72,908,693 | 76,818,949 | 76,395,819 | 89,152,418 | 107,396,978 | 132,875,642 |
| Unrestricted | 16,468,879 | 12,727,589 | 2,702,120 | 3,708,285 | 2,580,398 | 1,021,685 | (3,391,718) | (10,220,257) | (1,893,099) | (8,572,657) |
| Total governmental activities net position | 292,444,192 | 303,381,284 | 302,181,053 | 316,431,272 | 319,792,921 | 321,094,153 | 331,212,729 | 340,797,805 | 368,738,350 | 397,764,639 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | 83,727,413 | 84,974,490 | 86,998,132 | 89,029,570 | 94,222,893 | 100,361,537 | 110,295,914 | 161,208,925 | 165,675,300 | 174,398,092 |
| Restricted | 5,950,232 | 5,538,481 | 7,094,824 | 12,325,750 | 15,165,600 | 18,379,282 | 22,604,884 | 16,045,635 | 16,096,496 | 14,612,552 |
| Unrestricted | 14,139,200 | 14,743,672 | 14,623,995 | 17,032,841 | 20,618,285 | 23,358,343 | 25,390,736 | 30,845,089 | 34,595,038 | 37,573,966 |
| Total business-type activities net position | 103,816,845 | 105,256,643 | 108,716,951 | 118,388,161 | 130,006,778 | 142,099,162 | 158,291,534 | 208,099,649 | 216,366,834 | 226,584,610 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | 314,060,953 | 319,857,211 | 324,024,406 | 330,502,127 | 338,526,723 | 343,615,056 | 368,504,542 | 423,074,569 | 428,909,771 | 447,859,746 |
| Restricted | 51,592,005 | 61,309,455 | 69,547,483 | 83,576,180 | 88,074,293 | 95,198,231 | 99,000,703 | 105,198,053 | 123,493,474 | 147,488,194 |
| Unrestricted | 30,608,079 | 27,471,261 | 17,326,115 | 20,741,126 | 23,198,683 | 24,380,028 | 21,999,018 | 20,624,832 | 32,701,939 | 29,001,309 |
| Total primary government net position | \$ 396,261,037 | \$ 408,637,927 | \$ 410,898,004 | \$ 434,819,433 | \$ 449,799,699 | \$ 463,193,315 | \$ 489,504,263 | \$ 548,897,454 | \$ 585,105,184 | \$ 624,349,249 |

Schedule 2
City of North Port, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 5,576,054 | \$ 5,474,035 | \$ 7,312,658 | \$ 7,126,349 | \$ 8,492,041 | \$ 8,417,543 | \$ 11,811,197 | \$ 10,455,849 | \$ 6,808,432 | \$ 13,222,228 |
| Public safety | 27,591,686 | 28,688,863 | 28,523,541 | 28,963,557 | 33,404,665 | 35,883,205 | 42,902,595 | 49,021,745 | 45,626,047 | 53,765,168 |
| Physical environment | 12,308,823 | 11,890,530 | 13,366,178 | 13,501,369 | 17,504,341 | 15,875,586 | 16,321,527 | 17,165,637 | 16,640,855 | 19,323,149 |
| Transportation | 12,094,208 | 11,035,370 | 13,860,150 | 12,308,111 | 16,821,250 | 18,137,765 | 14,977,069 | 18,464,013 | 20,032,330 | 22,977,494 |
| Economic environment | 526,849 | 331,987 | 225,113 | 218,487 | 299,851 | 328,608 | 288,008 | 447,495 | 378,854 | 589,602 |
| Human services | 409,326 | 372,461 | 392,101 | 361,663 | 368,544 | 465,085 | 512,109 | 539,240 | 559,609 | 679,048 |
| Culture and recreation | 1,762,877 | 1,697,522 | 2,791,605 | 2,844,658 | 3,546,622 | 8,014,001 | 5,765,160 | 7,384,613 | 6,966,109 | 8,291,462 |
| Interest on long-term debt | 475,419 | 1,362,416 | 1,841,080 | 1,823,375 | 1,749,711 | 1,671,000 | 1,568,458 | 921,061 | 1,230,408 | 1,169,319 |
| Total governmental activities expenses | 60,745,242 | 60,853,184 | 68,312,426 | 67,147,569 | 82,187,025 | 88,792,793 | 94,146,123 | 104,399,653 | 98,242,644 | 120,017,470 |
| Business-type activities: | | | | | | | | | | |
| Water and Sewer | 16,214,079 | 17,252,790 | 17,855,795 | 17,717,194 | 18,260,636 | 19,868,575 | 20,652,431 | 22,163,448 | 23,895,349 | 26,558,516 |
| Total business-type activities expenses | 16,214,079 | 17,252,790 | 17,855,795 | 17,717,194 | 18,260,636 | 19,868,575 | 20,652,431 | 22,163,448 | 23,895,349 | 26,558,516 |
| Total primary government expenses | 76,959,321 | 78,105,974 | 86,168,221 | 84,864,763 | 100,447,661 | 108,661,368 | 114,798,554 | 126,563,101 | 122,137,993 | 146,575,986 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 3,020,995 | 3,307,698 | 3,522,744 | 3,615,385 | 3,999,965 | 3,721,399 | 5,943,226 | 5,592,389 | 5,016,160 | 9,002,111 |
| Public safety | 10,959,122 | 12,724,026 | 13,264,272 | 13,798,654 | 14,248,090 | 15,266,048 | 16,792,712 | 18,370,336 | 20,995,944 | 24,324,448 |
| Physical environment | 11,662,983 | 11,581,023 | 11,888,808 | 12,474,915 | 13,850,528 | 13,190,296 | 13,389,869 | 14,579,571 | 15,794,720 | 16,979,289 |
| Transportation | 7,602,325 | 10,641,111 | 11,163,721 | 11,765,016 | 12,196,139 | 12,736,785 | 13,221,586 | 14,283,584 | 15,128,336 | 15,604,794 |
| Economic environment | - | - | - | - | - | - | - | 3,170 | - | - |
| Human services | 35,745 | 29,071 | 11,441 | - | - | - | - | - | - | - |
| Culture and recreation | 336,658 | 817,973 | 1,452,399 | 1,530,529 | 1,524,833 | 1,645,073 | 1,668,200 | 1,580,674 | 2,887,302 | 3,435,478 |
| Operating grants and contributions | 171,456 | 142,159 | 123,435 | 146,689 | 251,976 | 153,524 | 1,945,374 | 2,011,628 | 3,106,485 | 948,174 |
| Capital grants and contributions | 1,233,594 | 3,678,035 | 1,746,577 | 3,732,510 | 2,899,662 | 4,206,564 | 4,494,430 | 8,799,178 | 10,262,463 | 24,730,204 |
| Total governmental activities program revenues | 35,022,878 | 42,921,096 | 43,173,397 | 47,063,698 | 48,971,193 | 50,919,689 | 57,455,397 | 65,220,530 | 73,191,410 | 95,024,498 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water and Sewer | 16,795,809 | 17,617,220 | 18,563,645 | 19,678,748 | 21,213,468 | 22,221,715 | 23,128,272 | 25,982,573 | 28,078,141 | 30,515,129 |
| Operating grants and contributions | - | - | - | 1,000 | - | - | - | - | - | - |
| Capital grants and contributions | 3,358,686 | 1,899,485 | 4,191,521 | 7,940,452 | 8,835,408 | 9,823,272 | 12,590,072 | 45,080,802 | 4,438,481 | 8,302,715 |
| Total business-type activities program revenues | 20,154,495 | 19,516,705 | 22,755,166 | 27,620,200 | 30,048,876 | 32,044,987 | 35,718,344 | 71,063,375 | 32,516,622 | 38,817,844 |
| Total primary government program revenues | 55,177,373 | 62,437,801 | 65,928,563 | 74,683,898 | 79,020,069 | 82,964,676 | 93,173,741 | 136,283,905 | 105,708,032 | 133,842,342 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | (25,722,364) | (17,932,088) | (25,139,029) | (20,083,871) | (33,215,832) | (37,873,104) | (36,690,726) | (39,179,123) | (25,051,234) | (24,992,972) |
| Business type activities | 3,940,416 | 2,263,915 | 4,899,371 | 9,903,006 | 11,788,240 | 12,176,412 | 15,065,913 | 48,899,927 | 8,621,273 | 12,259,328 |
| Total primary government net expense | \$ (21,781,948) | \$ (15,668,173) | \$ (20,239,658) | \$ (10,180,865) | \$ (21,427,592) | \$ (25,696,692) | \$ (21,624,813) | \$ 9,720,804 | \$ (16,429,961) | \$ (12,733,644) |

