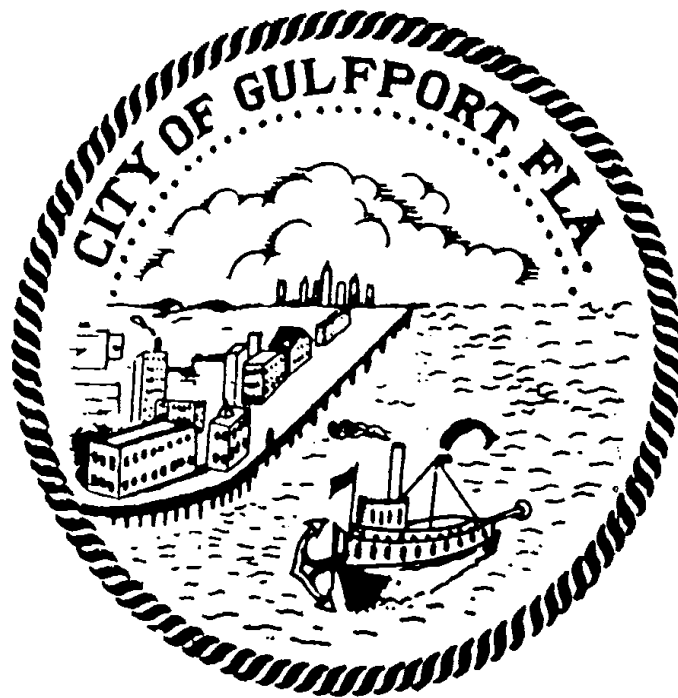


*City of Gulfport
Florida*



*2024
Annual Comprehensive
Financial Report*

Fiscal Year Ended September 30, 2024

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Annual Comprehensive Financial Report
of the
City of Gulfport, Florida
for the
Fiscal Year Ended September 30, 2024

Karen Love, Mayor
April Thanos, Vice Mayor
Marlene Shaw, Council Member
Cosima "Cosi" Jackson Council Member
Nancy Earley, Council Member



City Manager
James E. O'Reilly

City Clerk
Theresa Carrico

Finance Director
Chris Caddell

Prepared by: City of Gulfport Finance Department

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CITY OF GULFPORT, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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Year Ended September 30, 2024

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Introductory Section

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CITY OF GULFPORT, FLORIDA

Gateway to the Gulf

SAMUEL HENDERSON, Mayor

APRIL THANOS, Councilmember, Ward 1
MARLENE SHAW, Councilmember, Ward 2

COSIMA "COSI" JACKSON Councilmember, Ward 3
NANCY EARLEY, Councilmember, Ward 4

July 15, 2025

Honorable Mayor, City Council Members and
Citizens of the City of Gulfport, Florida

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Gulfport, Florida (the "City") for the fiscal year ended September 30, 2024. In addition to meeting legal requirements of the City Charter, Florida Statutes and the Rules of the Auditor General of the State of Florida, the report continues to present the City's tradition of full financial disclosure. This report represents the City's financial position and operations to the citizens, City Council, management personnel of the City, rating agencies and other interested parties.

Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the City. All disclosures necessary to properly interpret the data presented, and to enable the reader to gain an understanding of the City's financial activities have been included.

To maintain a reasonable basis for making these representations, management maintains an internal control structure that provides reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's accounting policies. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires management's estimates and judgments. All internal control evaluations occur within this framework. The City's internal accounting controls are believed to adequately safeguard assets and provide reasonable assurance of properly recording financial transactions.

Pursuant to the City Charter, Florida Statutes, Chapters 11.45 and 218, and Chapter 10.550 of the Rules of the Auditor General of the State of Florida, an audit of the accounts and financial statements of the City of Gulfport have been completed by the City's independent certified public accountants, Forvis Mazars, whose opinion is included as the first component of the financial section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent 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 audit concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended September 30, 2024 are fairly presented in conformity with accounting principles generally accepted in the United States.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Gulfport was incorporated in 1910. The name change to the City of Gulfport occurred in 1951 when the population of the Town exceeded 2,500. The City currently has a population of 11,877 and is approximately 2.8 square miles in area. The City is located in Pinellas County and is bordered on the north and east by the City of St. Petersburg. To the south is Boca Ciega Bay. The western side of the City is bordered by an area of unincorporated Pinellas County that is subsequently bordered by the City of South Pasadena.

The City is a full service city and provides traditional services, including police and fire protection as well as EMS; maintenance of parks, streets, and other infrastructure; water, sewer, stormwater, and sanitation services; a senior center as well as a recreation center; marina and cultural facility centers. The City also provides a transportation program for elderly and handicapped residents. The City purchases potable water from the City of St. Petersburg and contracts with them for wastewater treatment. Pinellas County provides solid waste disposal and the jail/court systems.

The annual budget serves as the foundation for the City's financial planning and control. Department directors are required to submit their budget requests to the City Manager, who then uses these requests as the starting point for developing the proposed annual budget. The City Manager is required by the City Charter to present the proposed budget to the City Council by July 15. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. The City Manager may transfer any unencumbered appropriation or portion thereof between classifications of expenditures within a department. The City Council may, by required legislation, make additional appropriations or transfer unencumbered appropriations from one department to another department or fund. Budget to actual comparisons are provided in the annual budget for each individual governmental and enterprise fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The primary challenges facing the city in this post pandemic period is the effect of inflation and a very tight job market for the on boarding of employees to continue to provide city services. The continued volatility of economic indicators creates an unpredictable horizon for the area’s economy. Gulfport, like many other local governments, primarily relies on property and a limited array of permitted other taxes (sales, gasoline, utilities services, etc.) and fees (franchise, occupational licenses, etc.) to fund governmental activities. Based on previous conservative revenue estimates applied in FY 2023, the city saw a strong increase in revenues primarily derived from Property Taxes, as well as a modest increase in other Intergovernmental Revenues.

Values in taxable assessed real estate continued the increasing trend. The previous peak of the market was in FY 2008 followed by the downturn and steady decline in subsequent years through FY 2013. The assessed value has now risen to over 1.7 billion in FY 2024. Ad valorem collections mirrored taxable values. The following table illustrates the history of taxable real estate values and ad valorem property tax revenues over the past fiscal years.

Fiscal Year	Taxable Assessed		Millage Rate	Ad Valorem	
	Value			Revenues	
2008	\$	1,005,346,275	3.349	\$	3,256,529
2009	\$	890,284,920	3.474	\$	3,009,208
2010	\$	798,568,343	3.474	\$	2,699,875
2011	\$	718,451,015	3.474	\$	2,425,538
2012	\$	657,170,333	4.000	\$	2,567,103
2013	\$	655,254,633	4.039	\$	2,533,016
2014	\$	697,757,967	4.039	\$	2,558,772
2015	\$	747,993,645	4.039	\$	2,736,118
2016	\$	805,160,338	4.039	\$	2,921,083
2017	\$	866,601,094	4.039	\$	3,169,050
2018	\$	937,535,904	4.039	\$	3,394,919
2019	\$	1,022,089,529	4.039	\$	3,658,974
2020	\$	1,108,362,697	4.039	\$	3,989,665
2021	\$	1,192,693,980	4.039	\$	4,325,128
2022	\$	1,373,882,315	4.039	\$	4,649,890
2023	\$	1,569,711,858	4.026	\$	5,365,722
2024	\$	1,721,640,995	4.026	\$	6,111,014

The economic base of the City is primarily residential with limited commercial areas accounting for approximately 7.5% of the City’s assessed valuation. The City's housing stock is diverse with many older homes. Gulfport has limited potential for expansion, and redevelopment continues to be the most viable alternative for economic improvements.

Building permits are considered an economic indicator for the City. While permit activity has risen dramatically over the last few years the number of permits issued in 2024 was comparable, higher by just 1% compared to the prior fiscal year; however, the revenue generate by permits issued was higher by 4%.

Factors Affecting Financial Condition – *Continued*

The Gulfport Municipal Marina which is nestled in lower Pinellas County on Boca Ciega Bay Aquatic Preserve is an informative source for evaluating the economic condition. The Marina is located twenty (20) miles from Tampa International Airport and approximately ten (10) miles to St. Petersburg Clearwater International Airport. The Marina has become a major destination for cruisers passing through the West Coast of Florida. One of the reasons is that Pinellas County has thriving marine oriented businesses in which cruisers can stop for repairs or upgrade equipment before they leave the State or the Country. Pinellas marine businesses include factory mechanics, sail and rigging makers, haul out facilities, and nationally recognized marine retail stores. Transient slip rental revenue decreased slightly from \$99,843 in FY23 to \$83,783 in FY24. Fuel and oil sales revenue experienced a decrease of 8% in comparison to FY23. Additionally, the Marina and the Waterfront District was significantly impacted by the active hurricane season.

Tourism plays a crucial role in the financial condition of the City, particularly when discussing sales tax. The Penny for Pinellas tax is a one percent sales tax paid by everyone who spends money in Pinellas County. It was first approved by voters in 1989 and went into effect in February 1990. The tax supports capital improvement projects in critical areas for the City. Without this revenue source the City would need to rely more heavily on other funding sources such as property taxes to fund necessary projects. This year the Penny generated revenue of \$1,850,930 which was consistent with the prior year. The Penny was renewed by voters on November 7, 2017. This ten-year renewal will run from 2020 – 2030.

The City continues to adapt to changing economic times in our community, state and nation. While the economic climate remains volatile, the expectations for the traditional level of service continues to rise. It is paramount that the City continually address the sustained financial impact of providing such a high level of services moving forward.

Relevant financial policies

By policy, the City must maintain a minimum fund balance in the General Fund in an amount equal to sixteen (16) percent of the City's General Fund original budgeted expenditures for the respective fiscal year. The City continues to exceed the minimum Fund Balance, ensuring financial stability and recognizing the potential for natural disasters as the City experienced being located at the gateway to the Gulf of Mexico. For the FY 2024-year end, the fund balance was \$9,582,162 while unassigned fund balance was \$7,847,640. The available unassigned fund balance was sufficient to cover this minimum requirement for FY 2024.

Relevant financial policies – Continued

As in years past, in order to maintain the City’s traditional high levels of service during the economic downturn, the usage of payment in lieu of taxes (PILOT) transfers from the City’s Enterprise Funds to the General Fund have been made to assist in mitigating revenue shortfalls. For FY 2024, a total of \$978,742 in PILOT transfers were approved in the budget and transferred from the Enterprise Funds.

The following chart illustrates the amount by fund of PILOT transfers to the General Fund over the past ten (10) fiscal years.

	Sanitation	Water & Sewer	Marina
FY15	\$ 304,353	\$ 349,711	\$ 471,770
FY16	219,719	60,000	98,170
FY17	-	60,000	275,000
FY18	-	-	300,000
FY19	108,000	-	494,000
FY20	121,888	378,856	99,976
FY21	244,342	433,705	535,037
FY22	-	459,611	241,312
FY23	-	455,351	428,682
FY24	153,714	493,472	331,556

Currently, some of the methods for accomplishing operating and capital improvement requirements are largely due to success in receiving intergovernmental grant funding. The City will continue to aggressively pursue available grant funding.

Long term financial planning efforts for the City will continue to involve discussion surrounding the City’s ability to generate sufficient revenue sources to meet projected needs. Both taxes & fees can be reviewed annually along with service delivery models to determine the best approach to meeting the service needs of residents.

The abatement of groundwater infiltration in sewer lines throughout the City is a high priority currently and going forward. Significant resources have been applied for repair and replacement of water and sewer lines throughout the City’s aging utility system. The City entered into an agreement with the Florida Department of Environmental Protection for a loan to fund planning and construction costs involved in major sewer system rehabilitation improvements. Further details involving the loan can be found within note 7 of the attached Annual Comprehensive Financial Report (ACFR).

The City participates in three single-employer defined benefit pension plans and accounts for net pension liability, deferred elements, and pension expense as required by Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Further details involving the City’s defined benefit pension plans can be found within note 8 of the attached Annual Comprehensive Financial Report (ACFR).

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 Gulfport, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2023. This was the forty first consecutive year that the City has 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, whose contents conform to program standards. This report must satisfy both GAAP 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 conform to Certificate of Achievements Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Administrative Services Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Gulfport's finances.

Respectfully submitted,



James E. O'Reilly
City Manager



Chris Caddell
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Gulfport
Florida**

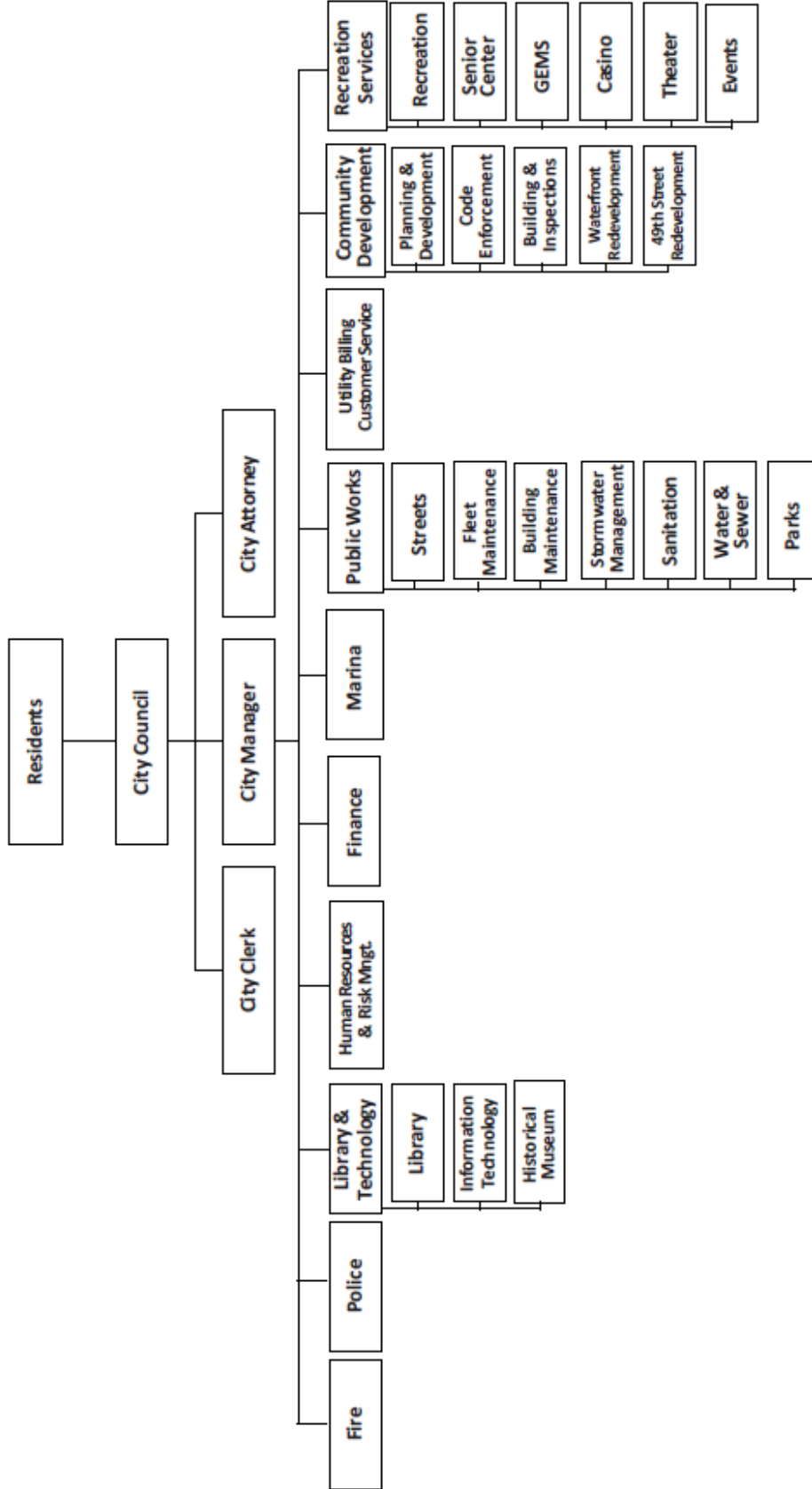
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

Fiscal Year 2024 - City of Gulfport Organizational Chart



Financial Section

This section contains the following subsections:

Report of Independent Certified Public Accountants

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

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Independent Auditor's Report

The Honorable Mayor and City Council
City of Gulfport, Florida
Gulfport, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gulfport, Florida (the "City") as of and for the year ended September 30, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Responsibility 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 GAAS 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 GAAS 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 that audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, other postemployment benefit information, and the budgetary comparison schedules for the General Fund and the Street Improvement fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 as a whole. The combining and individual fund statements and schedules and the schedule of expenditures of state, as required by Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial 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 July 14, 2025, 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 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 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.

Forvis Mazars, LLP

**Tampa, Florida
July 14, 2025**

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CITY OF GULFPORT, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Gulfport's (City) Annual Comprehensive Financial Report (ACFR) was prepared in accordance with generally accepted accounting principles (GAAP) applicable to government entities. This Management's Discussion and Analysis report (MD&A) is required supplementary information (RSI) in accordance with GAAP and presents an overview of financial information included in the ACFR. The City's discussion and analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the subsequent year challenges), (d) identify any material deviations from the financial plan (the adopted budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter and the City's financial statements listed in the table of contents.

Financial Condition Overview

The following key financial metrics indicate that the City remains in sound financial condition:

- *Operating results* reflect the degree to which budgets met expectations. Both actual revenues and actual expenditures were within reasonable proximity of budgeted amounts for the fiscal year.
- *Liquidity* reflects the City's ability to pay current liabilities with current assets. The City maintained sufficiently prudent liquidity levels throughout the fiscal year and at year end.
- *Fund balance* reflects the provision of financial resources for future needs and contingencies. The City's unassigned fund balances provided reasonable and sufficient working capital for operations and security for contingencies throughout the fiscal year and at year end.
- *Debt levels and debt payments* reflect the impacts of the City's borrowing decisions. Throughout the fiscal year, the City continued to borrow against the zero interest agreement for construction costs involved in the major repair and replacement of water and sanitary sewer lines throughout the City's aging utility system.

Normal Impacts

There are nine basic (normal) impacts on revenues and expenses outlined below.

Revenues

Economic Condition – Which can reflect a declining, stable, or growing economic environment and has a substantial impact on property, sales, gas, and other tax revenue as well as public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/Decrease in Council Approved Rates – While statutes set certain tax rates, the City Council has significant authority to impose and periodically increase/decrease rates (sanitation, recycling, water, wastewater, stormwater, permitting, recreation user fees, marina slip rental, and facility rental fees, etc.).

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

**CITY OF GULFPORT, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Contribution from the Water and Sewer Fund – The City owns and operates the Water & Sewer utility system and provides administrative and support services for the utility. In return, the City receives payments from the utility. Therefore, the ongoing competitiveness and vitality of the utility is important to the City’s well-being.

Market Impacts on Investment Income – Due to varying maturities on the City’s investments and the varying nature of the market in general, City investment income may fluctuate from year to year.

Expenses

Introduction of New Programs – Within the functional expense categories (General Government, Public Safety, Public Works, Recreation, and Redevelopment, etc.), individual programs may be added or deleted to meet changing community needs.

Increase/Decrease in Authorized Personnel – Changes in service demand may cause the Council to increase/decrease authorized staffing. Historically, staffing costs (salary and related benefits) represent a significant portion of the City’s total expenses.

Salary Increases (cost of living, merit and market adjustment) – The ability to attract and retain qualified personnel requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – The City is a major consumer of certain commodities such as chemicals and supplies, fuel, and parts. Inflation is above average; therefore, some functions may experience unusual commodity-specific increases (for example, fuel prices).

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of fiscal year 2024 by \$32,920,610 (net position). Of this amount, \$5,503,857 (unrestricted net position) may be used to meet the government’s ongoing obligations to citizens and creditors.
- Fund balance of governmental funds increased by \$196,675 from the prior year.
- Net position of proprietary funds decreased by \$(732,294) from the prior year.
- Long-term liabilities decreased by \$(4,326,518) from the prior year \$(3,123,352) for governmental activities and \$(1,203,166) for business-type). The majority of this decrease was in the net pension liability.

The Financial Statements focus are on both the City as a whole (government-wide) and on the major individual and governmental funds as a whole. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the City’s accountability.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Government-wide Financial Statements

The Government-wide Financial Statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add up to a total for the Primary Government. The focus of the Statement of Net Position is designed to be similar to bottom-line results for the City and its governmental and business-type activities. This statement combines and consolidates the government funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the 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 is focused on both the gross and net cost of various activities (including governmental, component units, and business-type), which are supported by charges for services, operating and capital grants, and by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of and/or subsidy to various governmental services and business-type activities.

The governmental activities reflect the City's basic services including general government, police, fire, protective inspections, public services, library, and recreation. Property taxes, utility service taxes, gas taxes and sales taxes, along with the City's utilities contribution, finance the majority of these services. The business-type activities reflect private sector-type operations (sanitation, water, and wastewater, recycling, stormwater, and the marina), where the fees for service typically cover all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of government financial statements will find the fund financial statement presentations more familiar with the focus now on major funds of the City. The governmental funds statements are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses, and/or budgeting compliance associated therewith.

The fund financial statements also allow the government to address its fiduciary funds by type (pension trust funds). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

While the business-type activities - enterprise funds statements, are essentially the same as the business-type activities column on the government-wide financial statement, the governmental funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources reflects interfund transfers and other financial sources as well as capital and debt service expenditures. The reconciliations eliminate these transactions and incorporate the capital asset and long-term obligations into the governmental activities column in the government-wide financial statements.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. For the current year, the City's assets and deferred outflows exceed liabilities and deferred inflows by \$32,920,610 (net position).

A large portion of the City's net position (76.6%) reflects its investment in capital assets (e.g., land, land improvements, buildings, and equipment) net of any related debt. The City uses these capital assets to provide services to citizens and, consequently, these assets are not available for future spending.

A portion of the City's net position (\$2,213,109) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$5,503,857 may be used to meet the government's ongoing obligations to citizens and creditors.

Deferred outflows and inflows of resources represent amounts that will increase or decrease net position in future periods as they are amortized.

The following table reflects the condensed Statement of Net Position for the current year as compared to the previous year.

**STATEMENT OF NET POSITION
As of September 30**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 13,449,426	\$ 13,200,600	\$ 6,523,864	\$ 6,267,029	\$ 19,973,290	\$ 19,467,629
Capital Assets (Net)	<u>14,285,024</u>	<u>14,296,876</u>	<u>18,637,821</u>	<u>19,039,487</u>	<u>32,922,845</u>	<u>33,336,363</u>
Total Assets	<u>27,734,450</u>	<u>27,497,476</u>	<u>25,161,685</u>	<u>25,306,516</u>	<u>52,896,135</u>	<u>52,803,992</u>
Deferred Outflows of Resources	<u>1,019,310</u>	<u>3,821,101</u>	<u>332,505</u>	<u>749,697</u>	<u>1,351,815</u>	<u>4,570,798</u>
Current and other liabilities	913,693	753,774	2,276,831	1,416,735	3,190,524	2,170,509
Long-term Liabilities	<u>7,668,039</u>	<u>10,791,391</u>	<u>7,690,871</u>	<u>8,894,037</u>	<u>15,358,910</u>	<u>19,685,428</u>
Total Liabilities	<u>8,581,732</u>	<u>11,545,165</u>	<u>9,967,702</u>	<u>10,310,772</u>	<u>18,549,434</u>	<u>21,855,937</u>
Deferred Inflows of Resources	<u>2,204,476</u>	<u>708,020</u>	<u>573,430</u>	<u>60,089</u>	<u>2,777,906</u>	<u>768,109</u>
Net Position:						
Net Investment in Capital Assets	14,176,489	14,284,866	11,027,155	11,476,340	25,203,644	25,761,206
Restricted	1,989,476	2,393,459	223,633	223,633	2,213,109	2,617,092
Unrestricted	<u>1,801,587</u>	<u>2,387,067</u>	<u>3,702,270</u>	<u>3,985,379</u>	<u>5,503,857</u>	<u>6,372,446</u>
Total Net Position	<u>\$ 17,967,552</u>	<u>\$ 19,065,392</u>	<u>\$ 14,953,058</u>	<u>\$ 15,685,352</u>	<u>\$ 32,920,610</u>	<u>\$ 34,750,744</u>

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Total long-term liabilities decreased by \$(4,326,518). Governmental activities reported a net decrease of \$(3,123,352) while business-type activities reported a net decrease of \$(1,203,166). The most notable differences are a decrease of \$3,355,003 in the net pension liability within governmental activities due to differences between actual and expected experience, as well as changes in actuarial assumptions. The most notable component of the decrease in the business-type activities, other than the net pension liability, is a result of principal payments on the Florida Department of Environmental Protection State Revolving Loan discussed in further detail in the long-term debt discussion.

As of September 30, 2024, the City is able to report positive balances in total net position for the City as a whole. The same situation held true for the previous fiscal year.

The City's overall financial position has decreased from the prior year by \$(1,830,134) in net position compared to the previous year. Of this, a decrease of \$(732,294) relates to the business-type activities and a decrease of \$(1,097,840) relates to the governmental activities. The decrease in governmental activities net position is due primarily to pension plan actuarial valuation adjustments. Deferred outflows for pensions decreased \$2.8 million, deferred inflows for pensions increased \$1.6 million, offset by a net pension liability decrease of \$3.4 million. Additional details of these variances can be found in the *Current Year Impacts* and *Financial Analysis of the City's Funds*.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Changes in Net Position

The following schedule reflects the changes in net position for Governmental and Business-Type activities:

**STATEMENT OF ACTIVITIES
For the Year Ended September 30**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program Revenues:						
Charges for Services	\$ 5,638,579	\$ 5,467,367	\$ 15,124,832	\$ 14,371,681	\$ 20,763,411	\$ 19,839,048
Operating Grants and Contributions	772,185	456,126	7,705	173,509	779,890	629,635
Capital Grants and Contributions	117,107	14,843	796,650	7,920	913,757	22,763
General Revenues:						
Property Taxes	6,444,576	5,653,308	-	-	6,444,576	5,653,308
Utility Taxes and Franchise	2,987,188	3,014,236	-	-	2,987,188	3,014,236
Sales, Use, and Other Taxes	3,544,555	3,620,061	-	-	3,544,555	3,620,061
Investment Income	507,375	333,635	89,074	82,053	596,449	415,688
Other	233,819	157,670	20,232	-	254,051	157,670
Total Revenues	20,245,384	18,717,246	16,038,493	14,635,163	36,283,877	33,352,409
EXPENSES						
General Government	2,465,819	2,509,465	-	-	2,465,819	2,509,465
Public Safety	9,132,218	9,199,358	-	-	9,132,218	9,199,358
Recreation	5,365,968	5,525,270	-	-	5,365,968	5,525,270
Community Development / Redevelopment	1,814,490	1,751,384	-	-	1,814,490	1,751,384
Public Works	3,092,905	3,195,316	-	-	3,092,905	3,195,316
Interest on Long Term Debt	3,302	1,239	-	-	3,302	1,239
Sanitation	-	-	2,983,751	3,390,788	2,983,751	3,390,788
Water and Sewer	-	-	9,692,467	8,228,582	9,692,467	8,228,582
Marina	-	-	3,563,091	3,120,828	3,563,091	3,120,828
Total Expenses	21,874,702	22,182,032	16,239,309	14,740,198	38,114,011	36,922,230
Excess (Deficiency)						
Before Transfers	(1,629,318)	(3,464,786)	(200,816)	(105,035)	(1,830,134)	(3,569,821)
Transfers	531,478	439,910	(531,478)	(439,910)	-	-
Change in Net Position	(1,097,840)	(3,024,876)	(732,294)	(544,945)	(1,830,134)	(3,569,821)
Net Position - Beginning	19,065,392	22,090,268	15,685,352	16,230,297	34,750,744	38,320,565
Net Position - Ending	\$ 17,967,552	\$ 19,065,392	\$ 14,953,058	\$ 15,685,352	\$ 32,920,610	\$ 34,750,744

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Current Year Impacts

Governmental activities program revenues increased by \$589,535 and general revenues increased by \$938,603 for a total increase of \$1,528,138 from the prior year.

Governmental activities program revenues benefited from higher grant revenues received from FEMA and Pinellas County Emergency Medical Services Authority by \$267,217 and \$94,572 respectively. The most significant components of the increase in general revenues are related to additional ad valorem proceeds based on an increase to the taxable value of real and personal property contributing \$791,268 and higher investment returns generating additional \$173,740. Additional details can be found later in the discussion of the financial analysis of the individual governmental funds.

Business-type activities overall net position decreased by \$(732,294). Revenues generated from charges for services were higher by \$753,151 than the previous fiscal year and expenses increased by \$1,499,111. Further details can be found later in the discussion of the financial analysis of the individual enterprise funds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of September 30, 2024, the governmental funds reported a combined fund balance of \$12.2 million, an increase of \$196,675 when compared to the previous year combined fund balance of \$12.0 million.

The General Fund is the chief operating fund of the City and had a total fund balance of \$9,582,162 at year end 2024. In accordance with GAAP, the City's fund balances are allocated as follows: non-spendable for prepaid items and inventories of \$205,934, restricted for donor provisions \$20,430, assigned for various purposes \$1,508,158, and unassigned, available for unforeseen emergencies and is considered necessary for the City of \$7,847,640.

The General Fund unassigned fund balance increased by \$678,771 from \$7,168,869 to \$7,847,640. The variance is due to the City's effective budgeting strategies for providing governmental services to its citizens. 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 42.92% of the total general fund expenditures, while total fund balance represents 52.41% of that same amount. The City's minimum fund balance policy is to maintain an unassigned General Fund balance equal to 16% of the City's General Fund original budgeted expenditures for the respective fiscal year.

The most notable increases to revenue in the General Fund include:

- An increase in ad valorem proceeds from the prior year of \$791,268 based on an increase to the taxable value of real and personal property.
- Investment income increased by \$163,289 from the prior year due to favorable market conditions for the City's investments.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

General Fund expenditures before transfers increased by \$1,253,267 over the prior fiscal year. Of this increase \$868,240 was specifically related to Public Safety, attributed to increased labor and benefit costs for Fire and Police. The balance of the increase was spread across all other departments due to higher personnel, benefits and insurance costs.

The Capital Projects Fund is used to account for the proceeds and use of the local government infrastructure sales surtax of 1% or Penny for Pinellas for capital projects within the County. Taxable sales remained consistent with the prior year as the economy suffered from the hurricane season last fall, revenue from Penny for Pinellas was essentially flat, decreasing by \$(274) from \$1,851,204 in FY23 to \$1,850,930 in FY24. The Capital Projects Fund finished the fiscal year with a net increase to fund balance of \$11,330 as budgeted project costs were in line with anticipated tax proceeds.

The City's enterprise funds include the City's Sanitation Fund, Water and Sewer Fund, and Marina Fund. Total net position for the enterprise funds decreased by \$(732,294) from the prior year. Each of the Enterprise Funds are considered major funds and, therefore, are to be reviewed and analyzed as a separate and distinct business. Thus, the following commentary focuses on each fund.

The Sanitation Fund is used to account for the operations of the City's solid waste utility. The Sanitation Fund had an increase in net position of \$60,973 that was an improvement to the decrease of \$(240,220) in FY23. Operating revenues were \$212,630 greater than the prior year due to approved rate increases. Operating expenses of the Sanitation Fund were \$(403,998) less than the prior year due to lower pension expense in FY24 and storm related expenses occurring in FY23 offset by increases in personnel costs. Personnel costs increased by \$61,506 from costs of employee benefits and salary increases.

The Marina Fund is used to account for the operations of the City's municipal marina. The Marina Fund had a decrease in net position of \$(836,789) compared to the decrease of \$(328,514) in the prior year. Operating revenues were \$(165,428) less than the prior year due primarily to lower fuel sales revenue. Operating expenses increased by \$286,161 due to higher personnel costs, increased materials and supplies and repairs and maintenance from storm damage. Transfers to the General Fund for payments in lieu of taxes and overhead were slightly lower in FY24 by \$97,126.

The Water and Sewer Fund is used to account for the operations of the City's water, sewer and stormwater utility. The Water and Sewer Fund had an increase in net position of \$43,522 for the year. Operating revenues were higher by \$726,181 than the prior year due to approved rate increases and higher volume. Operating expenses were higher by \$1,280,770 compared to FY 23. The increase is due to higher costs and increased volume for wastewater contracted with the City of St. Petersburg contributing \$571,477 of the increase as well as \$156,599 of repairs and maintenance for the City's stormwater system. Additionally, Utility Billing and Customer Service department is now included in the Water and Sewer Fund and included \$576,542 of costs in FY24. The Water and Sewer Fund also benefited from a State of Florida Department of Environmental Protection grant income of \$779,335 for sanitary sewers repairs. Based on the results of current year operations, it appears the City's Water and Sewer rates were adequate to cover the operational costs of the utility.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

BUDGETARY HIGHLIGHTS – GENERAL FUND

Expenditures	<u>Original Budget</u>	<u>Final Budget</u>	<u>Difference</u>
General Government	\$ 2,525,567	\$ 2,517,740	\$ (7,827)
Public Safety	7,867,235	7,872,063	4,828
Recreation	4,686,388	4,767,881	81,493
Community Development /			
Redevelopment	1,405,868	1,408,190	2,322
Public Works	2,326,442	2,311,727	(14,715)
Debt Service	4,500	4,500	-
Transfers Out	184,000	184,000	-
	<u>\$ 19,000,000</u>	<u>\$ 19,066,101</u>	<u>\$ 66,101</u>

The General Fund final budget in total increased by \$66,101 from the original budget. An additional \$81,493 of transfers were authorized to support the Recreation Center.

Expenditures	<u>Actual</u>	<u>Final Budget</u>	<u>Difference</u>
General Government	\$ 2,348,816	\$ 2,517,740	\$ (168,924)
Public Safety	7,731,027	7,872,063	(141,036)
Recreation	4,555,289	4,767,881	(212,592)
Community Development /			
Redevelopment	1,218,048	1,408,190	(190,142)
Public Works	2,391,734	2,311,727	80,007
Debt Service	39,112	4,500	34,612
Transfers Out	184,000	184,000	-
	<u>\$ 18,468,026</u>	<u>\$ 19,066,101</u>	<u>\$ (598,075)</u>

Actual fiscal year 2024 expenditures, including transfers out, for the General Fund were less than the final budgeted expenditures and transfers out by \$593,575. The unspent budget dollars is the result of vacant positions due to hiring challenges in the competitive labor market as well as encumbrances that are included in the final budget but not yet spent.

CAPITAL ASSETS

As of September 30, 2024, the City had \$32,922,845 invested in a variety of capital assets as compared to \$33,336,363 as of September 30, 2023. This represents a net decrease of \$(413,518) from the prior year. Governmental activities had increases in equipment and infrastructure and some notable projects included the following:

- ADA/sidewalk improvements, street paving and generators at City Hall and the Police Department

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The business-type activities reported a transfer of \$4.1 million in completed infrastructure projects from construction in progress. Some of the significant projects that comprise this balance include:

- Lift Station #2 Force Main Extension and Pumping Improvements (i.e. Bypass Project) construction.
- Upgrades at the Marina including the Dry Boat Storage Renovation project.

Depreciation slightly increased by \$235,348 from the prior year due to projects that were components of Construction in Progress reaching completion and are now being depreciated.

As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 592,072	\$ 592,072	\$ 20,000	\$ 20,000	\$ 612,072	\$ 612,072
Construction in Progress	401,676	189,999	914,148	4,368,672	1,315,824	4,558,671
Buildings	10,798,349	10,823,626	1,556,390	1,556,390	12,354,739	12,380,016
Infrastructure and Improvements	24,225,557	23,611,693	35,488,490	31,629,482	59,714,047	55,241,175
Right to Use Leases	18,091	18,091	-	-	18,091	18,091
Right to Use Subscription Software	138,425	-	-	-	138,425	-
Equipment	7,495,609	7,111,859	5,202,919	4,656,586	12,698,528	11,768,445
Software	445,145	453,197	69,953	69,953	515,098	523,150
	44,114,924	42,800,537	43,251,900	42,301,083	87,366,824	85,101,620
Less: Accumulated Depreciation	(29,829,900)	(28,503,661)	(24,614,079)	(23,261,596)	(54,443,979)	(51,765,257)
Capital Assets, net	\$ 14,285,024	\$ 14,296,876	\$ 18,637,821	\$ 19,039,487	\$ 32,922,845	\$ 33,336,363

Additional detailed information on the City's capital assets may be found in the notes to the financial statements, Note 5.

LONG TERM DEBT

The City entered into agreements with the Florida Department of Environmental Protection for loans for planning and construction costs involved in major sewer system rehabilitation improvements. Additionally, the City has leases for some equipment and a SBITA liability for multi-year software subscriptions.

As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
SBITA Payable	\$ 87,778	\$ -	\$ -	\$ -	\$ 87,778	\$ -
Leases Payable	8,547	12,010	-	-	8,547	12,010
Notes from Direct Borrowing	-	-	7,133,144	7,484,334	7,133,144	7,484,334
	\$ 96,325	\$ 12,010	\$ 7,133,144	\$ 7,484,334	\$ 7,229,469	\$ 7,496,344

Business-type activities had \$7,133,144 in outstanding long-term debt which was the FDEP loan. referenced above. The loan balance was reduced by principal payments during the year. Governmental activities had \$96,325 in outstanding leases and SBITA liability. The SBITA liability was added in the current fiscal year.

Additional detailed information on the City's long-term debt and other long-term liabilities may be found in Note 7 of the financial statements.

**CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

ECONOMIC FACTORS AND YEAR 2025 BUDGETS AND RATES

The City continued to experience positive growth in property values. As such, much of the budget development process is focused on beginning to address the continued ability of the City Council and staff to maintain the traditional high levels of personal services provided the residents of the City of Gulfport. It is paramount the City must continually address the sustained financial impact of providing such a high level of services as the City moves forward. Gulfport, like many other local governments, primarily relies on property taxes and a limited array of permitted other taxes (sales, gasoline, utilities services, etc.) and fees to fund governmental activities. The budget development process for FY 2025 was focused on the City's ability to fund present and future levels of General Fund operations and services.

Key Factors considered in preparing the City of Gulfport's budget for fiscal year 2025 included:

- The Ad Valorem millage (property tax) has been budgeted to remain at 4.0258 mils as a result of estimated increased property tax revenues as property values continue to increase.
- An increase in employee compensation is included in the budget with the application of 7.5% salary plan adjustment.
- An increase of 5.4% in applicable costs for renewal of the City's property, workers' compensation, general liability, automotive liability, and public official liability insurance policies.
- Employee health insurance costs increased 1.99% across all funds.
- Important to note Hurricane storm damage impacted the City at year-end will affect Marina and General Fund results in FY25.

Moreover, the balanced budget continues to provide the residents of the City of Gulfport the level of day to day services they have become accustomed to, both culturally and institutionally. The Fiscal Year 2025 budget attempts to continue to support traditional frontline services as they exist today.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have any questions about the report or need additional financial information, contact the City's Finance Director at City of Gulfport, 2401 53rd Street South, Gulfport, Florida 33707, by phone at (727) 893-1014 or www.mygulfport.us.

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Basic Financial Statements

The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The government-wide financial statements present financial information about the reporting government, as a whole, except for its fiduciary activities. The fund financial statements present financial information about major funds individually and nonmajor funds in the aggregate. They also include financial information about the fiduciary funds. The notes to the financial statements present information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements.

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CITY OF GULFPORT, FLORIDA
STATEMENT OF NET POSITION
September 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 10,205,471	\$ 3,235,157	\$ 13,440,628
Restricted Cash and Investments	1,989,476	823,648	2,813,124
Receivables (Net)	700,755	1,537,821	2,238,576
Due from Other Governments	9,542	874,694	884,236
Inventories	161,018	43,953	204,971
Prepaid Items	44,916	8,591	53,507
Leases Receivable	338,248	-	338,248
Capital Assets:			
Capital Assets Not Being Depreciated	993,748	934,148	1,927,896
Capital Assets Being Depreciated and Amortized (Net)	13,291,276	17,703,673	30,994,949
Total Capital Assets	14,285,024	18,637,821	32,922,845
Total Assets	27,734,450	25,161,685	52,896,135
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows for OPEB	176,405	38,072	214,477
Deferred Outflows for Pensions	842,905	294,433	1,137,338
Total Deferred Outflows of Resources	1,019,310	332,505	1,351,815
LIABILITIES			
Accounts Payable	626,872	1,341,153	1,968,025
Liabilities Payable from Restricted Assets	-	600,015	600,015
Accrued Liabilities	220,827	59,660	280,487
Due to Other Governments	22,760	276,003	298,763
Deposits	41,172	-	41,172
Unearned Revenue	2,062	-	2,062
Long-term Liabilities:			
Due within One Year	472,939	495,490	968,429
Due in More Than One Year	7,195,100	7,195,381	14,390,481
Total Liabilities	8,581,732	9,967,702	18,549,434
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows for Leases	338,248	-	338,248
Deferred Inflows for OPEB	114,807	25,476	140,283
Deferred Inflows for Pensions	1,751,421	547,954	2,299,375
Total Deferred Inflows of Resources	2,204,476	573,430	2,777,906
NET POSITION			
Net Investment in Capital Assets	14,176,489	11,027,155	25,203,644
Restricted:			
Capital Projects	1,919,264	-	1,919,264
Debt Service	-	223,633	223,633
Library Projects	45,832	-	45,832
Public Safety	3,950	-	3,950
Other Special Projects	20,430	-	20,430
Unrestricted	1,801,587	3,702,270	5,503,857
Total Net Position	\$ 17,967,552	\$ 14,953,058	\$ 32,920,610

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 2,465,819	\$ 2,397,919	\$ 35,767	\$ -
Public Safety	9,132,218	2,052,405	400,685	-
Recreation	5,365,968	799,332	335,733	97,448
Community Development Redevelopment	1,814,490	-	-	-
Public Works	3,092,905	388,923	-	19,659
Interest on Long-Term Debt	3,302	-	-	-
Total Governmental Activities	<u>21,874,702</u>	<u>5,638,579</u>	<u>772,185</u>	<u>117,107</u>
Business-type Activities:				
Sanitation	2,983,751	3,190,109	7,705	-
Water and Sewer	9,692,467	8,924,018	-	796,650
Marina	3,563,091	3,010,705	-	-
Total Business-type Activities	<u>16,239,309</u>	<u>15,124,832</u>	<u>7,705</u>	<u>796,650</u>
Total	<u>\$ 38,114,011</u>	<u>\$ 20,763,411</u>	<u>\$ 779,890</u>	<u>\$ 913,757</u>

General Revenues:

Property Tax
Sales Tax
Infrastructure Surtax
Public Service Tax
Gas Tax
State Revenue Sharing
Other Taxes
Franchise Fees
Investment Income
Miscellaneous
Gain on Sale of Assets
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position - Beginning
Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (32,133)	\$ -	\$ (32,133)
(6,679,128)	-	(6,679,128)
(4,133,455)	-	(4,133,455)
(1,814,490)	-	(1,814,490)
(2,684,323)	-	(2,684,323)
(3,302)	-	(3,302)
<u>(15,346,831)</u>	<u>-</u>	<u>(15,346,831)</u>
-	214,063	214,063
-	28,201	28,201
-	(552,386)	(552,386)
-	(310,122)	(310,122)
<u>(15,346,831)</u>	<u>(310,122)</u>	<u>(15,656,953)</u>
6,444,576	-	6,444,576
955,111	-	955,111
1,850,930	-	1,850,930
2,091,913	-	2,091,913
161,378	-	161,378
514,466	-	514,466
62,670	-	62,670
895,275	-	895,275
507,375	89,074	596,449
149,765	20,232	169,997
84,054	-	84,054
531,478	(531,478)	-
<u>14,248,991</u>	<u>(422,172)</u>	<u>13,826,819</u>
(1,097,840)	(732,294)	(1,830,134)
<u>19,065,392</u>	<u>15,685,352</u>	<u>34,750,744</u>
<u>\$ 17,967,552</u>	<u>\$ 14,953,058</u>	<u>\$ 32,920,610</u>

CITY OF GULFPORT, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 9,658,094	\$ 1,356,706	\$ 1,180,147	\$ 12,194,947
Accounts Receivable (Net)	577,497	123,258	-	700,755
Due from Other Governments	9,542	-	-	9,542
Prepaid Items	44,916	-	-	44,916
Inventories	161,018	-	-	161,018
Leases Receivable	338,248	-	-	338,248
Total Assets	<u>\$ 10,789,315</u>	<u>\$ 1,479,964</u>	<u>\$ 1,180,147</u>	<u>\$ 13,449,426</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 599,002	\$ 24,105	\$ 3,765	\$ 626,872
Accrued Liabilities	220,656	-	171	220,827
Due to Other Governments	6,013	16,747	-	22,760
Deposits Payable	41,172	-	-	41,172
Unearned Revenue	2,062	-	-	2,062
Total Liabilities	<u>868,905</u>	<u>40,852</u>	<u>3,936</u>	<u>913,693</u>
Deferred Inflows of Resources:				
Deferred Inflows - Leases	338,248	-	-	338,248
Total Deferred Inflows of Resources	<u>338,248</u>	<u>-</u>	<u>-</u>	<u>338,248</u>
Fund Balances:				
Nonspendable Inventories and Prepays	205,934	-	-	205,934
Restricted for Law Enforcement	-	-	3,950	3,950
Restricted for Capital Purchases	-	1,439,112	-	1,439,112
Restricted for Waterfront Redevelopment	-	-	476,188	476,188
Restricted for Donor Provisions	20,430	-	3,964	24,394
Restricted for Library	-	-	45,832	45,832
Assigned for Capital Purchases	201,247	-	-	201,247
Assigned for Subsequent Year's Budget	100,000	-	-	100,000
Assigned for ALS Fire Truck	835,160	-	-	835,160
Assigned for 49th Street Redevelopment	-	-	11,786	11,786
Assigned for Beach Renourishment	-	-	120,000	120,000
Assigned for Other Public Works Improvements	371,751	-	-	371,751
Assigned for Other Waterfront Redevelopment	-	-	514,491	514,491
Unassigned	7,847,640	-	-	7,847,640
Total Fund Balances	<u>9,582,162</u>	<u>1,439,112</u>	<u>1,176,211</u>	<u>12,197,485</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 10,789,315</u>	<u>\$ 1,479,964</u>	<u>\$ 1,180,147</u>	<u>\$ 13,449,426</u>