(continued)

Schedule 2 (continued)
City of North Port, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Government activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Ad valorem | \$ 8,071,414 | \$ 8,102,022 | \$ 9,228,706 | \$ 10,087,025 | \$ 11,017,060 | \$ 12,079,877 | \$ 13,589,528 | \$ 17,246,920 | \$ 18,584,874 | \$ 21,016,140 |
| Insurance premium | 701,173 | 693,958 | 717,647 | 750,107 | 781,849 | 868,421 | 915,178 | 959,228 | 1,035,056 | 955,794 |
| Service | 2,597,548 | 2,602,545 | 2,613,049 | 2,597,884 | 2,731,686 | 2,851,977 | 2,952,450 | 3,083,831 | 3,017,957 | 4,314,260 |
| Local business | 154,888 | 133,502 | 136,049 | 142,197 | 118,613 | 137,009 | 130,086 | 133,248 | 147,792 | 136,672 |
| Fuel | 2,575,867 | 2,648,684 | 2,722,094 | 2,857,991 | 2,980,577 | 3,177,820 | 3,292,590 | 3,122,388 | 3,475,654 | 3,601,774 |
| Discretionary sales surtax | 6,883,376 | 7,424,336 | 8,172,571 | 8,679,097 | 9,131,513 | 9,901,615 | 10,823,129 | 10,734,747 | 13,137,051 | 16,341,885 |
| Intergovernmental | 5,689,363 | 6,310,324 | 6,982,072 | 7,487,367 | 7,977,419 | 8,570,871 | 9,191,838 | 8,823,155 | 11,063,890 | 9,643,518 |
| Investment income | 359,012 | 340,457 | 898,718 | 898,381 | 914,764 | 1,070,053 | 3,858,565 | 3,445,375 | 368,832 | (4,068,092) |
| Miscellaneous | 812,484 | 263,442 | 410,035 | 446,111 | 511,310 | 855,214 | 1,614,538 | 751,407 | 1,667,973 | 1,451,510 |
| Transfers in | 331,251 | 349,910 | 357,530 | 387,930 | 412,690 | 420,260 | 441,400 | 463,900 | 492,700 | 625,800 |
| Total governmental activities | 28,176,376 | 28,869,180 | 32,238,471 | 34,334,090 | 36,577,481 | 39,933,117 | 46,809,302 | 48,764,199 | 52,991,779 | 54,019,261 |
| Business-type activities: | | | | | | | | | | |
| Investment income | 92,745 | 56,352 | 208,289 | 196,305 | 243,067 | 376,416 | 1,567,859 | 1,372,088 | 138,612 | (1,415,752) |
| Miscellaneous | - | 3,304 | 19,237 | (40,171) | - | - | - | - | - | - |
| Transfers out | (331,251) | (349,910) | (357,530) | (387,930) | (412,690) | (420,260) | (441,400) | (463,900) | (492,700) | (625,800) |
| Total business-type activities | (238,506) | (290,254) | (130,004) | (231,796) | (169,623) | (43,844) | 1,126,459 | 908,188 | (354,088) | (2,041,552) |
| Total primary government | 27,937,870 | 28,578,926 | 32,108,467 | 34,102,294 | 36,407,858 | 39,889,273 | 47,935,761 | 49,672,387 | 52,637,691 | 51,977,709 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | 2,454,012 | 10,937,092 | 7,099,442 | 14,250,219 | 3,361,649 | 2,060,013 | 10,118,576 | 9,585,076 | 27,940,545 | 29,026,289 |
| Business-type activities | 3,701,910 | 1,973,661 | 4,769,367 | 9,671,210 | 11,618,617 | 12,132,568 | 16,192,372 | 49,808,115 | 8,267,185 | 10,217,776 |
| Total primary government | \$ 6,155,922 | \$ 12,910,753 | \$ 11,868,809 | \$ 23,921,429 | \$ 14,980,266 | \$ 14,192,581 | \$ 26,310,948 | \$ 59,393,191 | \$ 36,207,730 | \$ 39,244,065 |

Schedule 3
City of North Port, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 47,720 | \$ 8,724 | \$ 8,658 | \$ 230,664 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 58,517 |
| Restricted | 159,195 | - | - | - | - | - | - | - | - | - |
| Committed | 62,000 | 91,665 | 71,100 | 88,818 | 96,923 | 226,728 | 71,721 | 377,383 | 297,898 | 273,986 |
| Assigned | 1,920,189 | 1,274,111 | 549,008 | 582,848 | 1,250,037 | 1,090,668 | 2,230,331 | 1,433,814 | 1,764,174 | 3,287,156 |
| Unassigned | 8,515,309 | 8,911,526 | 10,324,089 | 10,566,834 | 11,298,674 | 11,964,336 | 11,894,567 | 13,749,073 | 18,498,384 | 21,068,206 |
| Total general fund | 10,704,413 | 10,286,026 | 10,952,855 | 11,469,164 | 12,645,634 | 13,281,732 | 14,196,619 | 15,560,270 | 20,560,456 | 24,687,865 |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | 101,971 | 488,738 | 74,521 | 3,162,730 | 1,855,593 | 912,300 | 672,385 | 52,435 | 81,599 | 739,899 |
| Restricted | 40,512,146 | 82,515,916 | 84,037,531 | 80,582,096 | 75,590,794 | 69,355,038 | 75,189,280 | 88,268,794 | 106,189,101 | 122,543,515 |
| Committed | 13,005,335 | 11,538,200 | 12,397,414 | 13,148,982 | 12,951,881 | 13,478,605 | 4,942,992 | 6,525,396 | 8,152,301 | 9,471,744 |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | \$ 53,619,452 | \$ 94,542,854 | \$ 96,509,466 | \$ 96,893,808 | \$ 90,398,268 | \$ 83,745,943 | \$ 80,804,657 | \$ 94,846,625 | \$ 114,423,001 | \$ 132,755,158 |

Schedule 4
City of North Port, Florida
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | |
|--|-----------------------|----------------------|---------------------|-------------------|-----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Revenues | | | | | |
| Taxes | \$ 20,984,266 | \$ 21,605,047 | \$ 23,590,116 | \$ 25,114,301 | \$ 26,761,298 |
| Permits, fees and special assessments | 4,329,926 | 8,473,706 | 10,067,692 | 11,952,302 | 13,192,572 |
| Intergovernmental | 6,319,650 | 9,722,334 | 8,065,596 | 8,227,712 | 8,219,878 |
| Charges for services | 36,446,062 | 39,172,936 | 39,632,216 | 41,757,552 | 43,512,801 |
| Fines and forfeiture | 288,529 | 357,801 | 398,566 | 577,256 | 203,665 |
| Investment income | 359,012 | 340,457 | 898,718 | 894,398 | 908,156 |
| Miscellaneous | 975,258 | 471,296 | 670,962 | 752,459 | 812,201 |
| Total revenues | 69,702,703 | 80,143,577 | 83,323,866 | 89,275,980 | 93,610,571 |
| Expenditures | | | | | |
| General government | 11,875,470 | 13,335,577 | 13,265,911 | 14,977,611 | 14,815,022 |
| Public safety | 26,204,602 | 27,727,273 | 27,628,170 | 27,504,767 | 29,715,286 |
| Physical environment | 9,954,925 | 9,590,224 | 10,419,561 | 11,038,233 | 13,558,966 |
| Transportation | 8,870,383 | 8,109,291 | 9,830,214 | 9,111,671 | 11,684,980 |
| Economic environment | 523,751 | 338,201 | 213,424 | 213,540 | 290,184 |
| Human services | 327,101 | 298,161 | 280,302 | 304,826 | 259,851 |
| Culture and recreation | 972,033 | 992,752 | 1,888,022 | 2,039,255 | 2,162,461 |
| Capital outlay | 3,856,905 | 22,241,013 | 17,232,406 | 19,556,761 | 22,407,282 |
| Debt service | | | | | |
| Principal | 10,984,758 | 2,075,163 | 2,817,386 | 2,604,660 | 2,629,191 |
| Interest | 475,419 | 978,142 | 1,801,681 | 1,893,659 | 1,868,928 |
| Total expenditures | 74,045,347 | 85,685,797 | 85,377,077 | 89,244,983 | 99,392,151 |
| Excess (deficiency) of revenues over (under) expenditures | (4,342,644) | (5,542,220) | (2,053,211) | 30,997 | (5,781,580) |
| Other financing sources (uses) | | | | | |
| Proceeds from capital leases | 159,036 | - | - | - | - |
| Proceeds from bonds | - | 40,742,230 | - | - | - |
| Proceeds from loans | - | 4,843,703 | 4,255,011 | 411,180 | - |
| Transfers in | 2,190,908 | 3,898,832 | 3,521,370 | 2,991,960 | 2,550,916 |
| Transfers out | (1,859,657) | (3,548,922) | (3,163,840) | (2,604,030) | (2,138,226) |
| Insurance recoveries | 193,483 | 111,392 | 74,111 | 70,544 | 49,820 |
| Total other financing sources | 683,770 | 46,047,235 | 4,686,652 | 869,654 | 462,510 |
| Net change in fund balances | \$ (3,658,874) | \$ 40,505,015 | \$ 2,633,441 | \$ 900,651 | \$ (5,319,070) |
| Debt service as a percentage of noncapital expenditures | 16.33% | 4.81% | 6.78% | 6.45% | 5.84% |

Note: Includes general, special revenue, capital projects and debt service funds

| Fiscal Year | | | | |
|-----------------------|-----------------------|----------------------|----------------------|---------------------|
| 2018 | 2019 | 2020 | 2021 | 2022 |
| \$ 29,016,719 | \$ 31,702,961 | \$ 35,280,362 | \$ 39,398,384 | \$46,366,525 |
| 14,565,819 | 14,631,618 | 18,954,867 | 21,405,417 | 22,905,961 |
| 8,683,044 | 10,927,282 | 11,209,574 | 15,176,536 | 14,399,165 |
| 45,245,977 | 48,605,417 | 52,387,382 | 58,883,177 | 63,804,411 |
| 285,074 | 193,891 | 273,923 | 643,382 | 336,511 |
| 1,061,730 | 3,818,175 | 3,402,720 | 361,765 | (3,964,189) |
| 1,079,299 | 866,163 | 743,453 | 1,717,589 | 1,205,615 |
| <u>99,937,662</u> | <u>110,745,507</u> | <u>122,252,281</u> | <u>137,586,250</u> | <u>145,053,999</u> |
| 16,159,528 | 17,028,973 | 16,845,601 | 18,136,690 | 20,391,777 |
| 33,142,327 | 38,015,601 | 40,991,937 | 44,293,302 | 48,453,650 |
| 12,572,936 | 12,564,279 | 13,366,001 | 13,167,894 | 15,020,431 |
| 13,798,870 | 9,982,655 | 13,058,433 | 15,972,199 | 17,894,621 |
| 325,099 | 276,594 | 416,115 | 391,455 | 568,928 |
| 367,555 | 403,264 | 433,905 | 501,050 | 568,562 |
| 6,864,408 | 4,108,353 | 5,412,530 | 5,378,954 | 6,269,075 |
| 18,727,677 | 25,549,860 | 12,305,315 | 13,042,006 | 11,652,703 |
| 2,667,580 | 3,624,627 | 3,710,000 | 1,580,000 | 1,630,000 |
| 1,792,474 | 1,711,460 | 1,045,629 | 1,058,817 | 1,001,013 |
| <u>106,418,454</u> | <u>113,265,666</u> | <u>107,585,466</u> | <u>113,522,367</u> | <u>123,450,760</u> |
| (6,480,792) | (2,520,159) | 14,666,815 | 24,063,883 | 21,603,239 |
| - | - | - | - | - |
| - | - | 31,485,000 | - | - |
| - | - | (31,386,829) | - | - |
| 5,235,197 | 13,636,176 | 3,645,760 | 4,761,918 | 7,506,930 |
| (4,814,937) | (13,194,776) | (3,181,860) | (4,269,218) | (6,881,130) |
| 44,305 | 52,360 | 176,733 | 19,979 | 230,527 |
| <u>464,565</u> | <u>493,760</u> | <u>738,804</u> | <u>512,679</u> | <u>856,327</u> |
| <u>\$ (6,016,227)</u> | <u>\$ (2,026,399)</u> | <u>\$ 15,405,619</u> | <u>\$ 24,576,562</u> | <u>\$22,459,566</u> |
| <u>5.09%</u> | <u>6.08%</u> | <u>4.99%</u> | <u>2.63%</u> | <u>2.35%</u> |

Schedule 5
City of North Port, Florida
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year Ended September 30, | Real Property | | | Less: Tax-Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate |
|---------------------------------------|-------------------------|------------------------|-------------------------------------|---------------------------------|------------------------------------|-----------------------------|
| | Residential Property | Commercial Property | Industrial Property ^a | | | |
| 2013 | 2,463,603,579 | 263,782,230 | 401,901,576 | 1,009,966,953 | 2,266,049,616 | 3.62 |
| 2014 ^b | - | - | - | 1,009,895,744 | 2,421,145,761 | 3.45 |
| 2015 | 2,817,111,574 | 288,915,800 | 424,517,200 | 1,034,434,435 | 2,646,084,282 | 3.60 |
| 2016 | 2,987,267,151 | 312,499,500 | 511,460,900 | 1,083,308,501 | 2,887,472,753 | 3.60 |
| 2017 | 3,327,431,094 | 345,523,900 | 578,100,800 | 1,143,143,888 | 3,266,659,935 | 3.48 |
| 2018 | 3,732,427,469 | 355,551,900 | 642,928,000 | 1,223,791,242 | 3,665,491,838 | 3.41 |
| 2019 | 4,073,971,470 | 376,435,000 | 806,399,900 | 1,301,480,420 | 4,131,652,683 | 3.41 |
| 2020 | 4,582,623,191 | 401,740,000 | 822,657,800 | 1,372,828,786 | 4,615,083,034 | 3.87 |
| 2021 | 4,969,512,124 | 483,608,200 | 993,301,900 | 1,536,978,525 | 5,118,993,766 | 3.77 |
| 2022 | 5,839,531,140 | 536,841,800 | 796,597,000 | 1,653,370,743 | 5,746,178,030 | 3.77 |

Source: Sarasota County Property Appraiser

Note: Property is assessed at market value. The Save Our Homes Amendment caps homesteaded property at a maximum increase in the taxable value of 3% per year. Tax rate is per \$1,000 of assessed value.