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

CITY OF GULFPORT, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balances of governmental funds		\$ 12,197,485
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$44,114,924, and the accumulated depreciation and amortization is \$29,829,900.</p>		14,285,024
<p>Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities.</p> <p>Long-term liabilities at year-end consist of:</p>		
Leases Payable	(8,547)	
SBITAs Payable	(87,778)	
Total OPEB Liability	(841,162)	
Net pension liability	(5,490,254)	
Compensated absences	(1,240,298)	
		(7,668,039)
<p>Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in governmental funds.</p>		
Deferred outflows of resources for OPEB	176,405	
Deferred outflows of resources for pensions	842,905	
Deferred inflows of resources for OPEB	(114,807)	
Deferred inflows of resources for pensions	(1,751,421)	(846,918)
Total net position of governmental activities		\$ 17,967,552

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 9,025,041	\$ 1,850,930	\$ 608,909	\$ 11,484,880
Permits and Fees	825,717	19,659	-	845,376
Intergovernmental Revenues	3,309,768	-	-	3,309,768
Charges for Services	3,484,569	-	-	3,484,569
Fines and Forfeitures	41,477	-	1,950	43,427
Investment Income	507,375	-	-	507,375
Miscellaneous Revenues	468,770	-	102,821	571,591
Total Revenues	<u>17,662,717</u>	<u>1,870,589</u>	<u>713,680</u>	<u>20,246,986</u>
EXPENDITURES				
Current:				
General Government	2,348,816	13,258	-	2,362,074
Public Safety	7,731,027	68,245	-	7,799,272
Recreation	4,555,289	3,339	386,936	4,945,564
Community Development/ Redevelopment	1,218,048	-	618,957	1,837,005
Public Works	2,391,734	-	-	2,391,734
Capital Outlay	-	1,327,153	-	1,327,153
Debt Service:				
Principal	35,810	-	-	35,810
Interest	3,302	-	-	3,302
Total Expenditures	<u>18,284,026</u>	<u>1,411,995</u>	<u>1,005,893</u>	<u>20,701,914</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(621,309)</u>	<u>458,594</u>	<u>(292,213)</u>	<u>(454,928)</u>
OTHER FINANCING SOURCES AND (USES)				
SBITAs	120,125	-	-	120,125
Transfers In	978,742	-	484,000	1,462,742
Transfers (Out)	(184,000)	(447,264)	(300,000)	(931,264)
Total Other Financing Sources and (Uses)	<u>914,867</u>	<u>(447,264)</u>	<u>184,000</u>	<u>651,603</u>
Net Change in Fund Balances	293,558	11,330	(108,213)	196,675
Fund Balances - Beginning	<u>9,288,604</u>	<u>1,427,782</u>	<u>1,284,424</u>	<u>12,000,810</u>
Fund Balances - Ending	<u>\$ 9,582,162</u>	<u>\$ 1,439,112</u>	<u>\$ 1,176,211</u>	<u>\$ 12,197,485</u>

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

CITY OF GULFPORT, 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, 2024

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

Net change in fund balances - total governmental funds	\$	196,675
<p>Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated and amortized over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which the cost of capital purchases (\$2,136,154) exceeds depreciation and amortization (\$2,032,072).</p>		
		104,082
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>		
Debt issued or incurred:		
SBITAs entered into	\$	(120,125)
Principal repayments:		
SBITAs payable		32,347
Leases payable		3,463
		(84,315)
<p>Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows:</p>		
Compensated absences		(78,729)
<p>Under the modified accrual basis of accounting, some revenues are recognized when both the measurable and available criteria have been met. Some revenues earned in the current year were not recognized since availability criteria was not met. Under full accrual accounting, all revenues would be recognized.</p>		
		(1,602)
<p>In the statement of activities, only the loss on the sale of capital assets is reported. The change in net position differs by the cost of capital assets disposed.</p>		
		(115,934)
<p>Governmental funds report City pension contributions and OPEB benefit payments as expenditures. In the statement of activities, the cost of pension and OPEB benefits earned net of contributions and OPEB benefit payments is reported as expense.</p>		
Difference between OPEB benefit payments and net OPEB expense		(41,426)
Difference between pension contributions and net pension expense		(1,076,591)
		(1,118,017)
Change in net position of governmental activities	\$	(1,097,840)

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Business-type Activities - Enterprise Funds			
	Sanitation	Water and Sewer	Marina	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 257,521	\$ 2,412,416	\$ 565,220	\$ 3,235,157
Restricted Assets:				
Cash Held for Customer Deposits	-	501,565	98,450	600,015
Cash Held for Debt Service	-	223,633	-	223,633
Accounts Receivable (Net)	387,726	1,132,756	17,339	1,537,821
Due from Other Governments	7,705	866,989	-	874,694
Inventories	-	43,953	-	43,953
Prepaid Items	-	7,591	1,000	8,591
Total Current Assets	652,952	5,188,903	682,009	6,523,864
Noncurrent Assets:				
Capital Assets:				
Land	-	-	20,000	20,000
Buildings	230,746	411,965	913,679	1,556,390
Infrastructure and Improvements	297,195	30,058,565	5,132,730	35,488,490
Equipment and Machinery	3,165,101	1,406,520	631,298	5,202,919
Software	17,104	36,274	16,575	69,953
Construction in Progress	-	827,092	87,056	914,148
Less: Accumulated Depreciation and Amortization	(3,082,326)	(16,186,961)	(5,344,792)	(24,614,079)
Total Capital Assets (Net)	627,820	16,553,455	1,456,546	18,637,821
Total Noncurrent Assets	627,820	16,553,455	1,456,546	18,637,821
Total Assets	1,280,772	21,742,358	2,138,555	25,161,685
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows for OPEB	17,527	15,757	4,788	38,072
Deferred Outflows for Pensions	190,516	71,350	32,567	294,433
Total Deferred Outflows of Resources	208,043	87,107	37,355	332,505

Continued

CITY OF GULFPORT, FLORIDA
STATEMENT OF NET POSITION - Continued
PROPRIETARY FUNDS
September 30, 2024

	Business-type Activities - Enterprise Funds			
	Sanitation	Water and Sewer	Marina	Total
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 76,368	\$ 1,172,001	\$ 92,784	\$ 1,341,153
Accrued Liabilities	35,517	14,831	9,312	59,660
Due to Other Governments	-	266,418	9,585	276,003
Liabilities Payable from Restricted Assets - Deposits	-	501,565	98,450	600,015
Revolving Loan Payable	-	413,961	-	413,961
Compensated Absences Payable	24,191	42,428	14,910	81,529
Total Current Liabilities	<u>136,076</u>	<u>2,411,204</u>	<u>225,041</u>	<u>2,772,321</u>
Noncurrent Liabilities:				
Net Pension Liability	75,601	32,950	55,293	163,844
Other Postemployment Benefits	87,345	63,186	24,934	175,465
Revolving Loan Payable	-	6,719,183	-	6,719,183
Compensated Absences Payable	26,858	81,791	28,240	136,889
Total Noncurrent Liabilities	<u>189,804</u>	<u>6,897,110</u>	<u>108,467</u>	<u>7,195,381</u>
Total Liabilities	<u>325,880</u>	<u>9,308,314</u>	<u>333,508</u>	<u>9,967,702</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows for OPEB	11,183	10,442	3,851	25,476
Deferred Inflows for Pensions	217,430	258,194	72,330	547,954
Total Deferred Inflows of Resources	<u>228,613</u>	<u>268,636</u>	<u>76,181</u>	<u>573,430</u>
NET POSITION				
Net Investment in Capital Assets	627,820	8,942,789	1,456,546	11,027,155
Restricted for Debt Service	-	223,633	-	223,633
Unrestricted	306,502	3,086,093	309,675	3,702,270
Total Net Position	<u>\$ 934,322</u>	<u>\$ 12,252,515</u>	<u>\$ 1,766,221</u>	<u>\$ 14,953,058</u>

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds			
	Sanitation	Water and Sewer	Marina	Total
OPERATING REVENUES:				
Charges for Services	\$ 3,190,109	\$ 8,924,018	\$ 3,010,705	\$ 15,124,832
Miscellaneous Revenues	-	2,485	17,747	20,232
Total Operating Revenues	<u>3,190,109</u>	<u>8,926,503</u>	<u>3,028,452</u>	<u>15,145,064</u>
OPERATING EXPENSES:				
Personal Services	1,112,751	1,283,995	540,081	2,936,827
Contracted Services	631,592	5,095,880	105,506	5,832,978
Supplies and Materials	127,958	124,273	1,342,531	1,594,762
Repairs and Maintenance	349,406	298,108	334,345	981,859
Administrative Overhead	461,141	1,309,172	497,334	2,267,647
Other Services and Charges	51,120	232,263	262,194	545,577
Depreciation and Amortization	248,759	1,128,522	324,998	1,702,279
Total Operating Expenses	<u>2,982,727</u>	<u>9,472,213</u>	<u>3,406,989</u>	<u>15,861,929</u>
Operating Income (Loss)	<u>207,382</u>	<u>(545,710)</u>	<u>(378,537)</u>	<u>(716,865)</u>
NONOPERATING REVENUES				
(EXPENSES):				
Operating Grants	7,705	-	-	7,705
Investment Income	624	59,044	29,406	89,074
Interest Expense	(1,024)	(96,073)	-	(97,097)
Gain (Loss) from Sale of Capital Assets	-	(124,181)	(156,102)	(280,283)
Total Nonoperating Revenues (Expenses)	<u>7,305</u>	<u>(161,210)</u>	<u>(126,696)</u>	<u>(280,601)</u>
Income (Loss) Before Contributions and Transfers	<u>214,687</u>	<u>(706,920)</u>	<u>(505,233)</u>	<u>(997,466)</u>
Capital Contributions	-	796,650	-	796,650
Transfers In	-	447,264	-	447,264
Transfers (Out)	(153,714)	(493,472)	(331,556)	(978,742)
Change in Net Position	<u>60,973</u>	<u>43,522</u>	<u>(836,789)</u>	<u>(732,294)</u>
Total Net Position - Beginning	<u>873,349</u>	<u>12,208,993</u>	<u>2,603,010</u>	<u>15,685,352</u>
Total Net Position - Ending	<u>\$ 934,322</u>	<u>\$ 12,252,515</u>	<u>\$ 1,766,221</u>	<u>\$ 14,953,058</u>

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended September 30, 2024

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Sanitation</u>	<u>Water and Sewer</u>	<u>Marina</u>	<u>Total</u>
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 3,144,496	\$ 8,101,474	\$ 3,035,674	\$ 14,281,644
Payments to Suppliers	(1,609,920)	(6,812,981)	(2,457,723)	(10,880,624)
Payments to Employees	(1,057,225)	(1,182,081)	(519,956)	(2,759,262)
Net Cash and Cash Equivalent Provided (Used) by Operating Activities	<u>477,351</u>	<u>106,412</u>	<u>57,995</u>	<u>641,758</u>
Cash Flows from Noncapital Financing Activities				
Operating Grants	6,017	-	-	6,017
Transfers (to) Other Funds	(153,714)	(493,472)	(331,556)	(978,742)
Transfers from Other Funds	-	447,264	-	447,264
Net Cash and Cash Equivalent Provided (Used) in Noncapital Financing Activities	<u>(147,697)</u>	<u>(46,208)</u>	<u>(331,556)</u>	<u>(525,461)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	(407,000)	(654,659)	(47,559)	(1,109,218)
Impact Fees Received	-	17,315	-	17,315
Capital Grants Received	-	779,335	-	779,335
Proceeds from Sale of Capital Assets	-	5,844	-	5,844
Principal Payments	(78,813)	(351,190)	-	(430,003)
Interest Payments	(1,024)	(96,073)	-	(97,097)
Net Cash and Cash Equivalent Provided (Used) in Capital and Related Financing Activities	<u>(486,837)</u>	<u>(299,428)</u>	<u>(47,559)</u>	<u>(833,824)</u>
Cash Flows from Investing Activities				
Income Received from Investments	624	59,044	29,406	89,074
Net Cash and Cash Equivalent Provided in Investing Activities	<u>624</u>	<u>59,044</u>	<u>29,406</u>	<u>89,074</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(156,559)	(180,180)	(291,714)	(628,453)
Cash and Cash Equivalents at Beginning of Year	<u>414,080</u>	<u>3,317,794</u>	<u>955,384</u>	<u>4,687,258</u>
Cash and Cash Equivalents at End of Year	<u>\$ 257,521</u>	<u>\$ 3,137,614</u>	<u>\$ 663,670</u>	<u>\$ 4,058,805</u>
Reconciliation of Cash and Cash Equivalents to Balance Sheet:				
Total Unrestricted Cash and Cash Equivalents	\$ 257,521	\$ 2,412,416	\$ 565,220	\$ 3,235,157
Total Restricted Cash and Cash Equivalents	-	725,198	98,450	823,648
Cash and Cash Equivalents at End of Year	<u>\$ 257,521</u>	<u>\$ 3,137,614</u>	<u>\$ 663,670</u>	<u>\$ 4,058,805</u>

Continued

CITY OF GULFPORT, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds			
	Sanitation	Water and Sewer	Marina	Total
Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 207,382	\$ (545,710)	\$ (378,537)	\$ (716,865)
Depreciation and Amortization	248,759	1,128,522	324,998	1,702,279
Change in Assets, Deferred Outflows, Liabilities and Deferred Inflows:				
Deferred Outflows for OPEB	(569)	(483)	(229)	(1,281)
Deferred Outflows for Pensions	151,325	208,688	58,460	418,473
Deferred Inflows for Pensions	187,223	258,194	72,330	517,747
Deferred Inflows for OPEB	(1,957)	(1,661)	(788)	(4,406)
Total OPEB Liability	6,378	5,410	2,566	14,354
Net Pension Asset/Liability	(298,876)	(412,171)	(115,462)	(826,509)
(Increase) Decrease in Accounts Receivable	(45,613)	(114,496)	7,799	(152,310)
(Increase) Decrease in Due from				
Other Governments	-	(767,199)	-	(767,199)
(Increase) Decrease in Prepaids	-	3	-	3
(Increase) Decrease in Inventories	-	443	35,463	35,906
Increase (Decrease) in Accounts Payable	11,297	151,276	49,361	211,934
Increase (Decrease) in Due to				
Other Governments	-	94,993	(637)	94,356
Increase (Decrease) in Accrued Liabilities	6,510	11,413	2,272	20,195
Increase (Decrease) in Compensated				
Absences	5,492	32,524	976	38,992
Increase (Decrease) in Customer Deposits	-	56,666	(577)	56,089
Total Adjustments	<u>269,969</u>	<u>652,122</u>	<u>436,532</u>	<u>1,358,623</u>
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>\$ 477,351</u>	<u>\$ 106,412</u>	<u>\$ 57,995</u>	<u>\$ 641,758</u>

The following were noncash transactions.

Capital additions funded by accounts and contracts payable	\$	-	\$	477,522	\$	-	\$	477,522
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The notes to the financial statements are an integral part of the financial statements.

CITY OF GULFPORT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2024

ASSETS

Cash and Cash Equivalents:	
Short Term Investments	\$ 539,127
Total Cash and Cash Equivalents	539,127
Receivables:	
City Contributions in Transit	350,565
Additional City Contribution	28,397
Investment Income	30,817
Due from Government	41,438
Total Receivables	451,217
Investments, at Fair Value:	
U.S. Government Obligations	652,949
Asset-Backed Securities	1,704,186
Corporate Bonds	1,959,642
Mutual Funds:	
Equity	26,920,867
Real Estate	2,140,413
Fixed Income	11,003,148
Total Investments	44,381,205
Total Assets	45,371,549

LIABILITIES

Accounts Payable	47,549
Total Liabilities	47,549
Net Position Restricted for Pension Benefits	\$ 45,324,000

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Year Ended September 30, 2024

ADDITIONS

Contributions:

City	\$ 1,299,582
Member	441,189
State	333,989
Total Contributions	2,074,760

Investment Income (Loss):

Net Increase in Fair Value of Investments	6,852,458
Interest and Dividends	1,515,738
Less: Investment Expense (1)	(125,233)
Net Investment Income (Loss)	8,242,963
Total Additions	10,317,723

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,769,235
Lump Sum PLOP Distributions	64,478
Refunds of Member Contributions	24,676
Total Distributions	1,858,389
Administrative Expense	201,739
Total Deductions	2,060,128

Change in Net Position	8,257,595
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Net Position Restricted for Pension Benefits

Beginning of Year	37,066,405
End of Year	\$ 45,324,000

¹Investment related expenses include investment advisory, custodial and performance monitoring fees
The notes to the financial statements are an integral part of the financial statements.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Gulfport, Florida (the “City”), have been prepared in conformity with generally accepted accounting principles (“GAAP”), as applied to governmental units, which were promulgated by the Governmental Accounting Standards Board (“GASB”). A summary of the City’s significant accounting policies applied in the preparation of these financial statements follows.

A. REPORTING ENTITY

The City of Gulfport is a political subdivision of the state of Florida. The City was originally incorporated as the Town of Gulfport on October 12, 1910. This act was amended by Chapter 27580, No. 1101, Laws of Florida, Regular Session 1951, and approved by the Governor and filed with the Secretary of State, which changed the name to the City of Gulfport. The City provides a wide range of services that include police and fire protection, recreation and senior services, mini-bus service, public works services, and general administration. The City also operates several enterprise activities, including: sanitation, water and sewer, and a marina. The City operates a vehicle maintenance central garage, which is accounted for in the General Fund.

The City is a municipal corporation governed by an elected mayor and four-member council. As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable or entities that would be misleading to exclude. Blended component units, although legally separate entities are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Fiduciary component units include the City’s pension trust funds.

Blended Component Units

The City has included the Gulfport Community Redevelopment Agency (“CRA”) in these financial statements. The City Council (the "Council") is the governing body of this agency, which was approved by the Board of County Commissioners of Pinellas County under Chapter 163, Florida Statutes, to act as the redevelopment agency for the Gulfport Community Redevelopment Districts. The City approves the budget, provides funding, and performs all accounting functions for the CRA, and the CRA’s services are provided exclusively to the City. There are two separate redevelopment districts in the City, which are referred to as the “Waterfront” and “49th Street” CRAs. The operations of these two CRAs are reported as special revenue funds. The stand-alone audited financial report for the City’s Waterfront CRA can be obtained from the City’s Finance Department. Fiscal year 2024 was the final year of the Waterfront CRAs funding and it will be closed out pursuant to Chapter 163, Florida Statutes.

Fiduciary Component Units

The City has included the General Employees’ Pension Plan, Firefighters’ Pension Plan, and Police Officers’ Pension Plan as fiduciary component units of the City. They are included in the financial statements as pension trust funds.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIC FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide statements (statement of net position and statement of activities) are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables, deferred outflows of resources, long-term liabilities, and deferred inflows of resources. The City's fiduciary funds are not included in the government-wide statements since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City.

The government-wide statement of activities reports the gross and net cost for the various functional categories (general government, public safety, recreation, community development and redevelopment, and public works) of the City that are otherwise supported by general government revenues (property, sales and use tax, and certain intergovernmental revenues, etc.). For the most part, the effect of interfund activity has been removed from this statement. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses are those costs that are allocated to functions and activities in accordance with the City's indirect cost allocation plan. The "Expenses" column includes both direct and indirect expenses. Program revenues are defined as charges for services, and operating and capital grants and contributions that specifically relate to a specific program function. Charges for services include revenue arising from charges to customers or applicants who purchase, use or directly benefit from the goods, services, or privileges provided. Operating and capital grants and contributions consist of revenues received from governments, organizations, or individuals that are specifically attributable to an activity program for either operating expenses or capital expenses associated with the specific program.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. All non-major funds are summarized into a single column. The City has reported the General Fund and Capital Projects Fund as major funds. In addition, all three of the City's enterprise funds are major funds. The City has reported the 49th Street Redevelopment District, Law Enforcement Trust, Library Fund, Waterfront Redevelopment District, and Capital Project Senior Center Fund as non-major funds.

C. MEASUREMENT FOCUS AND BASIS OF PRESENTATION

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. The minimum number of funds is maintained consistent with legal and managerial requirements. A fund is a separate accounting entity with a self-balancing set of accounts.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

C. MEASUREMENT FOCUS AND BASIS OF PRESENTATION *(Continued)*

Funds are classified into three fund types: governmental, proprietary, and fiduciary. Each fund type is described below:

1. **Governmental Funds:**

The focus of governmental fund measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources), rather than upon net income. The following is a description of the governmental funds that the City has presented:

- a) **General Fund** - This fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.
- b) **Special Revenue Funds** - These funds are used to account for and report the proceeds of specific revenue sources (other than debt service or major capital projects) that are legally restricted or committed to expenditures for specified purposes. The City has four special revenue funds consisting of the Waterfront and 49th Street Redevelopment Districts discussed previously, the Library Fund to account for donations for the library, and the Law Enforcement Trust to account for forfeiture proceeds restricted in use by Florida Statutes.
- c) **Capital Projects Funds** – These funds are used to account for financial resources restricted, committed, or assigned to expenditure for the acquisition or construction of major governmental capital projects in the Capital Projects Fund, and capital outlays for the Capital Project Senior Center Fund.

2. **Proprietary Funds:**

These funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Enterprise funds – These funds are used to account for those operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose. The Sanitation Fund is used to account for refuse collection activities, the Water and Sewer Fund to account for water and wastewater sales and services, and the Marina Fund to account for operations of the City's marina.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF PRESENTATION (Continued)

2. Proprietary Funds: (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in conjunction with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of personnel, contractual services, supplies, maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

3. Fiduciary Funds:

Fiduciary funds account for assets held by the City in a trustee capacity. Trust funds account for assets held by the government under the terms of a formal trust agreement.

Pension Trust Funds - These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The pension trust funds account for the assets of the City's public safety employees' pension plans and the general employees' pension plan.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

All proprietary funds and pension trust funds are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

1. Modified Accrual:

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Those revenues susceptible to accrual are utility and franchise taxes, intergovernmental revenues and grants, state revenue sharing, and interest on pooled investments.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

2. Accrual:

All proprietary and fiduciary funds are accounted for using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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.