^a Industrial property amount includes railroad properties classified as centrally assessed property.

^b Information for the breakdown of the real property not available from the County for 2014.

Schedule 6
City of North Port, Florida
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(Per \$1,000 of Assessed Value)

| Fiscal Year Ended September 30, | City of North Port | | Overlapping Rates ^a | | Total Direct and Overlapping Rates |
|---------------------------------------|----------------------|-----------------------|--------------------------------|------------------------------------|---------------------------------------|
| | Operating Miliage | Total City Millage | Sarasota County | School Board of Sarasota County | |
| 2013 | 3.6167 | 3.6167 | 4.9097 | 7.8160 | 16.3424 |
| 2014 | 3.4474 | 3.4474 | 4.8987 | 7.9700 | 16.3161 |
| 2015 | 3.5974 | 3.5974 | 4.8827 | 7.7770 | 16.2571 |
| 2016 | 3.5974 | 3.5974 | 4.8319 | 7.7630 | 16.1923 |
| 2017 | 3.4770 | 3.4770 | 4.8148 | 7.4330 | 15.7248 |
| 2018 | 3.4070 | 3.4070 | 4.7857 | 7.2090 | 15.4017 |
| 2019 | 3.4070 | 3.4070 | 4.7681 | 7.0030 | 15.1781 |
| 2020 | 3.8735 | 3.8735 | 4.7946 | 6.9430 | 15.6111 |
| 2021 | 3.7667 | 3.7667 | 4.8083 | 6.9750 | 15.5500 |
| 2022 | 3.7667 | 3.7667 | 4.7910 | 6.7090 | 15.2667 |

Source: Sarasota County Tax Collector

Note: ^a Overlapping rates are those of county governments that apply to property owners within the City of North Port.

Schedule 7
City of North Port, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago

| <u>Taxpayer</u> | <u>2022</u> | | | <u>2013</u> | | |
|------------------------------|-------------------------------|-------------|--|-------------------------------|-------------|--|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total City Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total City Taxable Assessed Value</u> |
| 16979 TTS LLC | \$ 59,655,470 | 1 | 1.04% | \$ - | | 0.00% |
| North Port Woodspring LLC | 42,044,900 | 2 | 0.73 | 15,322,000 | 1 | 0.68 |
| CEAI Lakes at North Port LLC | 35,149,700 | 3 | 0.61 | - | | - |
| DiVosta Homes LP | 18,953,262 | 4 | 0.33 | 8,743,981 | 8 | 0.39 |
| Main Street Ranchlands LLP | 18,338,679 | 5 | 0.32 | - | | - |
| ECHO Price Crossing LLC | 18,060,350 | 6 | 0.31 | - | | - |
| Walmart Stores East LP | 16,721,100 | 7 | 0.29 | 13,817,800 | 5 | 0.61 |
| US 41 Retail LLC | 15,631,900 | 8 | 0.27 | - | | - |
| J S D Limited Partnership | 14,459,600 | 9 | 0.25 | - | | - |
| American Momentum Bank | 13,754,967 | 10 | 0.24 | - | | - |
| Marsh Creek Holdings Ltd | - | | - | 15,104,500 | 2 | 0.67 |
| Gran Paradiso I LLC | - | | - | 11,221,871 | 6 | 0.49 |
| Benderson Randall TTEE | - | | - | 14,506,300 | 3 | 0.64 |
| Lowes Home Centers Inc. | - | | - | 11,217,500 | 7 | 0.49 |
| Walgreen Co. | - | | - | 14,058,300 | 4 | 0.62 |
| Home Depot USA Inc. | - | | - | 8,082,200 | 9 | 0.36 |
| Centex Homes | - | | - | 7,797,800 | 10 | 0.34 |
| | <u>\$ 252,769,928</u> | | <u>4.40%</u> | <u>\$ 119,872,252</u> | | <u>4.72%</u> |

Source: Sarasota County Property Appraiser

**Schedule 8
City of North Port, Florida
Property Tax Levies and Tax 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 ^a | Percentage of Levy | | Amount | Percentage of Levy |
| 2013 | 8,201,835 | 7,939,111 | 97% | 28,949 | 7,968,060 | 97% |
| 2014 | 8,339,025 | 8,073,073 | 97% | 25,255 | 8,098,328 | 97% |
| 2015 | 9,551,208 | 9,203,451 | 96% | 33,350 | 9,236,801 | 97% |
| 2016 | 10,390,485 | 10,053,675 | 97% | 36,046 | 10,089,721 | 97% |
| 2017 | 11,347,328 | 10,981,013 | 97% | 14,695 | 10,995,708 | 97% |
| 2018 | 12,520,445 | 12,065,182 | 96% | 15,950 | 12,081,132 | 96% |
| 2019 | 14,093,894 | 13,573,579 | 96% | 23,248 | 13,596,827 | 96% |
| 2020 | 17,876,524 | 17,208,377 | 96% | 49,350 | 17,257,727 | 97% |
| 2021 | 19,281,714 | 18,527,656 | 96% | 78,001 | 18,605,657 | 96% |
| 2022 | 21,644,129 | 20,938,139 | 97% | - | 20,938,139 | 97% |

Source: Sarasota County Property Appraiser

Note: (a) Includes discount taken for early payment of property taxes.

Schedule 9
City of North Port, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | | Business-Type Activities | | | | Total Primary Government | Percentage of Personal Income ^a | Per Capita ^a |
|-------------------|-------------------------|----------------|--|-----------|-------------------|------------------------------------|-------------------|--------------------------|--------|--------------------------|--|-------------------------|
| | Sales Tax Revenue Bonds | Capital Leases | Transportation Improvement Assessment Bonds ^d | | SIB Loans Payable | Water and Sewer Bonds ^e | SRF Loans Payable | Total Primary Government | | | | |
| | | | | | | | | | | | | |
| 2013 ^b | - | 638,712 | - | - | - | 16,472,043 | 23,846,934 | 40,957,689 | 1.25 % | 691 | | |
| 2014 | - | 238,550 | 38,989,628 | 4,843,703 | - | 15,557,247 | 22,726,833 | 82,355,961 | 2.41 % | 1,366 | | |
| 2015 | - | 80,860 | 38,060,314 | 7,294,019 | - | 14,491,980 | 21,504,673 | 81,431,846 | 2.41 % | 1,307 | | |
| 2016 | - | 40,771 | 37,107,679 | 4,347,208 | - | 13,380,988 | 20,391,364 | 75,268,010 | 2.07 % | 1,167 | | |
| 2017 ^c | - | - | 36,121,772 | 2,634,627 | - | 12,222,464 | 19,247,015 | 70,225,878 | 1.77 % | 1,045 | | |
| 2018 | - | - | 35,097,662 | 2,634,627 | - | 10,857,551 | 18,572,477 | 67,162,317 | 1.55 % | 951 | | |
| 2019 ^f | - | - | 34,040,426 | - | - | 9,250,410 | 17,338,817 | 60,629,653 | 1.27 % | 823 | | |
| 2020 | - | - | 34,320,000 | - | - | 7,800,966 | 16,071,221 | 58,192,187 | 1.12 % | 750 | | |
| 2021 ^g | - | - | 32,740,000 | - | - | 20,788,685 | - | 53,528,685 | 0.97 % | 685 | | |
| 2022 | - | - | 31,110,000 | - | - | 17,480,730 | - | 48,590,730 | 0.75 % | 594 | | |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^a Personal income and population data can be found in Schedule 14.