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS, AND FUND EQUITY

Cash and Investments

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

Investments are carried at a mixture of fair value measurement and amortized cost because certain investments meet GASB Statement No. 31, as amended by GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*, which establishes criteria for external investment pools to qualify for making the election to measure all of their investments at amortized cost for financial reporting purposes. The City's investments in the Florida PRIME and Florida Surplus Asset Fund Trust (SAFE) are similar to money market funds in which units are owned in the fund rather than the underlying investments, and they are reported at amortized cost.

There are no limitations or restrictions on withdrawals from the Florida PRIME and SAFE. In the occurrence of an event that has a material impact on the liquidity or operations of the PRIME, the fund's executive director may limit contributions to or withdrawals from the PRIME for a period of 48 hours. For investments in SAFE, the fund's manager may suspend redemptions for up to five business days. The Office of the Auditor General of the State of Florida performs the operational audit of the activities and investments of the Florida PRIME. All other investments are carried at fair value.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Receivables and Payables *(Continued)*

All accounts receivable is shown net of an allowance for uncollectible. The City maintains an allowance for estimated losses through ongoing estimates relating to the collectability of the accounts receivable.

Due to the nature of code enforcement violations brought before the special magistrate, the primary purpose of the fines assessed are to promote the abatement of the nuisance. The overarching goal of the City in regards to these types of issues is to gain compliance and abatement. Based on the history and understanding of these fines, the City believes the probability of collection is highly uncertain and would be offset with an allowance for uncollectible for the entire balance. The records and Magistrate’s final orders are maintained by the City Clerk.

Property taxes, which were levied during fiscal year 2024 and are uncollected as of September 30, 2024, are immaterial and, therefore, not recorded as a receivable.

Inventories

Inventories are valued at cost using the first-in first-out (“FIFO”) method and consist of expendable items held for consumption or resale. The cost of these items is recorded as expenditure or expense at the time the inventory item is consumed or sold.

Prepaid Expenditures/Expenses

Payments made to vendors for services that will benefit periods beyond September 30, 2024, are recorded as prepaid items. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, software, and infrastructure assets (i.e., roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life beyond one year. For lease right-to-use intangible assets, the City capitalizes when the asset value is \$10,000 or greater. These assets are recorded at historical cost or estimated historical cost, if purchased, and acquisition value, if contributed or donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred and are not capitalized.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Capital Assets *(Continued)*

Depreciation and amortization on all capital assets is provided on a straight-line basis over the following estimated useful lives: buildings 20-50 years; improvements other than buildings, including infrastructure assets, 3-70 years; software 5 years; and equipment 3-20 years.

Compensated Absences

It is the City's policy to permit employees to accumulate earned and unused vacation and sick pay benefits. Vested vacation and sick leave that accrues that is expected to be liquidated with expendable available financial resources is reported as an expense and a liability of the appropriate proprietary fund. The portion of the liability expected to be liquidated within the next year has been classified as a current liability. Amounts not expected to be liquidated within the next year are reported as a component of long-term liabilities. Compensated absences are reported in governmental funds only upon the retirement or resignation of a vested employee. The payment of compensated absences is charged to the respective fund and department in which the individual being paid is employed.

Leases and Subscription Based Information Technology Arrangements (SBITAs)

The City enters into many noncancelable leases for the right to use land, equipment and facilities throughout its operations. When the City is the lessee, the contracts result in recognition of a right-to-use intangible asset that is offset by a corresponding lease liability. When the City is the lessor, the contracts result in recognition of a lease receivable offset by a corresponding deferred inflow of resources. Lease intangible assets are reported with capital assets and lease liabilities are reported with long term liabilities on the government-wide and proprietary fund financial statements.

At the commencement of a lease when the City is the lessee, the City initially measures the lease liability at the present value of total payments over the lease term. The lease asset is measured as the value of the lease liability, adjusted for any prepayments, plus certain initial direct costs. At commencement of a lease when the City is the lessor, the City measures the lease receivable at the present value of expected rental receipts over the lease term. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for prepayments received prior to the lease commencement.

Estimates and judgments are sometimes made when determining the discount rate and overall term of the leases. The City monitors its leases for significant changes in circumstances that warrant a remeasurement of the lease liability and associated intangible asset, and/or lease receivable and associated deferred inflow of resources.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY (Continued)

Leases and SBITAs (Continued)

The City often enters into noncancelable SBITAs for the right to use subscription software throughout its operations. These contracts result in recognition of a right-to-use intangible asset that is offset by a corresponding SBITA liability. SBITA intangible assets are reported with capital assets and SBITA liabilities are reported with long term liabilities on the government-wide and proprietary fund financial statements.

At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of total payments over the subscription term. The SBITA asset is measured as the value of the SBITA liability, adjusted for any prepayments, plus certain initial implementation costs. Estimates and judgments are sometimes made when determining terms of the SBITAs. The City monitors its SBITAs for significant changes in circumstances that warrant a remeasurement.

Net Pension Liability (Asset)

In the government-wide and proprietary statements, net pension liability or (asset) represents the present value of projected benefit payments to be provided through the single employer defined benefit pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension plans, pension expense, information about the fiduciary net position, and additions to/deductions from 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. Pension investments are reported at fair value. The City allocated its net pension liability (asset), deferred outflows for pensions, deferred inflows for pensions, and pension expense to funds and functions/activities based on their respective contributions made to the pension plans during the measurement year.

Total Other Postemployment Benefits (OPEB) Liability

The total OPEB liability of the City of Gulfport Retiree Benefits Plan (the OPEB Plan) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. The plan is not administered through a trust.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY (Continued)

Deferred Outflows of Resources / Deferred Inflows of Resources

The City reports deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expenditure or expense) until that applicable time. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that applicable time.

The City reports two items that qualify as deferred outflows of resources on its government-wide and proprietary statements of net position, deferred outflows for OPEB and pensions. The deferred outflows for OPEB and pensions are aggregates of items related to OPEB and pensions as calculated in accordance with GASB Statements No. 68 *Accounting and Financial Reporting for Pensions* and No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The deferred outflows for OPEB and pensions will be recognized as OPEB or pension expense, or as reductions of the total OPEB liability or net pension liability in future reporting years.

The City reports three items that qualify as deferred inflows of resources on its government-wide and proprietary statements of net position, deferred inflows for leases, OPEB and pensions. The deferred inflows for OPEB and pensions are aggregates of items related to OPEB and pensions as calculated under the same principles as deferred outflows for OPEB and pensions. Both will be recognized as reductions to OPEB and pension expenses in future reporting years. The deferred inflows for leases offset the lease receivable and will result in inflows of rental and interest income in future periods.

The City sometimes reports deferred inflows of resources on applicable governmental fund statements that represent revenues which are measurable but not available in accordance with the modified accrual basis of accounting. These deferred inflows will be recognized as revenue in the fiscal year they are earned and become available. The majority of these deferred inflows of resources represent intergovernmental receipts and reimbursements. The City also reports deferred inflows for leases that will be recognized in a systematic manner over the course of the lease.

Net Position

The government-wide and business-type activities 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 capital related debt.

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY (Continued)

Net Position (Continued)

- **Restricted-** This component consists of net position that has constraints placed either externally by third parties (grantors and contributors) or by law, through constitutional provisions of enabling legislation. The City would typically use restricted net position first, as appropriated opportunities arise, but reserves the right to selectively defer the use of these funds. A portion of the net position of the Water and Sewer Fund is restricted for improvement of the City's sewer system, through the use of sewer impact fees.
- **Unrestricted** - This component consists of net position that does not meet the definition of "net investment in capital assets" and "restricted." Allocations or earmarks of net position made by the City's management are included in this component because these types of constraints are internal and management can remove or modify them.

Fund Balance

In accordance with GAAP, the City classified governmental fund balances as follows:

- **Nonspendable Fund Balance** - Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the City's highest level of decision-making authority, which is an ordinance. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action. The Council can establish, modify or rescind a fund balance commitment through the formal approval of an ordinance.
- **Assigned Fund Balance** - Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Council or (b) a body or official to which the Council has delegated the authority to assign amounts to be used for specific purposes. The City Manager has the official authority to assign fund balance in accordance with the City's Fund Balance Policy. Additionally, this category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY (Continued)

Fund Balance (Continued)

- **Unassigned Fund Balance** - Unassigned fund balance is the residual classification for the General Fund and also includes deficit fund balances of other governmental funds.

The City intends that restricted amounts be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that would prohibit doing this, such as grant agreements with dollar-for-dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Minimum Fund Balance Policy

It is the goal of the City to achieve and maintain an unassigned General Fund balance equal to 16% of the City's General Fund original budgeted expenditures for the respective fiscal year. These funds can only be used for an emergency as authorized in section 310 and 311 of the City Charter. If during any year, money is appropriated out of the unassigned fund and is spent in an amount that results in the unassigned funds being depleted below the required sixteen (16) percent budget minimum, then the Council shall in subsequent years add to the unassigned funds the lesser of a total of two hundred fifty thousand dollars (\$250,000) per year or whatever amount is necessary to achieve unassigned funds that are sixteen (16) percent of the respective fiscal year. These additions shall continue until funds in the unassigned fund have been increased to equal at least sixteen (16) percent of the City's General Fund original budgeted expenditures for the respective fiscal year.

Budgets and Budgetary Accounting

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

- a) Prior to July 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
- b) Two public hearings are conducted to obtain taxpayer comments on the proposed budget.
- c) Prior to October 1, the budget is legally enacted through passage of an ordinance for the General, Waterfront Redevelopment District, Capital Projects Fund, Sanitation, Water and Sewer, and Marina Funds.

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Budgets and Budgetary Accounting *(Continued)*

- d) The City Manager may authorize budget adjustments if the total appropriations of the fund are not changed.
- e) The City Manager is authorized to transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within any department in the general fund and within any other fund. At the request of the City Manager, the Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department to another or from one fund to another.
- f) Budgets for enterprise funds are adopted using a financial flow basis and, as a result, are not consistent with GAAP in that depreciation is excluded and capital outlay cost is included. Formal budgetary integration is employed as a management control device during the year for the General, certain Special Revenue, major Capital Projects Fund and Enterprise Funds. Budgets for the governmental funds are adopted using a basis consistent with GAAP.
- g) Lapse of Appropriations – All appropriations shall lapse at the end of the budget year to the extent that they shall not have been expended or lawfully encumbered. Amounts that are legally encumbered but not expended shall be carried forward and incorporated in the following year’s budget.

F. ENCUMBRANCES

Encumbrances represent contractual commitments in the form of purchase orders and contracts relating to governmental funds. Such encumbrances are not recorded as expenditures, but rather within restricted, committed or assigned fund balance depending on the method of approval of the contract or purchase order. Unencumbered appropriations lapse at year-end. The annual appropriations ordinance provides that outstanding encumbrances are to become supplemental appropriations in the respective departmental accounts in the ensuing fiscal year, unless cancelled.

G. PROPERTY TAXES

The assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the Pinellas County Property Appraiser and Pinellas County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten mills. The millage rate in effect for the fiscal year ended September 30, 2024 was 4.026 mills.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

G. PROPERTY TAXES *(Continued)*

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

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

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they were assessed, and at such time a lien on the property is recorded. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. The City does not accrue its portion of the county-held certificates due to the immateriality of the amount.

H. INTERFUND TRANSACTIONS

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market value or near market value, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation. Amounts reported in the funds as receivables from or payable to fiduciary funds are included in the statement of net position as receivables from and payables to external parties.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS

The City utilizes a consolidated cash pool to account for cash and investments of all City funds. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield, which are inherent to a larger investment pool. The account balances of each fund are reported as cash and cash equivalents and investments.

Cash and Pooled Cash

The City has one cash pool that maintains the deposits of all the governmental and enterprise funds of the City. Formal accounting records detail the individual equities of the participating funds. The cash pool utilizes a single checking account for all City receipts and disbursements.

Deposits

At September 30, 2024, the bank balance of the City's cash deposit accounts was \$5,668,845 and the carrying amount of the demand deposits and cash on hand was \$4,998,565. The cash deposits are held by a bank that qualifies as a public depository under the Florida Security and Public Deposits Act, as required by Chapter 280, Florida Statutes, and are considered fully insured.

Investments

Florida Statutes (218.415) authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the U.S. Government, U.S. Government Instrumentalities, State of Florida Local Government Surplus Funds Trust Fund, and mutual funds investing in U.S. Government securities.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS (*Continued*)

Investments (*Continued*)

The City adopted its own investment policy that also authorizes the City to invest in the following: a) Florida Municipal Investment Trust Funds; b) SEC registered money market funds with the highest credit rating from a nationally recognized rating agency; c) obligations of government-sponsored corporations (instrumentalities - which are usually “AAA” rated but have no explicit government guarantee), which are eligible as collateral for advances to member banks, as determined by the Board of Governors of the Federal Reserve; d) collateralized mortgage obligations (“CMO’s”) with very accurately defined maturities issued by Federal Agencies and instrumentalities and limited to VATM/accretion directed CMO’s or planned amortization class CMO’s or sequential bonds CMO’s; e) bankers’ acceptance guaranteed by banking institutions with a bank rating of “AA” on its long-term debt; f) prime commercial paper having received an “A1/P1” or higher rating by a nationally recognized rating agency; g) non-negotiable certificates of deposit and bank investment contracts (“BIC”), which can be insured, collateralized at the Federal Reserve or qualify as state-qualified public deposits, as defined by Florida Statutes; h) taxable or tax-exempt government bonds, notes or other obligations of state or local governments, including municipal corporations and special districts, of investment-grade quality; i) repurchase agreements with a “primary securities dealer” or with the City’s primary state certified public depository that are collateralized pursuant to State law and pursuant to a Master Repurchase Agreement entered into with the selling institution; j) auction rate securities (Dutch Auctions) rated “AA” or “AAA” with 28-35 day resets rated by a nationally-recognized rating agency; and k) corporate debt of corporations whose long-term debt is rated at least “AA-” or equivalent by a nationally recognized rating agency.

The City’s investment policy states that, to the extent possible, investment maturities and liquidity shall be matched to anticipated cash flow requirements. Unless an investment is matched to a specific cash flow, such as a reserve requirement or other longer-term investment horizon, investments shall not have a maturity date of more than five (5) years from the date of purchase.

The City categorizes the fair value measurement of its investments based on the hierarchy established by GASB Statement No. 72 *Fair Value Measurement and Application*. The hierarchy has three levels based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. GASB 72 allows for the use of quoted prices provided by third parties. The City uses quoted prices provided by its third-party custodians for its pension trust funds.

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS (Continued)

Investments (Continued)

The City’s investments reported at amortized cost as of September 30, 2024, are as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>Credit Rating</u>
Florida Surplus Asset Fund Trust (SAFE)	\$ 11,179,192	57 days (1)	S&P AAAM
Florida PRIME	75,995	39 days (1)	S&P AAAM
Total Investments	<u>\$ 11,255,187</u>		

The FL SAFE and Florida PRIME are reported as cash equivalents in the financial statements.

Interest Rate Risk- In compliance with the City’s investment policy, as of September 30, 2024, the City minimized the interest rate risk related to the decline in fair value of securities due to rising interest rates, by limiting the effective duration of security types not to exceed five (5) years, with the exception of securities related to a specific cash flow, such as a reserve fund and investing operating funds in primarily shorter term securities or similar government investment pools so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity.

Credit Risk - In compliance with the City’s Investment Policy, as of September 30, 2024, the City minimized credit risk losses due to default of a security issuer or backer by limiting investments to the safest types of securities, U.S. Government Agency securities and government investment pools, and by pre-qualifying the financial institutions with which the City does business. Mortgage-backed U.S. Government Agencies securities are collateralized mortgage obligations restricted to those backed by GMNA, FHLMC, or FNMA and must pass the FIEC high-risk security test. Additional information on pension investments can be found in Note 8.

General Employees’ Pension Fund

Cash and Cash Equivalents

Salem Trust Company periodically holds uninvested cash in its capacity as custodian of the General Employees’ Pension Fund (the “Pension Fund”). These funds exist temporarily as cash in the process of collection from the sale of securities. Money market funds with original maturities of three months or less, totaling \$150,835, are reported as cash equivalents and valued at amortized cost.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS (Continued)

General Employees' Pension Fund (Continued)

The Board of Trustees of the Pension Fund are authorized to invest and reinvest in such securities or property, real or personal, as shall be approved by the Board of Trustees, including, but not limited to, stocks, common or preferred, bonds, so long as such stocks or bonds retain one of the three highest quality ratings on a major recognized rating service, and other evidence of indebtedness or ownership, including shares or units of common trust funds approved as investments for pension and profit-sharing plans.

The Pension Fund held the following investments with fair value measurements as of September 30, 2024:

	Fair Value	Weighted Average Maturity	Credit Rating
Equity Mutual Funds	\$ 12,266,139	n/a	n/a
Real Estate MF	746,535	n/a	n/a
Fixed Income Mutual Funds	8,543,412	see below	A
Total Investments	\$ 21,556,086		

Fixed income mutual funds with Dodge and Cox Income Fund have weighted average maturity of 9.58 years, and with PIMCO Diversified have weighted average maturity of 8.46 years with an average credit rating of A.

	Fair Value Measurements Using		
	Quoted Priced in Active Markets	Significant Observable Input	Significant Unobservable
	Level 1	Level 2	Level 3
Equity Mutual Funds	\$ 12,266,139	\$ -	-
Real Estate MF	-	-	746,535
Fixed Income Mutual Funds	8,543,412	-	-
Total Investments	\$ 20,809,551	\$ -	746,535

Real estate investments in Level 3 are valued using discounted cash flows techniques.

Credit Risk- The Pension Fund minimizes credit risk by investing in mutual funds.

Interest Rate Risk- Through its investment policies, the Pension Fund manages its exposure to fair value losses arising from increasing interest rates by investing in short-term money market-type funds that can be liquidated immediately.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS (*Continued*)

Police Pension Fund

Cash and Cash Equivalents

Salem Trust Company periodically holds uninvested cash in its capacity as custodian of the Police Pension Fund (the “Police Pension”). These funds exist temporarily as cash in the process of collection from the sale of securities. Money market funds with original maturities of three months or less, totaling \$304,738, are reported as cash equivalents and valued at amortized cost.

Investments

The Board of Trustees of the Police Pension are authorized to invest in annuity and life insurance contracts with life insurance companies; time, savings, and money market accounts of an institution insured by the Federal Deposit Insurance Corporation; obligations of the U.S. Government or an agency or instrumentality of the U.S. Government, including mortgage-related securities; domestic and international equity securities, such that not more than 5% of the Police Pension’s assets shall be invested in the common stock of any one issuing company, no more than 10% of the Police Pension’s assets shall be invested in foreign securities, and no more than 60% of the aggregate investments shall be invested in common stock or convertible securities.

The Police Pension held the following investments with fair value measurements as of September 30, 2024:

	Fair Value	Weighted Average Maturity	Credit Rating
US Government Obligations	\$ 652,949	12.51 Years	Aaa/ AA+
Asset-backed Securities	1,704,186	8.03 Years	Aaa/ AA+
Corporate Bonds	1,959,642	6.79 Years	A3 / A-
Equity Mutual Funds	9,622,267	n/a	n/a
Real Estate MF	961,329	n/a	n/a
Total Investments	<u>\$ 14,900,373</u>		

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS (Continued)

Police Pension Fund (Continued)

	<u>Fair Value Measurements Using</u>		
	<u>Quoted Priced in Active Markets</u>	<u>Significant Observable Input</u>	<u>Significant Unobservable</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
US Government Obligations	\$ 118,112	\$ 534,837	\$ -
Asset-backed Securities	-	1,704,186	-
Corporate Bonds	-	1,959,642	-
Equity Mutual Funds	9,622,267	-	-
Real Estate MF	-	-	961,329
Total Investments	\$ 9,740,379	\$ 4,198,665	\$ 961,329

Debt securities in Level 2 are valued using a matrix pricing technique. Real estate investments in Level 3 are valued using discounted cash flows techniques.

Credit Risk - To mitigate credit risk, the Police Pension’s investment policy limits the minimum credit quality rating of investments, as rated by nationally recognized statistical rating organizations (NRSROs).

Interest Rate Risk - Through its investment policies, the Police Pension manages its exposure to fair value losses arising from increasing interest rates by investing in bond mutual funds and short-term money market-type funds that can be liquidated immediately.

Firefighters’ Pension Fund

Cash and Cash Equivalents

Salem Trust periodically holds uninvested cash in its capacity as custodian of the Firefighters’ Pension Fund (the “Firefighters’ Pension”). These funds exist temporarily as cash in the process of collection from the sale of securities. Money market funds with original maturities of three months or less, totaling \$83,554, are reported as cash equivalents and valued at amortized cost.

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS (Continued)

Firefighters' Pension Fund (Continued)

Investments

The Board of Trustees of the Firefighters' Pension are authorized to invest in annuity and life insurance contracts with life insurance companies; time, savings, and money market accounts of an institution insured by the Federal Deposit Insurance Corporation; obligations of the U.S. Government or an agency or instrumentality of the U.S. Government, including mortgage-related securities; domestic and international equity securities, such that not more than 5% of the Firefighters' Pension's assets shall be invested in the common stock of anyone issuing company, no more than 10% of the Firefighters' Pension's assets shall be invested in foreign securities, and no more than 65% of the aggregate investments shall be invested in common stock or convertible securities.

The Firefighters' Pension held the following investments with fair value measurements as of September 30, 2024:

	Fair Value	Weighted Average Maturity	Credit Rating
Real Estate MF	\$ 432,549	n/a	n/a
Equity Mutual Funds	5,032,461	n/a	n/a
Fixed Income Mutual Funds	2,459,736	see below	A
Total Investments	\$ 7,924,746		

	Fair Value Measurements Using		
	Quoted Priced in Active Markets Level 1	Significant Observable Input Level 2	Significant Unobservable Level 3
	Real Estate MF	\$ -	\$ -
Equity Mutual Funds	5,032,461	-	-
Fixed Income Mutual Funds	2,459,736	-	-
Total Investments	\$ 7,492,197	\$ -	\$ 432,549

Real estate investments in Level 3 are valued using discounted cash flows techniques.

Fixed income mutual funds with Dodge and Cox Income Fund have weighted average maturity 9.58 years, and with PIMCO Diversified have weighted average maturity of 8.46 years with an average credit rating of A.

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS (Continued)

Firefighters' Pension Fund (Continued)

Investments (Continued)

Credit Risk - To mitigate credit risk, the Firefighters' Pension's investment policy limits the minimum credit quality rating of investments, as rated by nationally recognized statistical rating organizations (NRSROs).

Interest Rate Risk - Through its investment policies, the Firefighters' Pension manages its exposure to fair value losses arising from increasing interest rates by investing in mutual bond funds and short-term money market-type funds that can be liquidated immediately.