^b Sales Tax Revenue Bonds were defeased during fiscal year 2013.

^c Final lease payment made during fiscal year 2017.

^d Includes bond premium/deferred amount on refunding.

^e Includes bond discount/deferred amount on refunding.

^f Final SIB loan payment made during fiscal year 2019

^g SRF loans were defeased during fiscal year 2021.

Schedule 10
City of North Port, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year Ended September 30, | Sales Tax Revenue Bonds | Transportation Improvement Assessment Bonds^d | Total | Percentage of Actual Taxable Value of Property^a | Per Capita^b |
|--|------------------------------------|--|--------------|---|-----------------------------------|
| 2013 ^c | - | - | - | 0.00% | - |
| 2014 | - | 38,989,628 | 38,989,628 | 1.61% | 628 |
| 2015 | - | 38,060,314 | 38,060,314 | 1.44% | 611 |
| 2016 | - | 37,107,679 | 37,107,679 | 1.29% | 576 |
| 2017 | - | 36,121,772 | 36,121,772 | 1.11% | 538 |
| 2018 | - | 35,097,662 | 35,097,662 | 0.96% | 497 |
| 2019 | - | 34,040,426 | 34,040,426 | 0.82% | 462 |
| 2020 | - | 34,320,000 | 34,320,000 | 0.74% | 442 |
| 2021 | - | 32,740,000 | 32,740,000 | 0.64% | 419 |
| 2022 | - | 31,110,000 | 31,110,000 | 0.54% | 380 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^aSee Schedule 5 for property value data.

^bPopulation data can be found in Schedule 14.

^cSales Tax Revenue Bonds were defeased July, 2013.

^dIncludes bond premium.

Schedule 11
City of North Port, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2022

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable ^a | Estimated Share of Overlapping Debt |
|---|------------------|--|-------------------------------------|
| Overlapping debt | | | |
| Sarasota County School Board | \$ 98,833,236 | 18.09% | \$ 17,876,469 |
| Sarasota County Board of County Commissioners | 346,791,000 | 18.09% | <u>62,725,848</u> |
| Subtotal, overlapping debt | | | 80,602,317 |
| City of North Port, direct debt | | | <u>31,110,000</u> |
| Total direct and overlapping debt | | | <u><u>\$ 111,712,317</u></u> |

Source: Assessed value data used to estimate applicable percentages provided by Sarasota County Property Appraiser.

Note: ^a The percentage of overlapping debt applicable is estimated using taxable assessed property values.

Schedule 12
City of North Port, Florida
Legal Debt Margin Information

No general obligation bonds have been issued on behalf of the City of North Port, Florida.

Schedule 13
City of North Port, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years

| Fiscal Year Ended September 30, | Water & Sewer Revenue Bonds/SRF Loans | | | | | |
|---------------------------------------|---|---|-----------------------------|--------------|-----------|----------|
| | Utility Gross Revenues ^a | Less: Operating Expenses ^b | Net Available Revenue | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 2013 | 16,888,554 | 11,325,211 | 5,563,343 | 2,240,324 | 1,254,345 | 1.59 |
| 2014 | 17,673,572 | 12,334,234 | 5,339,338 | 2,234,757 | 1,196,568 | 1.56 |
| 2015 | 18,771,934 | 12,720,355 | 6,051,579 | 2,543,340 | 947,457 | 1.73 |
| 2016 | 19,875,053 | 12,343,867 | 7,531,186 | 2,390,179 | 1,033,571 | 2.20 |
| 2017 | 21,456,535 | 12,686,632 | 8,769,903 | 2,449,862 | 974,039 | 2.56 |
| 2018 | 22,598,131 | 14,276,724 | 8,321,407 | 2,690,684 | 916,116 | 2.31 |
| 2019 | 24,696,131 | 14,748,909 | 9,947,222 | 2,948,618 | 849,093 | 2.62 |
| 2020 | 27,354,661 | 15,507,071 | 11,847,590 | 3,028,285 | 771,667 | 3.12 |
| 2021 | 28,216,753 | 16,791,743 | 11,425,010 | 19,348,002 | 574,334 | 0.57 |
| 2022 | 29,099,378 | 18,902,742 | 10,196,636 | 3,307,955 | 388,285 | 2.76 |

Details regarding the City's outstanding debt can be found in the notes to financial statements.

Note: ^a Excludes any government grants, water impact fees, sewer impact fees, and special assessments proceeds.

^b Excludes depreciation.

^c The sales tax revenue bonds were currently refunded with available funds.

^d The sales tax revenue bonds were defeased July, 2013.

^e A two-year moratorium on transportation impact fees was approved by the City Commission on January 30, 2012. The moratorium was extended until January 31, 2015 at the January 27, 2014 Commission meeting.

^f No principal or interest payments due on the SIB loan until FY 2015.

^g This loan was paid off in FY 2019.

| Sales Tax Revenue Bonds | | | | State Infrastructure Bank Loan | | | | | |
|-------------------------|--------------|----------|-------------------|--------------------------------|---------------|--------------|----------|-------------------|--|
| Half-Cent | Debt Service | | | Transportation | Discretionary | Debt Service | | | |
| Sales Tax | Principal | Interest | Coverage | Impact | Sales | Principal | Interest | Coverage | |
| Revenues | | | | Fees | Surtax | | | | |
| 4,235,193 | 10,320,000 | 442,271 | 0.39 ^c | - | - | - | - | - | |
| - | - | - | - ^d | - | 7,424,336 | - | - | - ^{e, f} | |
| - | - | - | - | 305,963 | 8,172,571 | 1,804,695 | 16,565 | 4.66 | |
| - | - | - | - | 1,907,710 | 8,679,097 | 1,684,571 | 136,689 | 5.81 | |
| - | - | - | - | 1,790,894 | 9,131,513 | 1,673,420 | 147,840 | 6.00 | |
| - | - | - | - | 2,661,848 | 9,901,615 | 1,712,580 | 108,680 | 6.90 | |
| - | - | - | - | 2,505,843 | 10,823,129 | 2,634,627 | 65,866 | 4.94 ^g | |
| - | - | - | - | - | - | - | - | - | |
| - | - | - | - | - | - | - | - | - | |
| - | - | - | - | - | - | - | - | - | |

Schedule 14
City of North Port, Florida
Demographic and Economic Statistics
Last Ten Calendar Years

| Year | Population ^a | Personal Income | Per Capita Personal Income ^b | Unemployment Rate ^c |
|-------------|--------------------------------|------------------------|--|---------------------------------------|
| 2013 | 59,231 | 3,282,700,482 | 55,422 | 7.2% |
| 2014 | 60,295 | 3,416,374,995 | 56,661 | 6.2% |
| 2015 | 62,325 | 3,374,711,775 | 54,147 | 5.6% |
| 2016 | 64,472 | 3,637,897,072 | 56,426 | 5.2% |
| 2017 | 67,196 | 3,965,437,548 | 59,013 | 3.6% |
| 2018 | 70,631 | 4,345,431,013 | 61,523 | 3.0% |
| 2019 | 73,652 | 4,777,657,936 | 64,868 | 3.1% |
| 2020 | 77,561 | 5,187,124,558 | 66,878 | 5.4% |
| 2021 | 78,129 | 5,538,096,036 | 70,884 | 3.9% |
| 2022 | 81,823 | 6,448,879,745 | 78,815 | 2.6% |

Source:

^a City of North Port Neighborhood Development Services Department

^b Bureau of Economic and Business Research, University of Florida; County data is used due to no city data being available.

^c U.S. Bureau of Labor Statistics

Schedule 15
City of North Port, Florida
Principal Employers in Sarasota County
Current Year and Nine Years Ago

| Employer | 2022 | | | 2013 | | |
|----------------------------------|------------------|-------------|--|------------------|-------------|--|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Sarasota Memorial Hospital | 8,834 | 1 | 4.50% | 3,099 | 3 | 2.03% |
| School Board of Sarasota County | 5,937 | 2 | 3.03% | 4,664 | 1 | 3.05% |
| Publix Super Markets, Inc. | 4,282 | 3 | 2.18% | 1,335 | 5 | 0.87% |
| Sarasota County Government | 3,630 | 4 | 1.85% | 3,354 | 2 | 2.20% |
| PGT Innovations | 1,992 | 5 | 1.02% | 1,440 | 4 | 0.94% |
| Walmart | 1,633 | 6 | 0.83% | - | - | - |
| City of Sarasota | 811 | 7 | 0.41% | - | - | - |
| City of North Port | 777 | 8 | 0.40% | - | - | - |
| Helios Technologies, Inc. | 718 | 9 | 0.37% | 702 | 8 | 0.46% |
| Target | 585 | 10 | 0.30% | - | - | - |
| Venice Regional Bayfront Health | - | - | - | 1,200 | 6 | 0.79% |
| FCCI Insurance Group | - | - | - | 720 | 7 | 0.47% |
| Goodwill Industries | - | - | - | 682 | 9 | 0.45% |
| Tervis Tumbler | - | - | - | 619 | 10 | 0.41% |
| | <u>29,199</u> | | <u>14.89%</u> | <u>17,815</u> | | <u>11.67%</u> |
| Total Sarasota County Employment | <u>196,145</u> | | | <u>152,680</u> | | |

Source: Sarasota County *Annual Comprehensive Financial Report 2022*.

Statistics provided are for Sarasota County; not available solely for North Port.

Schedule 16
City of North Port, Florida
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | | | | | | |
|----------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Government | | | | | | | | | | |
| Commission | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| City Attorney | - | - | 2 | 4 | 4 | 4 | 5 | 5 | 6 | 7 |
| City Auditor and Clerk | 6 | 6 | 6 | 6 | 7 | 10 | 10 | 9 | 8 | 8 |
| Finance | 13 | 13 | 13 | 14 | 15 | 17 | 17 | 17 | 16 | 17 |
| Planning and Zoning | 7 | 8 | 11 | 12 | 12 | 16 | 16 | 15 | 18 | 17 |
| Building Department | 18 | 20 | 24 | 26 | 28 | 31 | 32 | 37 | 38 | 46 |
| General Services | 21 | 24 | 24 | 17 | 19 | 20 | - | - | - | - |
| Information Technology | - | - | - | - | - | - | 13 | 14 | 14 | 15 |
| Social Services | - | - | - | - | - | - | 5 | 5 | 6 | 6 |
| City Manager's Office | 5 | 5 | 6 | 7 | 7 | 8 | 9 | 8 | 8 | 11 |
| Human Resources | - | - | - | 7 | 8 | 10 | 11 | 11 | 10 | 10 |
| Fleet Maintenance | 12 | 12 | 12 | 12 | 12 | 13 | 13 | 14 | 14 | 15 |
| Parks and Recreation | 19 | 19 | 19 | 19 | 20 | 20 | 37 | 47 | 62 | 62 |
| Public Safety | | | | | | | | | | |
| Police - uniform | 102 | 102 | 102 | 103 | 104 | 109 | 120 | 123 | 124 | 125 |
| Police - general employees | 30 | 30 | 30 | 33 | 37 | 41 | 42 | 42 | 44 | 45 |
| Fire Rescue | 92 | 92 | 92 | 93 | 100 | 110 | 135 | 130 | 136 | 136 |
| Physical Environment | | | | | | | | | | |
| Facilities Maintenance | 21 | 20 | 20 | 18 | 17 | 18 | 11 | 9 | 9 | 10 |
| Solid Waste Management | 36 | 36 | 37 | 38 | 40 | 40 | 43 | 44 | 44 | 44 |
| Transportation | | | | | | | | | | |
| Road and Drainage | 86 | 86 | 87 | 85 | 86 | 91 | 93 | 99 | 106 | 106 |
| Economic Environment | | | | | | | | | | |
| Economic Development | 2 | 2 | 1 | 2 | 2 | 2 | 2 | 3 | 4 | 4 |
| Enterprise funds | | | | | | | | | | |
| Utilities | 59 | 59 | 63 | 67 | 70 | 77 | 80 | 82 | 83 | 86 |
| Total | 534 | 539 | 554 | 568 | 593 | 642 | 699 | 719 | 755 | 775 |

Source: City of North Port Budget

Note: Staffing level indicates the number of positions budgeted in each department. Figures include both full-time and part-time positions.

Schedule 17
City of North Port, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | | | | | | |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Police | | | | | | | | | | |
| Physical arrests | 1,827 | 1,439 | 1,075 | 930 | 814 | 606 | 969 | 797 | 761 | 752 |
| Parking violations | 387 | 209 | 144 | 184 | 227 | 132 | 92 | 18 | 36 | 13 |
| Traffic violations | 11,272 | 10,008 | 9,633 | 6,970 | 8,507 | 8,573 | 13,137 | 9,471 | 10,416 | 8,481 |
| Fire | | | | | | | | | | |
| Emergency Responses | 6,018 | 6,100 | 6,556 | 7,093 | 7,669 | 7,876 | 8,620 | 9,904 | 11,192 | 11,614 |
| Streets and highways | | | | | | | | | | |
| Streets resurfaced (miles) | - | 61 | 95 | 130 | 132 | 132 | 132 | 33 | 6.3 | 84 |
| Paved Streets (miles) | 813 | 813 | 813 | 813 | 813 | 813 | 813 | 823 | 823 | 826 |
| Water | | | | | | | | | | |
| New connections | 249 | 424 | 687 | 709 | 757 | 1014 | 882 | 966 | 848 | 929 |
| Water mains breaks | 8 | 4 | 1 | 6 | 12 | 8 | 13 | 9 | 11 | 8 |
| Average daily consumption (millions of gallons) | 2.94 | 3.14 | 2.88 | 3.10 | 3.26 | 3.09 | 3.39 | 3.28 | 3.41 | 3.71 |
| Peak daily consumption (millions of gallons) | 4.16 | 3.26 | 4.19 | 3.85 | 4.16 | 4.40 | 4.66 | 4.73 | 4.19 | 4.77 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (millions of gallons) | 2.18 | 2.30 | 2.24 | 2.42 | 2.37 | 2.49 | 2.43 | 2.06 | 2.52 | 2.65 |
| Solid waste collection | | | | | | | | | | |
| Solid waste collected (tons per year) | 24,547 | 28,107 | 30,139 | 32,837 | 34,060 | 34,767 | 35,534 | 38,796 | 42,296 | 42,743 |
| Recyclables collected (tons per year) | 8,188 | 8,502 | 9,386 | 10,434 | 10,926 | 11,611 | 12,060 | 11,622 | 11,272 | 10,603 |

Source: Various City Departments

Note: Indicators are not available for the general government function.