NOTE 3 - RECEIVABLES

Receivables as of September 30, 2024, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities	Total
Accounts Receivable:			
Billed	\$ 627,636	\$ 885,429	\$ 1,513,065
Unbilled	26,712	807,142	833,854
Payroll Advance	2,883	704	3,587
Code Enforcement Liens	83,595	-	83,595
Total Receivables	740,826	1,693,275	2,434,101
Allowance for Uncollectibles	(40,071)	(155,454)	(195,525)
Net Total Receivables	\$ 700,755	\$ 1,537,821	\$ 2,238,576

Lease Receivables and Revenue

The City is the lessor in contracts with Verizon Wireless for the right to use land for a cell tower, and Boca Ciega Yacht Club and Gulfport Yacht Club for rights to use facility space. The terms include fixed annual payments through November 2028 with interest rates ranging from 1.2%-1.4%. The City has \$338,248 in outstanding lease receivable at September 30, 2024. During the fiscal year, the City recognized \$106,167 in lease revenue and \$5,813 in lease interest revenue.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers consist of the following for the year ended September 30, 2024:

Fund	Transfers In	Transfers Out
General	\$ 978,742	\$ 184,000
Capital Projects	-	447,264
Sanitation	-	153,714
Water and Sewer	447,264	493,472
Marina	-	331,556
Nonmajor Special Revenue Funds	300,000	-
Nonmajor Capital Projects Fund	184,000	300,000
Total	<u>\$ 1,910,006</u>	<u>\$ 1,910,006</u>

The transfers into the General Fund were made by Sanitation, Water & Sewer and the Marina and represent payments in lieu of taxes (PILOT). The Capital Project Fund transferred funds to Water & Sewer to support repayment on the State Revolving Loan. The General Fund transferred funds to the Senior Center Fund to support the capital campaign.

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2024 was as follows:

	Beginning Balance 10/1/2023	Additions	Deletions	Transfers	Ending Balance 9/30/2024
Governmental Activities:					
Non-depreciated Assets:					
Land	\$ 592,072	\$ -	\$ -	\$ -	\$ 592,072
Construction in Progress	189,999	411,927	(54,680)	(145,570)	401,676
Depreciated and Amortized Assets:					
Buildings	10,823,626	-	(25,277)	-	10,798,349
Infrastructure and Improvements	23,611,693	808,107	(266,286)	72,043	24,225,557
Right-to-Use Lease Equipment	18,091	-	-	-	18,091
Right-to-Use Software Subscriptions	-	120,125	-	18,300	138,425
Equipment	7,111,859	795,995	(467,472)	55,227	7,495,609
Software	453,197	-	(8,052)	-	445,145
Total Capital Assets at Historical Cost	<u>42,800,537</u>	<u>2,136,154</u>	<u>(821,767)</u>	<u>-</u>	<u>44,114,924</u>
Less Accumulated Depreciation and Amortization for:					
Buildings	6,640,480	213,891	(25,211)	-	6,829,160
Infrastructure and Improvements	15,829,212	1,058,825	(205,098)	-	16,682,939
Right-to-Use Lease Equipment	7,237	3,618	-	-	10,855
Right-to-Use Software Subscriptions	-	31,535	-	-	31,535
Equipment	5,582,367	720,081	(467,472)	-	5,834,976
Software	444,365	4,122	(8,052)	-	440,435
Total Accumulated Depreciation and Amortization	<u>28,503,661</u>	<u>2,032,072</u>	<u>(705,833)</u>	<u>-</u>	<u>29,829,900</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 14,296,876</u>	<u>\$ 104,082</u>	<u>\$ (115,934)</u>	<u>\$ -</u>	<u>\$ 14,285,024</u>

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 5 - CAPITAL ASSETS (Continued)

	Beginning				Ending
	Balance	Additions	Deletions	Transfers	Balance
	10/1/2023				9/30/2024
Business-Type Activities:					
Non-depreciated Assets:					
Land	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Construction in Progress	4,368,672	779,342	(130,025)	(4,103,841)	914,148
Depreciated and Amortized Assets:					
Buildings	1,556,390	-	-	-	1,556,390
Infrastructure and Improvements	31,629,482	122,095	(366,928)	4,103,841	35,488,490
Equipment	4,656,586	685,302	(138,969)	-	5,202,919
Software	69,953	-	-	-	69,953
Total at Historical Cost	42,301,083	1,586,739	(635,922)	-	43,251,900
Less Accumulated Depreciation and Amortization for:					
Buildings	945,538	49,107	-	-	994,645
Infrastructure and Improvements	18,580,550	1,239,140	(252,672)	-	19,567,018
Equipment	3,665,555	414,032	(97,124)	-	3,982,463
Software	69,953	-	-	-	69,953
Total Accumulated Depreciation and Amortization	23,261,596	1,702,279	(349,796)	-	24,614,079
Business-Type Activities Capital Assets, Net	\$ 19,039,487	\$ (115,540)	\$ (286,126)	\$ -	\$ 18,637,821

Depreciation and amortization were charged to governmental activities, as follows:

General Government	\$ 112,932
Public Safety	398,862
Leisure Services	541,632
Community Development/ Redevelopment	343,489
Public Works	635,157
	<u>\$ 2,032,072</u>

Depreciation and amortization were charged to business-type activities: \$248,759 to sanitation, \$1,128,522 to water and sewer, and \$324,998 to marina operations.

Governmental activities assets including building improvements and equipment were lost and subsequently retired as a result of Hurricane Helene. In total, \$24,148 of book value consisting of \$37,174 original asset cost and \$13,026 accumulated depreciation, was removed from governmental activities.

Marina assets including building improvements and equipment were lost and subsequently retired as a result of Hurricane Helene. In total, \$156,102 of book value consisting of \$394,354 original asset cost and \$238,252 accumulated depreciation, was removed from business-type activities.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 6 - RISK MANAGEMENT

The City is subject to losses in the normal course of operations resulting from general liability, property and casualty; workers' compensation; employee health and accident; environmental, and antitrust matters. The City has purchased commercial insurance to protect against employee health losses. The City participates in the Public Risk Management of Florida for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; and general liability, including malpractice, and errors and omissions. The City does not self-insure against any risks. To the extent that the City has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter.

There has been no significant reduction in insurance coverage from the prior year. In addition, there have been no settlements which exceeded the City's insurance coverage for each of the past three fiscal years. The Public Risk Management of Florida is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool requires additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums during the last three years, nor is the City aware of any contingent assessments.

NOTE 7 - LONG TERM LIABILITIES

The City's long-term liabilities consist of lease liability, financed purchases, notes from direct borrowing, accrued compensated absences, other postemployment benefits liability, and net pension liability. The change in long term liabilities is as follows:

	Balance 10/1/2023	Additions	Deletions	Balance 9/30/2024	Due in One Year
Governmental Activities:					
Compensated Absences	\$ 1,161,569	\$ 593,481	\$ (514,752)	\$ 1,240,298	\$ 409,546
SBITA Liability	-	120,125	(32,347)	87,778	33,765
Lease Liability	12,010	-	(3,463)	8,547	3,780
Net Pension Liability	8,845,257	-	(3,355,003)	5,490,254	-
Total OPEB Liability	<u>772,555</u>	<u>89,982</u>	<u>(21,375)</u>	<u>841,162</u>	<u>25,848</u>
	<u>\$ 10,791,391</u>	<u>\$ 803,588</u>	<u>\$ (3,926,940)</u>	<u>\$ 7,668,039</u>	<u>\$ 472,939</u>
Business-Type Activities:					
Compensated Absences	\$ 179,426	\$ 140,219	\$ (101,227)	\$ 218,418	\$ 81,529
Financed Purchase	78,813	-	(78,813)	-	-
Notes from Direct Borrowing	7,484,334	-	(351,190)	7,133,144	413,961
Net Pension Liability	990,353	-	(826,509)	163,844	-
Total OPEB Liability	<u>161,111</u>	<u>18,827</u>	<u>(4,473)</u>	<u>175,465</u>	<u>-</u>
	<u>\$ 8,894,037</u>	<u>\$ 159,046</u>	<u>\$ (1,362,212)</u>	<u>\$ 7,690,871</u>	<u>\$ 495,490</u>

Governmental activities compensated absences, total OPEB liability, and net pension liability will be liquidated in future periods primarily by the General Fund.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 7 - LONG TERM LIABILITIES (*Continued*)

Notes from Direct Borrowing - State Revolving Loan

The City has entered into four agreements with the Florida Department of Environmental Protection (FDEP); The Sanitary Sewer Evaluation Study (SSES); the SSES Phase I Construction; and the Lift Station 2 Force Main Extension and Lift Station Improvement agreement. The agreements are funded through the Clean Water State Revolving Fund (SRF) Loan Program protected under the Federal Clean Water Act. The original principal amount of the loans are as follows:

- SSES Phase I Planning, \$1,665,977; interest rate of 2.12%
- SSES Phase II Planning, \$599,162; interest rate of 1.05%
- SSES Phase I Construction, \$2,997,327; interest rate of 0.05%
- Lift Station 2 Force Main Extension and Lift Station Improvement, \$3,041,695, interest rate of 0.00%

SSES Phase I Planning and SSES Phase II Planning began repayment in FY20, SSES Phase I Construction began repayment in FY21, the Lift Station 2 Force Main Extension and Lift Station Improvement began repayment in FY23.

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the loan. The loan is payable solely from water and sewer customer net revenues and is payable through 2042. Rate coverage for the loan requires that the pledged revenues equal or exceed 1.15 times the sum of the semiannual loan payments due in the fiscal year. The total semi-annual principal and interest paid for the current year were \$386,430. Total pledged revenues of \$9,006,540 less operating expenses of \$8,245,531 amount to net pledged revenues of \$761,009. The total principal and interest to be paid on the loan is \$7,407,493.

Future debt service payments on the SRF Loan are as follows:

FY Ending	Principal	Interest
2025	\$ 413,961	\$ 33,303
2026	415,933	31,332
2027	417,944	29,321
2028	419,992	27,272
2029	422,079	25,185
2030-2034	2,143,126	93,197
2035-2039	2,201,625	34,696
2040-2043	698,484	47
	\$ 7,133,144	\$ 274,353

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 7 - LONG TERM LIABILITIES (*Continued*)

Notes from Direct Borrowing - State Revolving Loan (continued)

Under all four agreements with the State Revolving Fund, upon occurrence of an event of default, the FDEP may provide notice to the Florida Auditor General and Chief Financial Officer regarding delinquency of debt service payments, and intercept delinquent amounts from unobligated revenue or tax-sharing funds due to the City. The FDEP may impose a penalty of 18% annually on the amount due. Additionally, the FDEP may accelerate the repayment schedule or increase the financing rate up to 1.667 times the current rate.

Financed Purchases

The City entered into a master equipment financed purchase agreement with Regions Bank to acquire sanitation equipment. The equipment's net cost under this agreement is \$74,416. The interest rate for the Regions Bank agreement was 2.60%. The lease was paid off in FY24.

Lease Liability

The City is the lessee of a Pitney Bowes Sendpro-P postage machine. The fixed quarterly payments are \$1,103 through September 2026 at an interest rate of 2.2%. The City's lease liability at September 30, 2024 is \$8,547. Future debt service payments at September 30 are as follows.

FY Ending	Principal	Interest
2025	\$ 3,780	\$ 632
2026	4,767	249
	\$ 8,547	\$ 881

SBITA Liability

The City is the user of Andrews timekeeping and Granicus data subscription software. The fixed annual payments are \$18,300 through July 2027 at an interest rate of 2.74% for Andrews and annual payments from \$16,400 to \$18,776 through October 2025 at an interest rate of 3.63% for Granicus. The City's SBITA liability at September 30, 2024 is \$87,778. Future debt service payments at September 30 are as follows.

FY Ending	Principal	Interest
2025	\$ 33,765	\$ 2,083
2026	36,124	951
2027	17,889	412
	\$ 87,778	\$ 3,446

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS

Pension Plan Financial Statements

CITY OF GULFPORT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2024

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total
ASSETS				
Cash and Cash Equivalents:				
Short Term Investments	\$ 150,835	\$ 304,738	\$ 83,554	\$ 539,127
Total Cash and Cash Equivalents	<u>150,835</u>	<u>304,738</u>	<u>83,554</u>	<u>539,127</u>
Receivables:				
City Contributions in Transit	157,057	114,222	79,286	350,565
Additional City Contribution	6,100	8,415	13,882	28,397
Investment Income	-	30,817	-	30,817
Due From Government	-	-	41,438	41,438
Total Receivable	<u>163,157</u>	<u>153,454</u>	<u>134,606</u>	<u>451,217</u>
Investments, at Fair Value:				
U.S. Government Obligations	-	652,949	-	652,949
Asset-backed Securities	-	1,704,186	-	1,704,186
Stocks	-	-	-	-
Corporate Bonds	-	1,959,642	-	1,959,642
Mutual Funds:				
Equity	12,266,139	9,622,267	5,032,461	26,920,867
Real Estate	746,535	961,329	432,549	2,140,413
Fixed Income	8,543,412	-	2,459,736	11,003,148
Total Investments	<u>21,556,086</u>	<u>14,900,373</u>	<u>7,924,746</u>	<u>44,381,205</u>
Total Assets	<u>21,870,078</u>	<u>15,358,565</u>	<u>8,142,906</u>	<u>45,371,549</u>
LIABILITIES				
Accounts Payable	6,531	36,449	4,569	47,549
Total Liabilities	<u>6,531</u>	<u>36,449</u>	<u>4,569</u>	<u>47,549</u>
Net Position Restricted for Pension Benefits	<u>\$ 21,863,547</u>	<u>\$ 15,322,116</u>	<u>\$ 8,138,337</u>	<u>\$ 45,324,000</u>

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (Continued)

Pension Plan Financial Statements (Continued)

CITY OF GULFPORT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Year Ended September 30, 2024

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total
ADDITIONS				
Contributions				
City	\$ 570,733	\$ 421,505	\$ 307,344	\$ 1,299,582
Member	145,376	218,710	77,103	441,189
State	-	151,185	182,804	333,989
Total Contributions	<u>716,109</u>	<u>791,400</u>	<u>567,251</u>	<u>2,074,760</u>
Investment Income (Loss)				
Net Increase (Decrease) in Fair Value of Investments	3,170,458	2,418,155	1,263,845	6,852,458
Interest & Dividends	928,546	370,550	216,642	1,515,738
Less: Investment Expense ¹	(36,380)	(54,557)	(34,296)	(125,233)
Net Investment Income (Loss)	<u>4,062,624</u>	<u>2,734,148</u>	<u>1,446,191</u>	<u>8,242,963</u>
Total Additions	<u>4,778,733</u>	<u>3,525,548</u>	<u>2,013,442</u>	<u>10,317,723</u>
DEDUCTIONS				
Distributions to Members:				
Benefit Payments	945,740	611,559	211,936	1,769,235
Lump Sum Distributions	-	49,870	14,608	64,478
Refunds of Member Contributions	12,544	2,576	9,556	24,676
Total Distributions	<u>958,284</u>	<u>664,005</u>	<u>236,100</u>	<u>1,858,389</u>
Administrative Expense	83,343	61,036	57,360	201,739
Total Deductions	<u>1,041,627</u>	<u>725,041</u>	<u>293,460</u>	<u>2,060,128</u>
Change in Net Position	3,737,106	2,800,507	1,719,982	8,257,595
Net Position - Beginning of Year	<u>18,126,441</u>	<u>12,521,609</u>	<u>6,418,355</u>	<u>37,066,405</u>
Net Position - End of Year	<u>\$ 21,863,547</u>	<u>\$ 15,322,116</u>	<u>\$ 8,138,337</u>	<u>\$ 45,324,000</u>

¹ Investment related expenses include investment advisory, custodial and performance monitoring fees.

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (*Continued*)

Summary of Significant Accounting Policies

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

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Plan Description

Plan Administration. The City contributes to three single-employer defined benefit pension plans covering all full-time City employees, which are maintained as Pension Trust Funds and reported as fiduciary funds of the City. The Council has the authority to establish and amend plan benefits. The pension plans do not issue stand-alone financial reports; however, more information on each individual plan can be found in this section. The pension plans are administered by an independent Board of Trustees and accounted for as separate funds. The accounting information with respect to these funds has been provided to the City by the insurance company and the banks, which maintain custody over their assets.

General Employees' Pension Plan (GEPP) covers all permanent, full-time City employees, except those employees covered by the Police or Fire Pension Plans, the City Manager, the Department Directors, and the City Clerk. The plan is administered by a Board of Trustees comprised of four members of the plan, two Council appointees, and the administrative services director.

Police Officers' Pension Plan (PPP) covers all non-civilian police department employees. The plan is administered by a Board of Trustees comprised of two Council appointees, two members of the department elected by membership, and the fifth member elected by the other four and appointed by Council.

Firefighters' Pension Plan (FPP) covers all firefighters. The plan is administered by a Board of Trustees comprised of two Council appointees, two members of the department elected by membership, and the fifth member elected by the other four and appointed by Council.

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (Continued)

Plan Description (Continued)

Plan Membership as of October 1, 2023

	GEPP	PPP	FPP
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	85	21	24
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	111	17	10
Active Plan Members	88	31	19
	284	69	53

Benefits Provided

General Employees' Pension Plan (GEPP):

The GEPP provides retirement, termination and death benefits.

Normal Retirement:

Date: The attainment of age 62 with 5 years of Credited Service.

Benefit: 2.3% of Average Compensation times Credited Service.

Early Retirement:

Date: Attainment of age 55 with 5 years of Credited Service.

Benefit: Accrued Benefit on Early Retirement Date, actuarially reduced for each year that Early Retirement precedes Normal Retirement.

Termination of Employment:

Vesting Schedule:	<u>Years of Service</u>	<u>Vested %</u>
	Less than 5	0%
	5 or more	100%

Benefit: Vested Accrued benefit payable at 62 (unreduced) or Early Retirement Date (reduced).

Pre-Retirement Death Benefit:

Eligibility: 5 Years of Credited Service.

Benefit: Accrued benefit payable for 10 years beginning at the member's otherwise Early Retirement Date (reduced) or Normal Retirement Date (unreduced).

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (*Continued*)

Plan Description (*Continued*)

Benefits Provided (Continued)

Firefighters' Pension Plan (FPP):

The FPP provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Earlier of: 1) Age 55 and completion of 10 years of Credited Service
2) Age 52 and the completion of 25 years of Credited Service or
3) the completion of 30 years of Credited Service, regardless of age.

Benefit: 3.37% of Average Final Compensation Times Years of Credited Service.

Early Retirement:

Eligibility: Age 50 and the completion of 10 years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year

Vesting:

Schedule: 100% after 10 years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability:

Eligibility: Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 10 years of Credited Service.

Benefit Service Incurred: Greater of: \$250 per month, accrued benefit, or 50% of average final compensation.

Benefit Non-service Incurred: Accrued Benefit.

Pre-Retirement Death Benefits:

Prior to vesting: Refund of Accumulated Member Contributions

Vested: Accrued Benefit payable for 10 years at the otherwise Early (reduced) or Normal Retirement Date.

Post Retirement Death Benefits:

Benefits payable to beneficiary in accordance with option selected at retirement.

Cost-Of-Living Adjustments:

Members who retire or terminate employment after April 21, 2009 receive 2.0% increases each year from Age 55 to Age 65.

Annual Supplemental Payment:

Each March 1, each current retiree receives a benefit increase in the amount of 3.0% of the State contribution received in the prior year, subject to a maximum increase for all retirees equal to 10.0% of the State contribution.

Chapter 175 Share Accounts:

Chapter 2015-39 allows City to use 90% of the State monies to offset funding requirements or reduce the Unfunded Actuarial Accrued Liability (UAAL), and 10% of State monies are allocated to current retirees.

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (Continued)

Plan Description (Continued)

Benefits Provided (Continued)

Police Officers' Pension Plan (PPP):

The PPP provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of: 1) Age 55 and 10 years of Credited Service, or
 2) 25 years of Credited Service.

Benefit: 3.0% of Average Final Compensation Times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year for each year that Early Retirement precedes Normal Retirement.

Vesting:

Schedule: 100% after 10 years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date (unreduced) or Early Retirement Date (reduced).

Disability:

Eligibility: Service Incurred: Covered from Date of Employment. Non-Service Incurred: 10 years of Credited Service.

Benefit: Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested: Refund of accumulated contributions without interest.

Chapter 185 Share Accounts:

Chapter 2015-39 allows City to use 90% of the State monies to offset funding requirements or reduce the Unfunded Actuarial Accrued Liability (UAAL), and 10% of State monies are allocated to current retirees.

Contributions. Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes. The Council has the authority to establish and amend contribution amounts. The City contributed \$570,733 to the GEPP, \$572,690 to the PPP, and \$471,868 to the FPP, including state contributions for the PPP and FPP. For the year ended September 30, 2024 the active member contribution rate and the City's contribution rate was as follows:

	GEPP	PPP	FPP
Active member contribution rate	2.70%	8.50%	5.00%
City's contribution rate	5.70%	10.70%	11.80%

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (Continued)

Investments

Investment Policy. The following was the Board's adopted asset allocation policy as of September 30, 2024:

	<u>Target Allocation</u>		
	GEPP	PPP	FPP
Domestic Equity	40%	45%	45%
International Equity	10%	15%	15%
Domestic Fixed Income	30%	30%	25%
Global Fixed Income	5%	--	5%
Global Tactical Asset Allocation	5%	--	--
Real Estate	5%	10%	10%
REITS	5%	--	--
	100%	100%	100%

Concentrations. The Plans did not hold investments in any one organization that represent 5 percent or more of the Plan's fiduciary net positions.

Rate of Return. For the year ended September 30, 2024 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

Money-Weighted Rate of Return		
GEPP	PPP	FPP
22.71%	21.97%	22.59%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability and Actuarial Assumptions

The City's aggregate net pension liability is \$5,654,098. The components of the City's net pension liability of the Plans as of September 30, 2024 were as follows:

	GEPP	PPP	FPP
Total Pension Liability	\$ 22,343,741	\$ 18,684,717	\$ 9,949,640
Plan Fiduciary Net Position	21,863,547	15,322,116	8,138,337
City's Net Pension Liability	\$ 480,194	\$ 3,362,601	\$ 1,811,303

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.85%	82.00%	81.80%
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CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (Continued)

Net Pension Liability and Actuarial Assumptions (Continued)

Actuarial Assumptions. The total pension liability was determined by actuarial valuations as of October 1, 2023 updated to September 30, 2024 using the following actuarial assumptions applied to all measurement periods.