Schedule 18
City of North Port, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | | | | | | |
|--|-------------|------|------|------|------|------|------|------|------|------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Police | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Patrol units | 74 | 74 | 73 | 74 | 72 | 72 | 81 | 85 | 87 | 89 |
| Fire Stations | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 |
| Streets and highways | | | | | | | | | | |
| Streets (miles) | 813 | 813 | 813 | 813 | 813 | 813 | 813 | 823 | 823 | 826 |
| Traffic Signals | 18 | 19 | 19 | 19 | 19 | 19 | 21 | 22 | 24 | 24 |
| Water | | | | | | | | | | |
| Water mains (miles) | 300 | 304 | 306 | 320 | 328 | 338 | 349 | 354 | 366 | 381 |
| Storage capacity (millions of gallons) | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 |
| Fire hydrants | 1685 | 1710 | 1728 | 1790 | 1896 | 1974 | 2062 | 2139 | 2244 | 2353 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 219 | 233 | 235 | 240 | 248 | 262 | 270 | 273 | 283 | 292 |
| Treatment capacity (millions of gallons) | 4.40 | 4.40 | 4.40 | 4.40 | 4.40 | 4.90 | 4.90 | 4.90 | 6.90 | 6.90 |
| Manholes | 3232 | 3271 | 3316 | 3420 | 3570 | 3775 | 3913 | 3948 | 4125 | 4309 |
| Lift Stations | 99 | 100 | 100 | 101 | 107 | 110 | 112 | 113 | 116 | 120 |
| Solid waste collection | | | | | | | | | | |
| Collection trucks | 39 | 41 | 41 | 43 | 43 | 47 | 53 | 53 | 53 | 57 |

Source: Various city departments

Note: No capital asset indicators are available for the general government function.

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

Honorable Mayor, City Commission
and City Manager
City of North Port, 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 North Port, 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 30, 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 entity’s financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bradenton, Florida
June 30, 2023

Mauldin & Jenkins, LLC

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

Honorable Mayor, City Commission
and City Manager
City of North Port, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of North Port, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs 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 federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the 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 federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 30, 2023

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

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

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

Internal control over financial reporting:
Material weaknesses identified? yes no

Significant deficiencies identified not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
Material weaknesses identified? yes no

Significant deficiencies identified not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major federal programs and state financial assistance Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)? yes no

Identification of major federal program:

| <u>AL Number</u> | <u>Name of Federal Program or Cluster</u> |
|------------------|---|
| 97.039 | U.S. Department of Homeland Security - Hazard Mitigation Grant Program |

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

Auditee qualified as low-risk auditee? yes no

The City did not expend in excess of \$750,000 of state financial assistance for the year ended September 30, 2022.

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

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

There were no current year audit findings reported.

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION IV
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There were no prior year audit findings reported.

**CITY OF NORTH PORT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

| Federal/State/Pass-Through Grantor | Program or Cluster Title | CFDA No. | Contract/Grant No. | Federal Expenditures |
|---|---|----------|---|----------------------------|
| U.S. Department of Health and Human Services | HRSA Covid-19 Uninsured Program | 93.461 | N/A | \$ 1,849 |
| U.S. Department of Health and Human Services | HRSA Covid-19 Provider Relief Fund Phase IV | 93.498 | N/A | <u>135,632</u> |
| Total U.S. Department of Health and Human Services | | | | <u>\$ 137,481</u> |
| U.S. Department of Homeland Security | FEMA - Covid Emergency Protective Measures (PD & PW) | 97.036 | 115-49675-00 | \$ 19,313 |
| U.S. Department of Homeland Security | FEMA - Federal Elsa | 97.036 | 3561EM-FL | 121,593 |
| U.S. Department of Homeland Security | FEMA Staffing for Adequate Fire and Emergency Response for WVID Personnel | 97.083 | EMW-2017-FH-00165 | 164,682 |
| U.S. Department of Homeland Security | FEMA - Federal Irma | 97.036 | Z1066 | 188,083 |
| U.S. Department of Homeland Security | FEMA Hazard Mitigation Grant Program for Generator | 97.039 | H0131 | <u>375,497</u> |
| Total U.S. Department of Homeland Security | | | | <u>\$ 869,168</u> |
| U.S. Department of Housing and Urban Development | CDBG Entitlement for Pan American/Jeffrey Seawall | 14.218 | B-20-UC-12-0014 / 2022-144 | \$ 13,369 |
| U.S. Department of Housing and Urban Development | CDBG for Social Services Staff | 14.218 | B-20-UC-12-0014 / 2022-146 | 54,000 |
| U.S. Department of Housing and Urban Development | Rehab of Lift Stations 29, 45 and 73 | 14.218 | B-21-UC-12-0014 | <u>83,067</u> |
| Total U.S. Department of Housing and Urban Development | | | | <u>\$ 150,436</u> |
| U.S. Department of Justice | Bulletproof Vests, 50% match | 16.607 | 2020-BPV | \$ 4,201 |
| U.S. Department of Justice | Bulletproof Vests, 50% match | 16.607 | 2021-BPV | 5,684 |
| U.S. Department of Justice | JAG grant for special response team | 16.738 | 2022-JAGD-SARA-1-4B-030 | 7,930 |
| U.S. Department of Justice | 2020 Coronavirus Emergency Supplemental Funding Program | 16.034 | FDLE 2021-CESF-SARA-3-C9-100OJP 2020-VD-BX-0174 | <u>46,863</u> |
| Total U.S. Department of Justice | | | | <u>\$ 64,678</u> |
| U.S. Department of Transportation | Subgrant for Highway Traffic Safety Funds, 0% match | 20.600 | SC-2022-00342 | <u>\$ 96,869</u> |
| Total U.S. Department of Transportation | | | | <u>\$ 96,869</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | <u>\$ 1,318,632</u> |

CITY OF NORTH PORT, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the City of North Port, Florida (the “City”) under programs of the federal government for the year ended September 30, 2022. The information in the Schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net position or cash flows of the City. The City’s reporting entity is defined in Note 1 of the City’s basic financial statements. All awards received directly from federal and state agencies, as well as amounts passed through other government agencies are included in the accompanying Schedule of Expenditures of Federal Awards.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for the Equitable Sharing Programs for Justice and Treasury which follow, *Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies*. Pass-through entity identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. SUBRECIPIENTS

The City did not provide federal funding to any subrecipients for the year ended September 30, 2022.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor, City Commission,
and City Manager
City of North Port, Florida

Report on the Financial Statements

We have audited the financial statements of the City of North Port, Florida (the "City"), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 30, 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); 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 Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 30, 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 annual financial audit report. There were no findings or recommendations in the preceding annual financial audit report requiring correction.

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. The information has been disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific conditions(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. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the 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.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have 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, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 30, 2023

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor, City Commission,
and City Manager
City of North Port, Florida

We have examined the City of North Port, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management of the City 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 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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 aforementioned requirements during the year ended September 30, 2022.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
June 30, 2023



AFFIDAVIT

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

- 1. I am the Chief Financial Officer of the City of North Port, Florida which is a local governmental entity of the State of Florida.
2. The governing body of the City of North Port, Florida adopted Ordinance No.2022-03 implementing the current impact fees.
3. The City of North Port, Florida has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Kimberly Williams
Kimberly Williams, Finance Director

STATE OF FLORIDA
COUNTY OF SARASOTA

SWORN TO AND SUBSCRIBED before me this 26 day of June, 2023.