	GEPP	PPP	FPP
Inflation	2.50%	2.50%	2.50%
Salary Increases	Service based	Service based	Service based
Discount Rate	6.80%	7.15%	7.10%
Investment Rate of Return	6.80%	7.15%	7.10%

Mortality rates were factored using the following:

GEPP – Healthy Active Lives PubG.H-2010 for Employees: Males – (below median) set back one year; Females – no adjustment. Healthy Retiree Lives PubG.H-2010 for Healthy Retirees: Males – (below median) set back one year; Females – no adjustment. Beneficiary Lives PubG.H-2010 for Healthy Retirees: Males – set back one year; Females – (below median). Disabled Lives PubG.H-2010 for Disabled Retirees: Males and Females – set forward three years. All rates are projected generationally with mortality improvement scale MP-2018. The significant assumptions 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, 2021 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

PPP - Healthy Active Lives PubS.H-2010 for Employees: Males and Females – set forward one year. Healthy Retiree Lives PubS.H-2010 for Healthy Retirees: Males – (below median) set forward one year; Females – set forward one year. Beneficiary Lives PubG.H-2010 for Healthy Retirees: Males – (below median) set back one year; Females – (below median). Disabled Lives 80% PubG.H-2010 for Disabled Retirees and 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with mortality improvement scale MP-2018. The significant assumptions 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, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (Continued)

Net Pension Liability and Actuarial Assumptions (Continued)

FPP - Healthy Active Lives PubS.H-2010 for Employees: Males and Females – set forward one year, Males – (below median). Healthy Retiree Lives PubS.H-2010 for Healthy Retirees: Males and Females – (below median) set forward one year. Beneficiary Lives PubG.H-2010 for Healthy Retirees: Males – (below median) set back one year; Females – (below median). Disabled Lives 80% PubG.H-2010 for Disabled Retirees and 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with mortality improvement scale MP-2018. The significant assumptions 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, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Long Term Expected Rate of Return

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

Best estimates of arithmetic real rates of return for each major asset class included in each Plan's target asset allocation as of September 30, 2024 are summarized in the following table:

	Long Term Expected <u>Real Rate of Return</u>		
	GEPP	PPP	FPP
Domestic Equity	7.5%	7.5%	7.5%
International Equity	8.5%	8.5%	8.5%
Domestic Fixed Income	2.5%	2.5%	2.5%
Global Fixed Income	3.5%	--	3.5%
Global Tactical Asset Allocation	3.5%	--	--
Real Estate	4.5%	4.5%	4.5%
REITS	2.5%	--	--

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (Continued)

Net Pension Liability (Asset) and Actuarial Assumptions (Continued)

Discount Rate Sensitivity Analysis

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. The following tables present the sensitivity of the net pension liability (asset) to changes in the discount rate.

	1% Decrease 5.80%	<u>GEPP</u> Discount Rate 6.80%	1% Increase 7.80%
Net Pension Liability	\$ 3,148,704	\$ 480,194	\$ (1,752,610)
	1% Decrease 6.15%	<u>PPP</u> Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	\$ 5,636,981	\$ 3,362,601	\$ 1,470,001
	1% Decrease 6.10%	<u>FPP</u> Discount Rate 7.10%	1% Increase 8.10%
Net Pension Liability	\$ 3,185,223	\$ 1,811,303	\$ 677,449

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (Continued)

Net Pension Liability (Asset), Deferred Outflows/Deferred Inflows of Resources, and Pension Expense for the City's Defined Benefit Plans

The following table presents the change in net pension liability (asset) of the City's Plans as of the measurement date of September 30, 2024.

	GEPP	PPP	FPP	Total
Total Pension Liability				
Service Cost	\$ 436,788	\$ 359,703	\$ 279,211	\$ 1,075,702
Interest	1,420,860	1,214,947	650,449	3,286,256
Change in Excess State Monies	-	-	18,280	18,280
Share Plan Allocation	-	-	-	-
Change in Benefit Terms	-	302,599	32,196	334,795
Difference Between Actual and Expected Experience	507,028	506,907	205,506	1,219,441
Change of Assumptions	-	-	-	-
Benefit Payments	(958,284)	(664,005)	(236,100)	(1,858,389)
Net Change in Total Pension Liability	1,406,392	1,720,151	949,542	4,076,085
Total Pension Liability - Beginning	20,937,349	16,964,566	9,000,098	46,902,013
Total Pension Liability - Ending (a)	<u>\$ 22,343,741</u>	<u>\$ 18,684,717</u>	<u>\$ 9,949,640</u>	<u>\$ 50,978,098</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 570,733	\$ 421,505	\$ 307,344	\$ 1,299,582
Contributions - State	-	151,185	182,804	333,989
Contributions - Member	145,376	218,710	77,103	441,189
Contributions - Buyback	-	-	-	-
Net Investment Income	4,062,625	2,734,148	1,446,192	8,242,965
Benefit Payments, including Refunds of Contributions	(958,284)	(664,005)	(236,100)	(1,858,389)
Administrative Expense	(83,343)	(61,036)	(57,360)	(201,739)
Net Change in Plan Fiduciary Net Position	3,737,107	2,800,507	1,719,983	8,257,597
Plan Fiduciary Net Position - Beginning	18,126,440	12,521,609	6,418,354	37,066,403
Plan Fiduciary Net Position - Ending (b)	<u>\$ 21,863,547</u>	<u>\$ 15,322,116</u>	<u>\$ 8,138,337</u>	<u>\$ 45,324,000</u>
Net Pension Liability (a) - (b)	<u>\$ 480,194</u>	<u>\$ 3,362,601</u>	<u>\$ 1,811,303</u>	<u>\$ 5,654,098</u>

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (Continued)

For the year ended September 30, 2024, the City recognized pension expense of \$2,819,870, (\$1,283,866 related to the PPP, \$655,902 related to the FPP and \$880,102 related to the GEPP).

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	GEPP	
	Deferred Outflows	(Deferred Inflows)
Difference between expected and actual experience	\$ 490,039	\$ -
Difference for change in assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	(1,460,013)
	PPP	
	Deferred Outflows (Deferred Inflows)	
Difference between expected and actual experience	510,295	-
Difference for change in assumptions	-	(24,740)
Net difference between projected and actual earnings on plan investments	-	(462,324)
	FPP	
	Deferred Outflows (Deferred Inflows)	
Difference between expected and actual experience	137,004	(54,236)
Difference for change in assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	(298,062)
Total All Plans	\$ 1,137,338	\$ (2,299,375)

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 8 - PENSION PLANS (Continued)

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

Year Ending September 30	GEPP	PPP	FPP	Net Amount
2025	\$ (7,803)	\$ 342,449	\$ 21,626	\$ 356,272
2026	363,050	463,366	199,688	1,026,104
2027	(756,999)	(415,288)	(240,454)	(1,412,741)
2028	(568,222)	(367,296)	(196,154)	(1,131,672)
	<u>\$ (969,974)</u>	<u>\$ 23,231</u>	<u>\$ (215,294)</u>	<u>\$ (1,162,037)</u>

Payable to the Pension Plans

On September 30, 2024, the City reported a payable of \$11,271 for the outstanding amount of contributions to the fire pension plan and \$440 to the general employee pension plan.

NOTE 9 - DEFINED CONTRIBUTION PLAN

The City contributes to the 401(a) Money Purchase Defined Contribution Plan (DC Plan) for participating eligible employees which include the City Manager, Department Directors, Fire Chief, Police Chief, and City Clerk hired after October 1, 1999. The DC Plan is administered by Mission Square Retirement. Benefit terms, including contribution requirements, for the DC Plan are established and may be amended by the Council. For each participating employee in the DC Plan, the City must contribute 12% of annual compensation, and 20% for the City Manager. The DC Plan does not require contributions from members. For the year ended September 30, 2024, the City recognized pension expense of \$65,706. Employer contributions and earnings on those contributions are immediately 100% vested; therefore, there are no forfeitures.

NOTE 10 – OTHER POST RETIREMENT PLANS

The City offers its employees two deferred compensation plans created in accordance with Section 457, Internal Revenue Code. The plans, which are available to all City employees through Mission Square Retirement and Nationwide Retirement Plans, permit the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

CITY OF GULFPORT, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 10 – OTHER POST RETIREMENT PLANS (*Continued*)

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the participating employees. It is the opinion of the government’s legal counsel that the government has no liability for losses under the plans, but does have the duty of due care that would be required of any ordinary prudent investor.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description, Benefit Terms and Contribution Requirements

The Other Postemployment Benefit Plan (“OPEB Plan”) is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees generally have higher costs, it means that the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees. This is known as the “implicit rate subsidy”.

Retirees and their dependents are permitted to remain covered under the City’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers per Ch. 112.08, F.S. Benefits that exceed this minimum are established and may be amended through action of the Council. The OPEB Plan does not issue a stand-alone report.

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Plan participants must reimburse the City for the City’s average blended cost. Contributions requirements of the City are established and may be amended through action of the Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

At September 30, 2024, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently	
Receiving Benefits	3
Active Employees	140
	143

Total OPEB Liability and Changes in Total OPEB Liability

The measurement date for the City’s total OPEB liability was September 30, 2024. The measurement period for OPEB cost was October 1, 2023 to September 30, 2024. The components of the City’s net OPEB liability are as follows:

Total OPEB Liability	\$	1,016,627
OPEB Plan Fiduciary Net Position		-
City's Net OPEB Liability	\$	1,016,627
OPEB Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		0.0%

The components of the changes in the total OPEB liability are as follows:

	Fiscal Year	
<u>Total OPEB Liability</u>	<u>2024</u>	
Service Cost	\$	37,858
Interest		39,543
Difference between Expected and Actual Experience		31,408
Benefit Payments		(25,848)
Net Change in Total OPEB Liability		82,961
Total OPEB Liability, Beginning		933,666
Total OPEB Liability, Ending	\$	1,016,627

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and OPEB Liability Sensitivity to Healthcare Trend Rate

The total OPEB liability reported at September 30, 2024 was based on an actuarial valuation dated October 1, 2023 rolled forward to September 30, 2024, using the following actuarial assumptions:

Inflation	3.0% per annum
Discount Rate	3.81%
Salary Increases	2.5% per annum
Mortality Rates	RP-2014 mortality table with MP-2019 projection
Healthcare Trend Rate	Trend starting at 5.2% with .1% decrease per year to final rate of 3.9%

Sensitivity of OPEB liability to healthcare cost trend rate

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 893,831	\$ 1,016,627	\$ 1,168,336

Discount Rate and OPEB Liability Sensitivity to Discount Rate

The discount rate used to measure the total OPEB liability reported as of September 30, 2024 was 3.81%. Because the City's OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total OPEB liability for the OPEB Plan. The S&P Municipal Bond 20-Year High-Grade Rate Index was used for this purpose.

Sensitivity of OPEB liability to discount rate

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 1,165,127	\$ 1,016,627	\$ 896,759

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$75,941. At September 30, 2024, the City had deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 211,729	\$ 140,283
Change of Assumptions and Other Inputs	2,748	-
	\$ 214,477	\$ 140,283

Deferred inflows of resources and deferred outflows of resources shown above will be recognized in OPEB expense in the following years.

Fiscal Year Ending	Net Outflows
2025	\$ (1,460)
2026	(1,460)
2027	(1,460)
2028	(1,460)
2029	(1,460)
Thereafter	81,494
	\$ 74,194

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Contractual Services

The City has a Water Purchase and Sewer Treatment Agreement with the City of St. Petersburg to acquire water and have its sewage treated at prevailing wholesale rates. During the current year, the City paid the City of St. Petersburg \$4,937,973 for these services.

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits cannot presently be determined, 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.

CITY OF GULFPORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

Encumbrances

At September 30, 2024, the City has outstanding encumbrances in several funds reported within appropriate fund as follows:

	Amount	Classification
<u>Major Funds:</u>		
General Fund	\$ 1,408,158	Assigned fund balance
Capital Projects Fund	129,793	Restricted fund balance
Water and Sewer	329,173	Unrestricted net position
Marina	43,320	Unrestricted net position
<u>Nonmajor Funds:</u>		
Senior Center Fund	3,964	Restricted fund balance
Waterfront Redevelopment District	116,980	Restricted fund balance
	\$ 2,031,388	

Outstanding Commitments

At September 30, 2024, the City has significant architectural and engineering commitments totaling \$1,313,017 for the senior center improvement project.

Grants

The City receives financial assistance from federal, state, and local agencies in the form of operating and capital grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Disallowed claims, if any, resulting from such audits, may become liabilities of the City. However, in the opinion of management, disallowed claims, if any, will not have a material effect on the City’s financial statements.

In September 2023 and October 2024, Hurricanes Helene and Milton made landfall in the State of Florida and parts of the City experienced heavy wind, rain and flooding damage. The City is currently working with the Federal Emergency Management Agency (FEMA) and Florida Department of Emergency Management (FDEM) on reimbursements for hurricane preparedness and recovery efforts which may take several years to complete. The total cumulative cost of these efforts and reimbursement is still being compiled.

Required Supplementary Information

This financial statement section provides the following schedules:

Budgetary comparison schedule for *Major Fund*

- General Fund

Schedules for Employee Retirement Plans

- Schedules of Net Pension Liability and Related Ratios
 - Municipal Police Officers' Trust Fund
 - Firefighters' Retirement Pension Fund
 - General Employees' Pension Plan
- Schedules of Contributions
 - Municipal Police Officers' Trust Fund
 - Firefighters' Retirement Pension Fund
 - General Employees' Pension Plan
- Schedule of Investment Returns

Schedules for Employee Other Postemployment Benefits Plan

- Schedule of Changes in the City's Total OPEB Liability and Related Ratios

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CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 9,372,098	\$ 9,372,098	\$ 9,025,041	\$ (347,057)
Permits and Fees	875,137	875,137	825,717	(49,420)
Intergovernmental Revenues	2,965,984	2,965,984	3,309,768	343,784
Charges for Services	3,462,737	3,462,737	3,484,569	21,832
Fines and Forfeitures	64,075	64,075	41,477	(22,598)
Investment Income	367,269	367,269	507,375	140,106
Miscellaneous Revenues	429,958	429,958	468,770	38,812
Total Revenues	<u>17,537,258</u>	<u>17,537,258</u>	<u>17,662,717</u>	<u>125,459</u>
EXPENDITURES				
General Government				
Legislative	488,584	488,584	480,849	7,735
Legal	120,000	120,000	100,690	19,310
Executive	512,528	512,528	417,316	95,212
Financial	633,486	651,986	614,453	37,533
Human Resources	334,316	347,316	359,311	(11,995)
Information Technology	436,653	397,326	376,197	21,129
Total	<u>2,525,567</u>	<u>2,517,740</u>	<u>2,348,816</u>	<u>168,924</u>
Public Safety				
Fire	2,753,665	2,722,839	2,687,330	35,509
Police	5,113,570	5,149,224	5,043,697	105,527
Total	<u>7,867,235</u>	<u>7,872,063</u>	<u>7,731,027</u>	<u>141,036</u>
Recreation				
Library	989,416	1,000,462	994,350	6,112
Historical Museum	197,702	197,702	168,698	29,004
Office of Director	97,709	97,709	96,264	1,445
Elderly Mobility Service	184,391	196,290	194,111	2,179
Recreation Center	937,417	935,221	728,772	206,449
Casino	534,329	553,917	560,973	(7,056)
Theater	295,362	295,362	265,539	29,823
Parks	1,070,457	1,111,613	1,190,628	(79,015)
Senior Center	379,605	379,605	355,954	23,651
Total	<u>4,686,388</u>	<u>4,767,881</u>	<u>4,555,289</u>	<u>212,592</u>
Community Development				
Planning & Development	404,679	404,679	327,523	77,156
Building Inspections	1,001,189	1,003,511	890,525	112,986
Total	<u>1,405,868</u>	<u>1,408,190</u>	<u>1,218,048</u>	<u>190,142</u>

Continued

CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE - Continued
GENERAL FUND
For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued)				
Public Works				
Building Maintenance	\$ 360,061	\$ 392,327	\$ 388,490	\$ 3,837
Central Garage	961,117	876,479	704,686	171,793
Office of Director	206,087	206,087	200,413	5,674
Streets	799,177	836,834	841,944	(5,110)
Other Public Works	-	-	256,201	(256,201)
Total	<u>2,326,442</u>	<u>2,311,727</u>	<u>2,391,734</u>	<u>(80,007)</u>
Debt Service				
Principal	3,000	3,000	35,810	(32,810)
Interest	1,500	1,500	3,302	(1,802)
Total	<u>4,500</u>	<u>4,500</u>	<u>39,112</u>	<u>(34,612)</u>
Total Expenditures	<u>18,816,000</u>	<u>18,882,101</u>	<u>18,284,026</u>	<u>598,075</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,278,742)</u>	<u>(1,344,843)</u>	<u>(621,309)</u>	<u>723,534</u>
OTHER FINANCING SOURCES AND (USES)				
SBITAs	-	-	120,125	120,125
Transfers In	978,742	978,742	978,742	-
Transfers (Out)	(184,000)	(184,000)	(184,000)	-
Total Other Financing Sources and (Uses)	<u>794,742</u>	<u>794,742</u>	<u>914,867</u>	<u>120,125</u>
Net Change in Fund Balances	<u>(484,000)</u>	<u>(550,101)</u>	<u>293,558</u>	<u>843,659</u>
Fund Balance - Beginning	<u>484,000</u>	<u>550,101</u>	<u>9,288,604</u>	<u>8,738,503</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,582,162</u>	<u>\$ 9,582,162</u>

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Total Pension Liability					
Service Cost	\$ 359,703	\$ 285,625	\$ 414,657	\$ 388,613	\$ 391,676
Interest	1,214,947	1,071,035	1,022,510	965,942	954,620
Share Plan Allocation	-	26,224	12,947	8,915	8,862
Changes of Benefit Terms	302,599	689,423	-	-	-
Differences Between Expected and Actual Experience	506,907	476,365	54,274	55,814	(361,584)
Changes of Assumptions	-	-	(98,958)	585,420	(279,845)
Contributions - Buy Back	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(664,005)	(555,984)	(639,477)	(578,786)	(540,625)
Net Change in Total Pension Liability	1,720,151	1,992,688	765,953	1,425,918	173,104
Total Pension Liability - Beginning	16,964,566	14,971,878	14,205,925	12,780,007	12,606,903
Total Pension Liability - Ending (a)	<u>\$ 18,684,717</u>	<u>\$ 16,964,566</u>	<u>\$ 14,971,878</u>	<u>\$ 14,205,925</u>	<u>\$ 12,780,007</u>
 Plan Fiduciary Net Position					
Contributions - Employer	\$ 421,505	\$ 308,609	\$ 257,384	\$ 276,260	\$ 299,758
Contributions - State	151,185	136,733	110,180	102,117	102,009
Contributions - Employee	218,710	198,399	192,989	182,450	178,594
Contributions - Buy Back					
Net Investment Income	2,734,148	1,058,684	(2,543,590)	2,237,195	1,024,708
Benefit Payments, Including Refunds of Employee Contributions	(664,005)	(555,984)	(639,477)	(578,786)	(540,625)
Administrative Expense	(61,036)	(63,289)	(64,303)	(59,835)	(43,030)
Net Change in Plan Fiduciary Net Position	2,800,507	1,083,152	(2,686,817)	2,159,401	1,021,414
Plan Fiduciary Net Position - Beginning	12,521,609	11,438,457	14,125,274	11,965,873	10,944,459
Plan Fiduciary Net Position - Ending (b)	<u>\$ 15,322,116</u>	<u>\$ 12,521,609</u>	<u>\$ 11,438,457</u>	<u>\$ 14,125,274</u>	<u>\$ 11,965,873</u>
 Net Pension Liability - Ending (a) - (b)	<u>\$ 3,362,601</u>	<u>\$ 4,442,957</u>	<u>\$ 3,533,421</u>	<u>\$ 80,651</u>	<u>\$ 814,134</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.00%	73.81%	76.40%	99.43%	93.63%
Covered payroll	2,579,685	2,479,986	2,412,361	2,280,629	2,232,422
Net Pension Liability as a Percentage of Covered payroll	130.35%	179.15%	146.47%	3.54%	36.47%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Total Pension Liability					
Service Cost	\$ 389,379	\$ 351,591	\$ 413,848	\$ 362,330	\$ 365,388
Interest	931,787	849,234	807,364	729,221	715,821
Change in Excess State Money	-	-	-	(2,819)	2,819
Share Plan Allocation	10,804	8,757	4,450	5,930	-
Changes of Benefit Terms	129,476	-	-	-	21,042
Differences Between Expected and Actual Experience	(435,954)	280,707	123,717	46,622	(420,290)
Changes of Assumptions	-	-	132,292	322,474	-
Benefit Payments, Including Refunds of Employee Contributions	(647,121)	(498,444)	(529,340)	(490,278)	(479,625)
Net Change in Total Pension Liability	378,371	991,845	952,331	973,480	205,155
Total Pension Liability - Beginning	12,228,532	11,220,747	10,268,416	9,294,936	9,089,781
Total Pension Liability - Ending (a)	<u>\$ 12,606,903</u>	<u>\$ 12,212,592</u>	<u>\$ 11,220,747</u>	<u>\$ 10,268,416</u>	<u>\$ 9,294,936</u>
Plan Fiduciary Net Position					
Contributions - Employer	345,305	286,047	225,173	208,907	280,862
Contributions - State	105,893	101,801	93,186	93,326	90,084
Contributions - Employee	177,043	172,314	165,215	157,729	154,189
Net Investment Income	427,723	753,861	950,148	603,881	(63,986)
Benefit Payments, Including Refunds of Employee Contributions	(647,121)	(498,444)	(529,340)	(490,278)	(479,625)
Administrative Expense	(43,366)	(51,060)	(62,929)	(37,730)	(41,565)
Other					
Net Change in Plan Fiduciary Net Position	365,477	764,519	841,453	535,835	(60,041)
Plan Fiduciary Net Position - Beginning	10,578,982	9,798,523	8,957,070	8,421,235	8,481,276
Plan Fiduciary Net Position - Ending (b)	<u>\$ 10,944,459</u>	<u>\$ 10,563,042</u>	<u>\$ 9,798,523</u>	<u>\$ 8,957,070</u>	<u>\$ 8,421,235</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,662,444</u>	<u>\$ 1,649,550</u>	<u>\$ 1,422,224</u>	<u>\$ 1,311,346</u>	<u>\$ 873,701</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.81%	86.51%	87.33%	87.23%	90.60%
Covered payroll	2,213,041	2,153,923	2,065,190	1,971,612	1,927,761
Net Pension Liability as a Percentage of Covered payroll	75.12%	76.58%	68.87%	66.51%	45.32%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

NOTES TO SCHEDULE:

The amounts presented for each fiscal year were determined as of September 30.

Changes of Benefit Terms:

For measurement date 09/30/2024, the valuation reflects the following benefit changes:

1. Ordinance No. 2024-04 was adopted on May 21, 2024 and provided that effective October 1, 2023, the monthly benefit being received by all retirees, joint pensioners or beneficiaries who were receiving a benefit on October 1, 2022 shall be increased by six percent (6.0%). This was a one-time increase in benefits.