Eve Sweeting
NOTARY PUBLIC
Print Name Eve Marie Sweeting

Personally known [checked] or produced identification

Type of identification produced:

My Commission Expires:



CITY OF NORTH PORT, FL
SPECIAL DISTRICTS SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2022

| Road and Drainage District | | | | Fire Rescue District | | | | Solid Waste District | | | |
|----------------------------|--|-----------------------------|--------------------|---------------------------|--|-----------------------------|--------------------|---------------------------|--------------------|-----------------------------|--------------------|
| Total Number of Employees | Total Compensation | Total Number of Contractors | Total Expenditures | Total Number of Employees | Total Compensation | Total Number of Contractors | Total Expenditures | Total Number of Employees | Total Compensation | Total Number of Contractors | Total Compensation |
| 98 | \$ 3,971,139 | 3 | \$ 199,806 | 132 | \$ 4,289,750 | 5 | \$ 39,299 | 42 | \$ 1,856,259 | 1 | \$ 158,067 |
| | Project Description | Budget | Expenditures | | Project Description | Budget | Expenditures | | | | |
| | 2021 Road Rehabilitation | \$ 3,573,000 | \$ 1,337,395 | | Public Safety Training Complex | \$ 600,000 | \$ 233,534 | | | | |
| | 2022 Road Rehabilitation | 3,573,000 | 1,107,858 | | Total construction projects > \$65,000 | \$ 600,000 | \$ 233,534 | | | | |
| | 2020 Road Rehabilitation | 3,573,000 | 947,898 | | | | | | | | |
| | Water Control Structure 108 | 1,702,220 | 561,295 | | | | | | | | |
| | Land Acquisition | 915,070 | 266,824 | | | | | | | | |
| | Water Control Structure 113 | 1,207,500 | 180,362 | | | | | | | | |
| | 2022 Drainage System Improvements | 715,320 | 147,779 | | | | | | | | |
| | Woodhaven Sidewalk & Bridge | 332,200 | 117,573 | | | | | | | | |
| | Hillsborough/Cranberry Intersection | 421,200 | 116,994 | | | | | | | | |
| | Price Traffic Signal at High School | 635,842 | 34,032 | | | | | | | | |
| | 2021 Drainage System Improvements | 700,320 | 8,810 | | | | | | | | |
| | Tropicaire Road Reconstruction | 1,467,650 | 5,669 | | | | | | | | |
| | Total construction projects > \$65,000 | \$ 18,816,322 | \$ 4,832,489 | | | | | | | | |

No applicable construction projects > \$65,000

Note: The information above is required per the *Rules of the Auditor General*, Chapter 10.550. The auditor provides no assurance on the information presented.

**CITY OF NORTH PORT, FLORIDA
BUDGET VARIANCE REPORT
DEPENDENT SPECIAL DISTRICT - ROAD AND DRAINAGE DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget |
|--|-------------------------|----------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| REVENUES | | | | |
| Taxes | \$ 3,356,880 | \$ 3,356,880 | \$ 3,601,774 | \$ 244,894 |
| Intergovernmental | 840,930 | 840,930 | 946,756 | 105,826 |
| Charges for services | 15,762,660 | 15,762,660 | 17,119,927 | 1,357,267 |
| Fines and forfeitures | - | - | - | - |
| Investment earnings (losses) | 200,000 | 200,000 | (670,843) | (870,843) |
| Miscellaneous | 69,500 | 69,500 | 309,418 | 239,918 |
| Total revenues | <u>20,229,970</u> | <u>20,229,970</u> | <u>21,307,032</u> | <u>1,077,062</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Physical environment | 5,753,194 | 8,000,465 | 5,452,831 | 2,547,634 |
| Transportation | 11,680,726 | 16,243,369 | 11,070,900 | 5,172,469 |
| Capital outlay | 2,591,400 | 6,718,548 | 1,652,439 | 5,066,109 |
| Total expenditures | <u>20,025,320</u> | <u>30,962,382</u> | <u>18,176,170</u> | <u>12,786,212</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>204,650</u> | <u>(10,732,412)</u> | <u>3,130,862</u> | <u>13,863,274</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (2,950,000) | (2,950,000) | (2,950,000) | - |
| Insurance recoveries | 4,000 | 4,000 | 43,595 | 39,595 |
| Total other financing sources (uses) | <u>(2,946,000)</u> | <u>(2,946,000)</u> | <u>(2,906,405)</u> | <u>39,595</u> |
| Net change in fund balances | (2,741,350) | (13,678,412) | 224,457 | 13,902,869 |
| Fund balances - beginning | <u>24,436,274</u> | <u>24,436,274</u> | <u>24,436,274</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 21,694,924</u> | <u>\$ 10,757,862</u> | <u>\$ 24,660,731</u> | <u>\$ 13,902,869</u> |

**CITY OF NORTH PORT, FLORIDA
BUDGET VARIANCE REPORT
DEPENDENT SPECIAL DISTRICT - FIRE RESCUE DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget |
|--|----------------------------|----------------------------|----------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| REVENUES | | | | |
| Taxes | \$ 221,170 | \$ 221,170 | \$ 170,377 | \$ (50,793) |
| Permits, fees and special assessments | 25,150 | 63,480 | 104,093 | 40,613 |
| Intergovernmental | 139,290 | 139,290 | 267,523 | 128,233 |
| Charges for services | 13,810,260 | 13,771,930 | 13,979,385 | 207,455 |
| Investment earnings (losses) | 20,000 | 20,000 | (239,357) | (259,357) |
| Miscellaneous | 38,860 | 38,860 | 77,473 | 38,613 |
| Total revenues | <u>14,254,730</u> | <u>14,254,730</u> | <u>14,359,494</u> | <u>104,764</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 12,143,170 | 12,132,800 | 11,222,748 | 910,052 |
| Capital outlay | 206,190 | 816,560 | 327,263 | 489,297 |
| Total expenditures | <u>12,349,360</u> | <u>12,949,360</u> | <u>11,550,011</u> | <u>1,399,349</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,905,370</u> | <u>1,305,370</u> | <u>2,809,483</u> | <u>1,504,113</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | <u>(2,803,200)</u> | <u>(2,803,200)</u> | <u>(2,803,200)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(2,803,200)</u> | <u>(2,803,200)</u> | <u>(2,803,200)</u> | <u>-</u> |
| Net change in fund balances | (897,830) | (1,497,830) | 6,283 | 1,504,113 |
| Fund balances - beginning | <u>6,209,585</u> | <u>6,209,585</u> | <u>6,209,585</u> | <u>-</u> |
| Fund balances - ending | <u><u>\$ 5,311,755</u></u> | <u><u>\$ 4,711,755</u></u> | <u><u>\$ 6,215,868</u></u> | <u><u>\$ 1,504,113</u></u> |

**CITY OF NORTH PORT, FLORIDA
BUDGET VARIANCE REPORT
DEPENDENT SPECIAL DISTRICT - SOLID WASTE DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget |
|--|-------------------------|---------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 10,737,110 | \$ 10,737,110 | \$ 11,741,748 | \$ 1,004,638 |
| Investment earnings (losses) | 45,000 | 45,000 | (229,749) | (274,749) |
| Miscellaneous | 18,000 | 18,000 | 39,743 | 21,743 |
| Total revenues | <u>10,800,110</u> | <u>10,800,110</u> | <u>11,551,742</u> | <u>751,632</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Physical environment | 10,020,330 | 9,863,374 | 9,452,475 | 410,899 |
| Capital outlay | 107,200 | 2,341,491 | 306,842 | 2,034,649 |
| Total expenditures | <u>10,127,530</u> | <u>12,204,865</u> | <u>9,759,317</u> | <u>2,445,548</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>672,580</u> | <u>(1,404,755)</u> | <u>1,792,425</u> | <u>3,197,180</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (557,430) | (557,430) | (557,430) | - |
| Insurance recoveries | - | - | 137 | 137 |
| Total other financing sources (uses) | <u>(557,430)</u> | <u>(557,430)</u> | <u>(557,293)</u> | <u>137</u> |
| Net change in fund balances | 115,150 | (1,962,185) | 1,235,132 | 3,197,317 |
| Fund balances - beginning | <u>5,676,913</u> | <u>5,676,913</u> | <u>5,676,913</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 5,792,063</u> | <u>\$ 3,714,728</u> | <u>\$ 6,912,045</u> | <u>\$ 3,197,317</u> |