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Benefit Terms:

For measurement date 09/30/2023, the valuation reflects the following benefit changes:

1. Increase the member contribution rate by 0.5% to 8.5%.
2. Remove the age 52 requirement in order to retire with 25 years of credited service.
3. Increase the benefit accrual rate from 2.88% to 3.0%. Members who retired between January 4, 2011 and September 30, 2023 will receive the 2.88% benefit accrual rate and will not be subject to change.
4. All future State Contributions will be utilized by the City to reduce the City's funding obligation to the plan (beginning with fiscal 2024)

For measurement date 09/30/2022, the Board approved the following assumption changes based on the April 15, 2022 actuarial experience study:

1. Salary Increases – Moved to a service-based table from a flat 5.5% per year.
2. Withdrawal Rates – Updated to a service-based table from an age-based table.

For measurement date 09/30/2019, Ordinance No. 2019-06 provided for an ad hoc cost-of-living adjustment (one-time increase) as of October 1, 2018 equal to 3.0% of the current benefit. This adjustment shall apply to all members that were receiving benefits on October 1, 2017, including Retirees and Beneficiaries.

For the year ending 09/30/2015 the benefit accrual rate has been increased from 2.87% to 2.88% for each year of Credited Service.

Changes in Assumptions:

For measurement date 09/30/2021, the investment rate of return was lowered from 7.50% to 7.15% per year, net of investment related expenses.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

For measurement date 09/30/2017, amounts reported as changes of assumptions resulted from the following changes:

- The actuarial cost method was updated from The Frozen Entry Age method to The Entry Age Normal method.
- The investment rate of return assumption was decreased from 7.75% to 7.50%. Based on an experience study completed in June of 2017, the following assumptions were changed:
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were updated to incorporate the mortality change by the Florida Retirement System actuary effective with the July 1, 2016 FRS valuation.
- The assumption that Members eligible for Normal Retirement on the valuation date would continue to work one more year was eliminated.
- The salary increase assumption was decreased from 6.0% to 5.5%.
- The rates of withdrawal were increased by 50% at each age from the prior assumption.

Additionally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For the year ending 09/30/2016, as a result of Chapter 2015-157, Florida Statutes, the assumed rate of mortality was changed to the assumption used by the Florida Retirement System.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Total Pension Liability					
Service Cost	\$ 279,211	\$ 237,563	\$ 264,286	\$ 245,210	\$ 153,866
Interest	650,449	594,796	547,333	473,233	398,726
Change in Excess State Money	18,280	17,530	11,479	10,796	8,800
Share Plan Allocation	-	35,845	8,614	12,865	9,869
Changes of Benefit Terms	32,196	281,461	259,497	544,901	164,956
Differences Between Expected and Actual Experience	205,506	(162,707)	3,881	120,611	(10,260)
Changes of Assumptions	-	-	269,907	175,586	(81,804)
Benefit Payments, Including Refunds of Employee Contributions	(236,100)	(288,483)	(131,247)	(122,642)	(119,932)
Net Change in Total Pension Liability	\$ 949,542	\$ 716,005	\$ 1,233,750	\$ 1,460,560	\$ 524,221
Total Pension Liability - Beginning	9,000,098	8,284,093	7,050,343	5,589,783	5,065,562
Total Pension Liability - Ending (a)	<u>\$ 9,949,640</u>	<u>\$ 9,000,098</u>	<u>\$ 8,284,093</u>	<u>\$ 7,050,343</u>	<u>\$ 5,589,783</u>
Plan Fiduciary Net Position					
Contributions - Employer	307,344	259,439	221,305	132,717	122,823
Contributions - State	182,804	175,303	114,790	107,963	87,999
Contributions - Employee	77,103	71,685	70,536	63,829	59,306
Net Investment Income	1,446,192	627,255	(1,355,661)	1,043,412	506,717
Benefit Payments, Including Refunds of Employee Contributions	(236,100)	(288,483)	(131,247)	(122,642)	(119,932)
Administrative Expense	(57,360)	(65,496)	(54,921)	(35,194)	(40,830)
Net Change in Plan Fiduciary Net Position	1,719,983	779,703	(1,135,198)	1,190,085	616,083
Plan Fiduciary Net Position - Beginning	6,418,354	5,638,651	6,773,849	5,583,764	4,967,681
Plan Fiduciary Net Position - Ending (b)	<u>\$ 8,138,337</u>	<u>\$ 6,418,354</u>	<u>\$ 5,638,651</u>	<u>\$ 6,773,849</u>	<u>\$ 5,583,764</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,811,303</u>	<u>\$ 2,581,744</u>	<u>\$ 2,645,442</u>	<u>\$ 276,494</u>	<u>\$ 6,019</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.80%	71.31%	68.07%	96.08%	99.89%
Covered payroll	\$ 1,542,053	\$ 1,433,708	\$ 1,410,724	\$ 1,276,582	\$ 1,186,130
Net Pension Liability as a Percentage of Covered payroll	117.46%	180.07%	187.52%	21.66%	0.51%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Total Pension Liability					
Service Cost	\$ 140,184	\$ 149,429	\$ 152,339	\$ 161,384	\$ 160,502
Interest	363,586	364,329	359,763	339,327	309,885
Change in Excess State Money	8,074	8,474	8,268	9,292	9,553
Share Plan Allocation	3,656	8,882	14,290	-	-
Changes of Benefit Terms	(83,212)	37,711	(180,957)	(41,492)	(29,384)
Differences Between Expected and Actual Experience	(106,460)	(173,374)	(460,613)	(12,721)	75,658
Changes of Assumptions	-	-	66,326	75,795	-
Benefit Payments, Including Refunds of Employee Contributions	(119,171)	(117,392)	(117,165)	(122,139)	(153,677)
Net Change in Total Pension Liability	\$ 206,657	\$ 278,059	\$ (157,749)	\$ 409,446	\$ 372,537
Total Pension Liability - Beginning	4,858,905	4,580,846	4,738,595	4,329,149	3,956,612
Total Pension Liability - Ending (a)	<u>\$ 5,065,562</u>	<u>\$ 4,858,905</u>	<u>\$ 4,580,846</u>	<u>\$ 4,738,595</u>	<u>\$ 4,329,149</u>
Plan Fiduciary Net Position					
Contributions - Employer	114,388	92,253	153,107	148,544	163,946
Contributions - State	80,741	84,737	82,682	92,921	95,531
Contributions - Employee	47,025	44,590	46,373	47,185	49,392
Net Investment Income	195,599	294,169	454,330	241,498	(57,458)
Benefit Payments, Including Refunds of Employee Contributions	(119,171)	(117,392)	(117,165)	(122,139)	(153,677)
Administrative Expense	(42,016)	(40,958)	(43,038)	(29,214)	(36,745)
Net Change in Plan Fiduciary Net Position	276,566	357,399	576,289	378,795	60,989
Plan Fiduciary Net Position - Beginning	4,691,115	4,333,716	3,757,427	3,378,632	3,317,643
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,967,681</u>	<u>\$ 4,691,115</u>	<u>\$ 4,333,716</u>	<u>\$ 3,757,427</u>	<u>\$ 3,378,632</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 97,881</u>	<u>\$ 167,790</u>	<u>\$ 247,130</u>	<u>\$ 981,168</u>	<u>\$ 950,517</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.07%	96.55%	94.61%	79.29%	78.04%
Covered payroll	\$ 940,505	\$ 891,807	\$ 927,464	\$ 943,708	\$ 988,134
Net Pension Liability as a Percentage of Covered payroll	10.41%	18.81%	26.65%	103.97%	96.19%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

NOTES TO SCHEDULE:

The amounts presented for each fiscal year were determined as of September 30.

Changes of Benefit Terms:

For measurement date 09/30/2024, the valuation reflects the following benefit changes:

- Effective retroactively to October 1, 2023, the monthly benefit being received by all retirees and their joint pensioners or beneficiaries who were receiving a benefit on October 1, 2022, and who are not eligible for the automatic increase, is increased by a flat three percent (3.0%).

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Benefit Terms:

For measurement date 09/30/2023, the valuation reflects the following benefit changes:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.32% to 3.37% of Average Final Compensation per year of Credited Service. Please note that this rate will no longer fluctuate with changes in State Monies.
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 1.72% per year to 2.00%. Please note that this rate will no longer fluctuate with changes in State Monies.
3. Supersede the “default” calculation under Chapter 2015-39, Laws of Florida, and allow the City to use 90% of all State Monies received each year to offset funding requirements or reduce the Unfunded Actuarial Accrued Liability (UAAL). 10% of State Monies each year are allocated to current retirees. For the purpose of this Impact Statement, it is assumed that the City will use the 90% of State Monies to offset their annual funding requirement and not to pay down the UAAL.

For measurement date 09/30/2022, the following benefit changes have been reflected:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.25% to 3.32% of Average Final Compensation per year of Credited Service.
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 1.38% per year to 1.72%.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

PRIOR YEAR NOTES TO SCHEDULE (continued):

Additionally, Ordinance No. 2022-09 was adopted on November 1, 2022 to provide the following changes:

1. Amend the definition of Salary to add necessary language to clarify the determination period for maximum annual compensation for members who leave the service of the City with less than 12 months of service completed during a fiscal year.
2. Amend the Finance and Fund Management terms to broaden the permissible investment restrictions.
3. Amend the pre-retirement death benefit to provide the minimum 10-year benefit required by Florida Statutes.

For measurement date 09/30/2021, the following benefit changes have been reflected:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.07% to 3.25% of Average Final Compensation per year of Credited Service.
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.38% per year to 1.38%.

For measurement date 09/30/2020, the following benefit changes have been reflected:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.00% to 3.07% of Average Final Compensation per year of Credited Service, and
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.02% per year to 0.38%.

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.181, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Additionally, the following benefit changes have been reflected, as documented in the Actuarial Impact Statement dated December 23, 2019:

1. Decrease the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.04% to 3.00% of Average Final Compensation per year of Credited Service, and
2. Decrease the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.22% per year to 0.02%.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

PRIOR YEAR NOTES TO SCHEDULE (continued):

For measurement date 09/30/2018, the following benefit changes have been reflected, as documented in our Actuarial Impact Statement dated January 10, 2019:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.02% to 3.04% of Average Final Compensation for year of Credited Service, and
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.12% per year to 0.22%.

For measurement date 09/30/2017, amounts that were reported as benefit changes resulted from Ordinance 2009-04, that was adopted April 21, 2009 provided that if 90% of the State Monies received in any calendar year fell below \$108,435, then on the immediately following January 1st the benefit accrual rate and COLA rate would be reduced proportionally. In application of that ordinance, the benefit accrual rate decreased from 3.12% to 3.02% of Average Final Compensation for each year of Credited Service. Also, the automatic increases from age 55 through 65 for all future retirees of any type and their beneficiaries have decreased from 0.63% to 0.12%.

For measurement date 09/30/2016 the benefit accrual rate has been decreased from 3.14% to 3.12% of Average Final Compensation for each year of Credited Service. The COLA rate has been decreased from 0.76% to 0.63%.

For measurement date 09/30/2015 the benefit accrual rate has been decreased from 3.16% to 3.14% of Average Final Compensation for each year of Credited Service. The COLA rate has been decreased from 0.84% to 0.76%.

For the year ending 09/30/2014 the benefit accrual rate has been increased from 3.14% to 3.16% of Average Final Compensation for each year of Credited Service. The COLA rate has been increased from 0.76% to 0.84%.

Changes in Assumptions:

For measurement date 09/30/2022, the Board approved the following assumption changes based on the April 15, 2022 actuarial experience study:

1. Investment Return – Reduced from 7.30% to 7.10% per year, net of investment related expenses.
2. Salary Increases – Amended to be 7.0% in the first year of employment and 4.25% in each additional year of employment.

For measurement date 09/30/2021, the investment rate of return was lowered from 7.5% to 7.3% per year, net of investment related expenses.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

PRIOR YEAR NOTES TO SCHEDULE (continued):

Changes in Assumptions (continued):

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from an experience study dated July 20, 2017, the following assumptions and methods were changed:

- The actuarial cost method was updated from The Frozen Entry Age method to The Entry Age Normal method.
- The investment rate of return assumption was decreased from 7.75% to 7.50%.
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were updated to incorporate the mortality change by the Florida Retirement System actuary effective with the July 1, 2016 FRS valuation.
- The assumption that Members eligible for Normal Retirement on the valuation date would continue to work one more year was eliminated.
- The salary increase assumption was changed from a flat 5.5% to a service-based table.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Florida Statutes, the assumed rate of mortality was changed from the RP-2000 Combined Healthy Table to the assumption used by the Florida Retirement System. For measurement date 09/30/2014 the investment rate of return has been lowered from 8.00% to 7.75% per year, net of investment related expenses.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Total Pension Liability					
Service Cost	\$ 436,788	\$ 354,150	\$ 338,985	\$ 302,347	\$ 283,925
Interest	1,420,860	1,245,991	1,199,052	1,144,487	1,117,006
Changes of benefit terms	-	1,371,475	237,022	-	-
Differences Between Expected and Actual Experience	507,028	456,062	39,783	91,833	81,772
Changes of Assumptions	-	-	521,579	445,144	(250,952)
Benefit Payments, Including Refunds of Employee Contributions	(958,284)	(919,146)	(921,826)	(906,534)	(835,728)
Net Change in Total Pension Liability	1,406,392	2,508,532	1,414,595	1,077,277	396,023
Total Pension Liability - Beginning	20,937,349	18,428,817	1,854,194	776,917	380,894
Total Pension Liability - Ending (a)	<u>\$ 22,343,741</u>	<u>\$ 20,937,349</u>	<u>\$ 3,268,789</u>	<u>\$ 1,854,194</u>	<u>\$ 776,917</u>
 Plan Fiduciary Net Position					
Contributions - Employer	570,733	270,486	232,772	209,393	197,990
Contributions - Employee	145,376	128,124	120,862	106,672	99,048
Net Investment Income	4,062,625	2,057,284	(3,332,047)	3,855,559	1,234,357
Benefit Payments, Including Refunds of Employee Contributions	(958,284)	(919,146)	(921,826)	(906,534)	(835,728)
Administrative Expense	(83,343)	(87,788)	(74,330)	(56,215)	(54,033)
Net Change in Plan Fiduciary Net Position	3,737,107	1,448,960	(3,974,569)	3,208,875	641,634
Plan Fiduciary Net Position - Beginning	18,126,440	16,677,480	20,652,049	17,443,174	16,801,540
Plan Fiduciary Net Position - Ending (b)	<u>\$ 21,863,547</u>	<u>\$ 18,126,440</u>	<u>\$ 16,677,480</u>	<u>\$ 20,652,049</u>	<u>\$ 17,443,174</u>
 Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ 480,194</u>	<u>\$ 2,810,909</u>	<u>\$ (13,408,691)</u>	<u>\$ (18,797,855)</u>	<u>\$ (16,666,257)</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	97.85%	86.57%	90.50%	121.38%	109.45%
Covered payroll	\$ 5,384,281	\$ 4,745,361	\$ 4,476,379	\$ 3,950,807	\$ 3,668,429
Net Pension Liability (Asset) as a Percentage of Covered payroll	8.92%	59.23%	39.12%	-92.08%	-41.06%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Total Pension Liability					
Service Cost	\$ 271,856	\$ 233,428	\$ 226,567	\$ 216,372	\$ 269,179
Interest	1,089,995	1,040,024	1,005,364	963,742	949,742
Changes of benefit terms	-	-	181,204	-	-
Differences Between Expected and Actual Experience	(186,030)	147,269	(61,382)	5,622	(163,109)
Changes of Assumptions	-	-	-	(149,200)	200,531
Contributions - Buy Back	-	-	37,041	-	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(794,927)</u>	<u>(744,843)</u>	<u>(727,935)</u>	<u>(579,725)</u>	<u>(567,825)</u>
Net Change in Total Pension Liability	380,894	675,878	660,859	456,811	688,518
Total Pension Liability - Beginning	<u>-</u>	<u>14,484,150</u>	<u>13,823,291</u>	<u>13,366,480</u>	<u>12,677,962</u>
Total Pension Liability - Ending (a)	<u>\$ 380,894</u>	<u>\$ 15,160,028</u>	<u>\$ 14,484,150</u>	<u>\$ 13,823,291</u>	<u>\$ 13,366,480</u>
 Plan Fiduciary Net Position					
Contributions - Employer	184,593	164,641	154,351	245,147	554,653
Contributions - Employee	92,296	89,157	81,514	76,080	74,112
Contributions - Buy Back	-	-	37,041	-	-
Net Investment Income	619,714	1,330,123	1,909,526	1,322,566	(274,556)
Benefit Payments, Including Refunds of Employee Contributions	(794,927)	(744,843)	(727,935)	(579,725)	(567,825)
Administrative Expense	<u>(61,631)</u>	<u>(56,105)</u>	<u>(56,001)</u>	<u>(61,138)</u>	<u>(56,985)</u>
Net Change in Plan Fiduciary Net Position	40,045	782,973	1,398,496	1,002,930	(270,601)
Plan Fiduciary Net Position - Beginning	<u>16,761,495</u>	<u>15,978,522</u>	<u>14,580,026</u>	<u>13,577,096</u>	<u>13,847,697</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 16,801,540</u>	<u>\$ 16,761,495</u>	<u>\$ 15,978,522</u>	<u>\$ 14,580,026</u>	<u>\$ 13,577,096</u>
 Net Pension Liability (Asset) - Ending (a) - (b)	<u>(16,420,646)</u>	<u>(1,601,467)</u>	<u>(1,494,372)</u>	<u>(756,735)</u>	<u>(210,616)</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	108.11%	110.56%	110.32%	105.47%	101.58%
Covered payroll	\$ 3,418,372	\$ 3,302,099	\$ 3,019,032	\$ 2,837,465	\$ 2,705,700
Net Pension Liability (Asset) as a Percentage of Covered payroll	-36.88%	-48.50%	-49.50%	-26.67%	-7.78%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

NOTES TO SCHEDULE:

The amounts presented for each fiscal year were determined as of September 30.

Changes of Benefit Terms:

No benefit changes have been reflected since the prior year.

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Benefit Terms:

For measurement date 09/30/2023, the valuation reflects the following benefit changes:

1. Ordinance No. 2023-14 was adopted and effective on October 17, 2023. This ordinance increased the benefit accrual rate from 2.0% to 2.3% for all years of credited service.

For measurement date 09/30/2022, amounts reported as changes of benefit terms resulted from Ordinance No. 2022-02 and provided for the following benefit change:

Effective retroactively to October 1, 2021, the monthly benefit being received by all Retirees, joint pensioners or beneficiaries (including terminated vested persons) who were receiving a benefit on October 1, 2020 shall be increased by three percent (3%). This is a one-time increase in these benefits

For measurement date 09/30/2017, amounts reported as changes of benefit terms resulted from Ordinance No. 2017-14. This provided for an Ad Hoc cost-of-living adjustment (one-time increase) as of October 1, 2017 equal to 3.0% of the current benefit. This adjustment shall apply to all members that were receiving benefits on October 1, 2016, including Retirees and Beneficiaries.

Changes in Assumptions:

For measurement date 09/30/2022, based on the results of the April 15, 2022 Actuarial Experience Study, the following assumption changes are incorporated:

1. Investment Return – Reduced from 7.00% to 6.80% per year, net of investment related expenses.
2. Early Retirement Rates – Increased from 0.0% to 5.0% per year.
3. Normal Retirement Rates – Amended for ages 63 – 69.
4. Withdrawal Rates – Reduced for those with 1 year of Credited Service.

For measurement date 09/30/2021, the investment rate of return was lowered from 7.25% to 7.00% per year, net of investment related expenses.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics. Additionally, the inflation rate assumption was lowered from 3.0% to 2.5%.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

PRIOR YEAR NOTES TO SCHEDULE (continued):

Changes in Assumptions (continued):

For measurement date 09/30/2016, as a result of Chapter 2015-157, Florida Statutes, the assumed rate of mortality was changed to the assumption used by the Florida Retirement System.

For measurement date 09/30/2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.50% to 7.25% and reducing the salary increase assumptions.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
9/30/2024	\$ 572,690	\$ 572,690	\$ -	\$ 2,579,685	22.20%
9/30/2023	419,118	419,118	-	2,479,986	16.90%
9/30/2022	354,617	354,617	-	2,412,361	14.70%
9/30/2021	369,462	369,462	-	2,280,629	16.20%
9/30/2020	392,906	392,906	-	2,232,422	17.60%
9/30/2019	440,395	440,395	-	2,213,041	19.90%
9/30/2018	379,090	379,090	-	2,153,923	17.60%
9/30/2017	313,909	313,909	-	2,065,190	15.20%
9/30/2016	297,713	297,713	-	1,971,612	15.10%
9/30/2015	368,127	368,127	-	1,927,761	19.10%

NOTES TO SCHEDULE:

Valuation Date: 10/1/2022

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 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 (Below Median) for Healthy Retirees, set forward one year.

Beneficiary Lives:

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

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.
All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS - Continued
MUNICIPAL POLICE OFFICERS' TRUST FUND
 Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES
(continued):

The previously 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, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

- Interest Rate:** 7.15% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.
- Salary Increases:** 15% < 1 year, 10% at 1 year, 4.25% > 2 years. This assumption was changed as a result of our April 2022 experience study. Projected salary at retirement is increased 20% to account for non-regular compensation.
- Payroll Growth:** 1.63% (prior year 1.80%) for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.
- Administrative Expenses:** \$62,069 annually, based on the average of actual expenses incurred in the prior two fiscal years.
- Retirement Age:** Earlier of Age 55 and 10 years of service or Age 52 and 25 years of services. This assumption is was supported in the April 15, 2022 Actuarial Experience Study. sufficient data to develop retirement rates at this time.
- Early Retirement:** Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption was supported in the April 15, 2022 Actuarial Experience Study.
- | | | | | | | | | | | | | | |
|---------------------------|--|------------------|-----------------|----------|-------|--------|-------|-----------|-------|-------------|------|-----------|------|
| Termination Rates: | <table border="0"> <tr> <td style="padding-right: 20px;">Years of Service</td> <td style="text-align: right;">Withdrawal Rate</td> </tr> <tr> <td>< 1 Year</td> <td style="text-align: right;">20.0%</td> </tr> <tr> <td>1 Year</td> <td style="text-align: right;">15.0%</td> </tr> <tr> <td>2-9 Years</td> <td style="text-align: right;">10.0%</td> </tr> <tr> <td>10-19 Years</td> <td style="text-align: right;">5.0%</td> </tr> <tr> <td>20+ Years</td> <td style="text-align: right;">0.0%</td> </tr> </table> | Years of Service | Withdrawal Rate | < 1 Year | 20.0% | 1 Year | 15.0% | 2-9 Years | 10.0% | 10-19 Years | 5.0% | 20+ Years | 0.0% |
| Years of Service | Withdrawal Rate | | | | | | | | | | | | |
| < 1 Year | 20.0% | | | | | | | | | | | | |
| 1 Year | 15.0% | | | | | | | | | | | | |
| 2-9 Years | 10.0% | | | | | | | | | | | | |
| 10-19 Years | 5.0% | | | | | | | | | | | | |
| 20+ Years | 0.0% | | | | | | | | | | | | |
- The current assumptions resulted from an Actuarial Experience Study dated April 15, 2022.
- Disability Rates:** See table of sample rates on following page (1201). It is assumed that 75% of disablements are service related. This assumption was supported in the April 15, 2022 Actuarial Experience Study.
- Funding Method:** Entry Age Normal Actuarial Cost Method.
- Amortization Method:** New UAAL amortization bases are amortized over the following amortization periods:
 Experience 20 Years.
 Assumption/Method Changes: 20 Years.
 Benefit Changes: 30 Years.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES
(continued):

Actuarial Asset Method:	All assets are valued at fair value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five-year period.
----------------------------	--

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
9/30/2024	\$ 471,868	\$ 471,868	\$ -	\$ 1,542,053	30.60%
9/30/2023	381,367	381,367	-	1,433,708	26.60%
9/30/2022	316,002	316,002	-	1,410,724	22.40%
9/30/2021	217,019	217,019	-	1,276,582	17.00%
9/30/2020	192,153	192,153	-	1,186,130	16.20%
9/30/2019	183,399	183,399	-	940,505	19.50%
9/30/2018	159,634	159,634	-	891,807	17.90%
9/30/2017	217,027	213,231	3,796	927,464	22.99%
9/30/2016	228,377	232,173	(3,796)	943,708	24.60%
9/30/2015	249,924	249,924	-	988,134	25.29%

NOTES TO SCHEDULE:

The following assumptions were used to determine the Actuarially Determined Contribution for the fiscal year ended September 30, 2024:

Valuation Date: 10/01/2022 (AIS 05/31/2023)

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:

Mortality:

Healthy Active Lives:

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

Healthy Retiree Lives:

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

Beneficiary Lives:

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

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.
All rates are projected generationally with Mortality Improvement Scale MP-2018.
We feel this assumption sufficiently accommodates future mortality improvements.
The previously 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, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate:

7.1% (prior year 7.3%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class. This assumption was covered and changed in our April 15, 2022 Actuarial Experience Study.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' RETIREMENT PENSION FUND
 Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

Salary Increases:	Assumed Individual Increases		
	Service	Current Rate	Prior Rate
	0	7.00%	7.00%
	1-4	4.25%	7.00%
	5-9	4.25%	5.50%
	10+	4.25%	4.50%

This assumption was covered in our April 15, 2022 Actuarial Experience Study.

Payroll Growth: 3.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses: \$45,058 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method: New UAAL amortization bases are amortized over 20 Years.

Retirement Age: The earlier of attainment of age 55 with 10 years of credited service, or age 52 with 25 years of credited service, or the completion of 30 years of credited service, regardless of age. This assumption was covered in our April 15, 2022 Actuarial Experience Study. We feel this assumption is reasonable based upon the plan provisions but do not have sufficient data to develop retirement rates.

Early Retirement: Commencing with attainment of Early Retirement Status (age 50 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption was covered in our April 15, 2022 Actuarial Experience Study. We feel this assumption is reasonable based upon the plan provisions but do not have sufficient data to develop retirement rates.

Termination Rates: See sample rates below. This assumption was covered in our April 15, 2022 Actuarial Experience Study and continues to be our best estimate of future experience.

% Terminating During the Year	
Age	Rate
20	12.0%
30	10.0%
40	5.2%
50	1.6%
60	0.4%
70	0.4%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
 Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES
(continued):

Disability Rates: See sample rates below. It is assumed that 90% of disablements are service related. This assumption was developed from those used by other plans containing Florida Municipal Firefighters.

% Becoming Disabled During the Year	
Age	Rate
20	0.03%
30	0.04%
40	0.07%
50	0.18%
60	0.90%
65+	2.22%

Funding Method: Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:

Interest - a half year, based on current 7.10%
 Salary - None.

Asset Valuation Method: All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
9/30/2024	\$ 570,733	\$ 570,733	\$ -	\$ 5,384,281	10.60%
9/30/2023	270,486	270,486	-	4,745,361	5.70%
9/30/2022	232,772	232,772	-	4,476,379	5.20%
9/30/2021	209,393	209,393	-	3,950,807	5.30%
9/30/2020	198,095	197,990	105	3,668,429	5.40%
9/30/2019	184,592	184,593	(1)	3,418,372	5.40%
9/30/2018	165,105	164,641	464	3,302,099	4.99%
9/30/2017	153,971	154,352	(381)	3,014,032	5.11%
9/30/2016	245,146	245,147	(1)	2,837,465	8.64%
9/30/2015	554,467	554,653	(186)	2,705,700	20.50%

NOTES TO SCHEDULE:

The following assumptions were used to determine the Actuarially Determined Contribution for the fiscal year ended September 30, 2024:

Calculation Timing: The Actuarially Determined Contribution is calculated using an October 1, 2022 valuation date.

Interest Rate: 6.80%

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:

Mortality Rates: **Healthy Active Lives:**
 Female: PubG.H-2010 for Employees
 Male: PubG.H-2010 (Below Median) for Employees, set back one year.

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

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

Disabled Lives:
 PubG.H-2010 for Disabled Retirees, set forward three years.
 All rates are projected generationally with Mortality Improvement Scale MP-2018 We feel this assumption sufficiently accommodates future mortality improvements.
 MP-2018 We feel this assumption sufficiently accommodates future mortality improvements.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS - Continued
GENERAL EMPLOYEES' PENSION PLAN
 Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES
(continued):

The previously 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, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate: 6.80% (prior year 7.00%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases: See Table below. These rates were developed based upon our April 15, 2022 Experience Study of the Plan. Projected salary in the year of retirement is increased individually according to accrued leave at transition date.

Individual Salary Increase		
Years of Service	Current Rate	Prior Rate
<1	7.00%	5.50%
1-4	5.00%	5.50%
5-9	4.00%	4.50%
10-14	4.00%	4.50%
15+	4.00%	3.50%

Payroll Growth: 0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses: \$65,273 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Retirement Age: See Table below. This assumption was developed from our April 15, 2022 Experience Study.

% Retiring During the Year		
Age	Current Rate	Prior Rate
62	50.0%	50.0%
63-64	15.0%	10.0%
65	15.0%	50.0%
66-68	15.0%	10.0%
69	50.0%	100.0%
70+	100.0%	100.0%

Early Retirement: 5.0% per year (previously none). This assumption was developed from our April 15, 2022 Experience Study.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION PLAN
 Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES
(continued):

Termination Rates: See Table below. This assumption was covered in our April 15, 2022 Experience Study.

% Terminating During the Year		
Years of Service	Current Rate	Prior Rate
0	25.0%	25.0%
1	10.0%	25.0%
2-5	10.0%	10.0%
6-19	7.0%	7.0%
20+	0.0%	0.0%

Funding Method: Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:

Interest - a half year, based on current 6.80% assumption.
 Salary - None

Amortization Method: New UAAL amortization bases are amortized over 20 years (previously 10 years for actuarial gains and losses and 20 years for assumption/method/benefit changes).

Actuarial Asset Method: All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
 Last 10 Fiscal Years

ANNUAL MONEY-WEIGHTED RATE OF RETURN NET OF INVESTMENT EXPENSE:

<u>Year Ended September 30</u>	<u>General Employees</u>	<u>Firefighters</u>	<u>Police Officers</u>
2024	22.71%	22.59%	21.97%
2023	12.57%	11.55%	9.16%
2022	16.40%	-20.04%	-18.18%
2021	22.50%	18.70%	18.83%
2020	7.47%	10.23%	9.45%
2019	3.76%	4.19%	4.08%
2018	8.47%	6.82%	7.72%
2017	13.33%	12.14%	10.74%
2016	9.87%	7.17%	7.25%
2015	-2.00%	-1.73%	-0.74%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Total OPEB Liability					
Service cost	\$ 37,858	\$ 41,696	\$ 59,203	\$ 59,286	\$ 54,432
Interest	39,543	37,169	25,580	22,373	23,641
Difference between expected and actual experience	31,408	(5,415)	(188,372)	(3,347)	282,485
Change of assumptions and other inputs	-	-	-	-	-
Benefit payments	<u>(25,848)</u>	<u>(22,699)</u>	<u>(22,699)</u>	<u>(22,154)</u>	<u>(22,154)</u>
Net change in total OPEB liability	82,961	50,751	(126,288)	56,158	338,404
Total OPEB liability - beginning	<u>933,666</u>	<u>882,915</u>	<u>1,009,203</u>	<u>953,045</u>	<u>614,641</u>
Total OPEB liability - ending	<u>\$ 1,016,627</u>	<u>\$ 933,666</u>	<u>\$ 882,915</u>	<u>\$ 1,009,203</u>	<u>\$ 953,045</u>
Covered- employee payroll	\$ 10,779,229	\$ 9,760,605	\$ 9,692,393	\$ 8,703,580	\$ 8,249,747
Total OPEB liability as a percentage of covered- employee payroll	9.40%	9.60%	9.11%	11.60%	11.55%
	<u>9/30/2019</u>	<u>9/30/2018</u>			
Total OPEB Liability					
Service cost	\$ 43,499	\$ 46,052			
Interest	21,291	20,112			
Difference between expected and actual experience	(23,146)	(803)			
Change of assumptions and other inputs	4,578	-			
Benefit payments	<u>(33,000)</u>	<u>(32,919)</u>			
Net change in total OPEB liability	13,222	32,442			
Total OPEB liability - beginning	<u>601,419</u>	<u>568,977</u>			
Total OPEB liability - ending	<u>\$ 614,641</u>	<u>\$ 601,419</u>			
Covered- employee payroll	\$ 7,771,070	\$ 7,564,210			
Total OPEB liability as a percentage of covered- employee payroll	7.91%	7.95%			

CITY OF GULFPORT, FLORIDA

NOTES TO SCHEDULE:

1. GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB75
2. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Changes of Benefit Terms:

None

Changes of Assumptions:

The discount rate changed to 3.81% in current year from 4.09% in prior year.

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Assumptions:

For measurement date 09/30/2023: The discount rate changed to 4.09% in current year from 4.02% in prior year.

For measurement date 09/30/2022: The discount rate changed to 4.02% in current year from 2.26% in prior year.

For measurement date 09/30/2021: The discount rate changed to 2.26% in current year from 2.21% in prior year.

For measurement date 09/30/2020: Discount rate changed to 2.21% in current year from 3.58% in prior year.

For measurement date 09/30/2019: Discount rate decreased to 3.58% from 3.64% in the prior year.

Other:

Benefit payments includes Implicit Subsidy Contribution of \$25,848

Other Supplementary Information

This financial statement section provides the following schedules:

Combining balance sheet and statement of revenues, expenditures, and changes in fund balances for nonmajor special revenue funds

Budgetary comparison schedules for

Major Fund

- Capital Projects Fund

Nonmajor Fund

- Waterfront Redevelopment District

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CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
For the Year Ended September 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 2,010,637	\$ 1,850,930	\$ (159,707)
Permits and Fees	-	19,659	19,659
Intergovernmental Revenues	37,500	-	(37,500)
Total Revenues	<u>2,048,137</u>	<u>1,870,589</u>	<u>(177,548)</u>
EXPENDITURES			
General Government	-	13,258	(13,258)
Public Safety	-	68,245	(68,245)
Recreation	-	3,339	(3,339)
General Government Capital Outlay	95,000	308,214	(213,214)
Public Safety Capital Outlay	465,000	488,522	(23,522)
Public Works Capital Outlay	946,318	397,984	548,334
Recreation Capital Outlay	155,000	132,433	22,567
Total Expenditures	<u>1,661,318</u>	<u>1,411,995</u>	<u>249,323</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	386,819	458,594	71,775
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(447,264)	(447,264)	-
Total Other Financing Sources and (Uses)	<u>(447,264)</u>	<u>(447,264)</u>	<u>-</u>
Net Change in Fund Balance	(60,445)	11,330	71,775
Fund Balance - Beginning	<u>60,445</u>	<u>1,427,782</u>	<u>1,367,337</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,439,112</u>	<u>\$ 1,439,112</u>

CITY OF GULFPORT, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2024

Special Revenue Funds							
	49th Street Redevelopment District	Law Enforcement Trust	Library Fund	Waterfront Development District	Total Nonmajor Special Revenue Funds	Nonmajor Capital Project Senior Center Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 11,914	\$ 3,950	\$ 45,832	\$ 1,111,819	\$ 1,173,515	\$ 6,632	\$ 1,180,147
Total Assets	<u>11,914</u>	<u>3,950</u>	<u>45,832</u>	<u>1,111,819</u>	<u>1,173,515</u>	<u>6,632</u>	<u>1,180,147</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	-	-	-	1,097	1,097	2,668	3,765
Accrued Liabilities	128	-	-	43	171	-	171
Total Liabilities	<u>128</u>	<u>-</u>	<u>-</u>	<u>1,140</u>	<u>1,268</u>	<u>2,668</u>	<u>3,936</u>
Fund Balances:							
Restricted for Law Enforcement	-	3,950	-	-	3,950	-	3,950
Restricted for Waterfront Redevelopment	-	-	-	476,188	476,188	-	476,188
Restricted for Donor Provisions	-	-	-	-	-	3,964	3,964
Restricted for Library Assigned for 49th Street Redevelopment	11,786	-	45,832	-	45,832	-	45,832
Assigned for Beach Renourishment	-	-	-	120,000	120,000	-	120,000
Assigned for Other Waterfront Redevelopment	-	-	-	514,491	514,491	-	514,491
Total Fund Balances	<u>11,786</u>	<u>3,950</u>	<u>45,832</u>	<u>1,110,679</u>	<u>1,172,247</u>	<u>3,964</u>	<u>1,176,211</u>
Total Liabilities and Fund Balances	<u>\$ 11,914</u>	<u>\$ 3,950</u>	<u>\$ 45,832</u>	<u>\$ 1,111,819</u>	<u>\$ 1,173,515</u>	<u>\$ 6,632</u>	<u>\$ 1,180,147</u>

CITY OF GULFPORT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

Special Revenue Funds

	49th Street Redevelopment District	Law Enforcement Trust	Library Fund	Waterfront Development District	Total Nonmajor Special Revenue Funds	Nonmajor Capital Project Senior Center Fund	Total Nonmajor Governmental Funds
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ 608,909	\$ 608,909	\$ -	\$ 608,909
Fines and Forfeitures	-	1,950	-	-	1,950	-	1,950
Miscellaneous Revenues	-	-	-	7,659	7,659	95,162	102,821
Total Revenues	-	1,950	-	616,568	618,518	95,162	713,680
EXPENDITURES							
Current:							
Recreation	-	-	-	-	-	386,936	386,936
Community Development/ Redevelopment	177	-	-	618,780	618,957	-	618,957
Total Expenditures	177	-	-	618,780	618,957	386,936	1,005,893
Excess (Deficiency) of Revenues Over (Under) Expenditures	(177)	1,950	-	(2,212)	(439)	(291,774)	(292,213)
OTHER FINANCING SOURCES AND (USES)							
Transfers In	-	-	-	300,000	300,000	184,000	484,000
Transfers (Out)	-	-	-	-	-	(300,000)	(300,000)
Total Other Financing Sources and (Uses)	-	-	-	300,000	300,000	(116,000)	184,000
Net Change in Fund Balances	(177)	1,950	-	297,788	299,561	(407,774)	(108,213)
Fund Balances - Beginning	11,963	2,000	45,832	812,891	872,686	411,738	1,284,424
Fund Balances - Ending	\$ 11,786	\$ 3,950	\$ 45,832	\$ 1,110,679	\$ 1,172,247	\$ 3,964	\$ 1,176,211

CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
WATERFRONT REDEVELOPMENT DISTRICT
For the Year Ended September 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 641,551	\$ 608,909	\$ (32,642)
Miscellaneous Revenues	-	7,659	7,659
Total Revenues	<u>641,551</u>	<u>616,568</u>	<u>(24,983)</u>
EXPENDITURES			
Community Development/Redevelopment			
Community Development/Redevelopment Operating	552,893	459,320	93,573
Capital Outlay	180,000	159,460	20,540
Total Expenditures	<u>732,893</u>	<u>618,780</u>	<u>114,113</u>
Excess of Revenues Over Expenditures	<u>(91,342)</u>	<u>(2,212)</u>	<u>89,130</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	300,000	300,000	-
Total Other Financing Sources and (Uses)	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balance	208,658	297,788	89,130
Fund Balance - Beginning	<u>(208,658)</u>	<u>812,891</u>	<u>1,021,549</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,110,679</u>	<u>\$ 1,110,679</u>

City of Gulfport, Florida

Statistical Section

September 30, 2024

This part of the City of Gulfport, Florida'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.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place

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

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

Note: As of September 30, 2024, the City had no long-term general bonded debt outstanding, and there has been none for the prior ten years. The City Charter has established that any general obligation borrowing must be exercised in accordance with Chapter 166, Florida Statutes.

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**Schedule 1
City of Gulfport, Florida**

**NET POSITION BY COMPONENT
(accrual basis of accounting)
(in thousands)
Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Governmental activities</u>										
Net investment										
in capital assets	\$ 12,812	\$ 13,411	\$ 14,242	\$ 14,442	\$ 14,757	\$ 15,101	\$ 14,801	\$ 14,133	\$ 14,285	\$ 14,176
Restricted	847	438	380	508	659	426	3,001	1,488	2,393	1,989
Unrestricted	3,407	3,559	2,136	2,064	1,535	1,841	747	6,469	2,387	1,802
Total governmental activities net position	\$ 17,066	\$ 17,408	\$ 16,758	\$ 17,014	\$ 16,951	\$ 17,368	\$ 18,549	\$ 22,090	\$ 19,065	\$ 17,968
<u>Business-type activities</u>										
Net investment										
in capital assets	\$ 10,952	\$ 10,891	\$ 12,318	\$ 12,347	\$ 11,314	\$ 12,085	\$ 11,589	\$ 11,348	\$ 11,476	\$ 11,027
Restricted	409	702	714	188	267	140	1,347	222	224	224
Unrestricted (Deficit)	1,630	1,810	2,479	3,401	3,137	2,961	2,290	4,660	3,985	3,702
Total business-type activities net position	\$ 12,991	\$ 13,403	\$ 15,511	\$ 15,936	\$ 14,718	\$ 15,186	\$ 15,226	\$ 16,230	\$ 15,685	\$ 14,953
<u>Primary government</u>										
Net investment										
in capital assets	\$ 23,764	\$ 24,302	\$ 26,560	\$ 26,789	\$ 26,071	\$ 27,186	\$ 26,390	\$ 25,481	\$ 25,761	\$ 25,204
Restricted	1,256	1,140	1,094	696	926	566	4,348	1,710	2,617	2,213
Unrestricted	5,037	5,369	4,615	5,465	4,672	4,802	3,037	11,129	6,372	5,504
Total primary government, net position	\$ 30,057	\$ 30,811	\$ 32,269	\$ 32,950	\$ 31,669	\$ 32,554	\$ 33,775	\$ 38,320	\$ 34,750	\$ 32,921

Schedule 2
City of Gulfport, Florida

CHANGES IN NET POSITION
Last Ten Fiscal Years
(in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General Government	\$ 1,540	\$ 1,557	\$ 1,614	\$ 1,567	\$ 1,867	\$ 1,846	\$ 1,902	\$ 2,355	\$ 2,510	\$ 2,466
Public Safety	5,315	5,455	5,483	5,745	6,031	6,230	6,795	7,863	9,200	9,132
Recreation	2,865	3,106	3,249	3,434	3,614	3,457	3,382	4,489	5,525	5,366
Community Development - Redevelopment	701	1,001	1,411	812	1,063	1,089	1,173	1,552	1,751	1,814
Public Works	1,630	1,494	1,039	1,836	1,767	1,995	1,923	2,806	3,195	3,093
Interest on Long Term Debt	-	-	6	13	18	13	5	3	1	3
Total governmental activities expenses	\$ 12,051	\$ 12,613	\$ 12,802	\$ 13,407	\$ 14,360	\$ 14,630	\$ 15,180	\$ 19,068	\$ 22,182	\$ 21,875
Business-type activities:										
Sanitation	\$ 1,971	\$ 2,059	\$ 2,210	\$ 2,474	\$ 2,215	\$ 2,398	\$ 2,284	\$ 2,953	\$ 3,391	\$ 2,984
Water and Sewer	5,242	5,472	5,399	5,825	8,237	6,794	7,240	7,557	8,228	9,692
Marina	1,580	1,536	1,762	1,964	2,006	2,107	2,561	3,045	3,121	3,563
Total business-type activities expenses	8,793	9,067	9,371	10,263	12,458	11,299	12,085	13,555	14,740	16,239
Total primary government expenses	\$ 20,844	\$ 21,680	\$ 22,173	\$ 23,670	\$ 26,818	\$ 25,929	\$ 27,265	\$ 32,623	\$ 36,922	\$ 38,114
Program revenues										
Governmental activities:										
Charges for services -										
General Government	\$ 1,421	\$ 1,498	\$ 1,559	\$ 1,767	\$ 1,818	\$ 1,964	\$ 2,083	\$ 2,250	\$ 2,277	\$ 2,398
Public Safety	1,200	1,240	957	1,179	1,226	1,427	1,715	1,659	1,906	2,052
Recreation	694	769	763	779	772	411	343	716	863	799
Public Works	149	178	210	387	260	248	209	430	422	389
Operating Grants and Contributions	293	526	294	382	479	539	524	6,586	456	772
Capital Grants and Contributions	387	317	310	137	305	49	105	89	15	117
Total governmental activities program revenues	\$ 4,144	\$ 4,528	\$ 4,093	\$ 4,631	\$ 4,860	\$ 4,638	\$ 4,979	\$ 11,730	\$ 5,939	\$ 6,528
Business-type activities:										
Charges for Services										
Sanitation	2,218	2,184	2,247	2,330	2,339	2,442	2,577	2,745	2,977	3,190
Water and Sewer	5,215	5,167	5,798	6,091	6,233	6,940	7,488	7,977	8,200	8,924
Marina	1,672	1,742	1,936	2,217	2,150	2,412	2,835	3,233	3,194	3,011
Operating Grants and Contributions	-	36	225	9	335	9	8	9	173	8
Capital Grants and Contributions	122	303	839	226	11	311	18	17	8	797
Total business-type activities program revenues	\$ 9,227	\$ 9,432	\$ 11,045	\$ 10,873	\$ 11,068	\$ 12,114	\$ 12,926	\$ 13,981	\$ 14,552	\$ 15,929
Total primary government program revenues	\$ 13,371	\$ 13,960	\$ 15,138	\$ 15,504	\$ 15,928	\$ 16,752	\$ 17,905	\$ 25,711	\$ 20,491	\$ 22,457
Net (Expense) Revenue										
Governmental activities	\$ (7,907)	\$ (8,085)	\$ (8,709)	\$ (8,776)	\$ (9,500)	\$ (9,992)	\$ (10,201)	\$ (7,338)	\$ (16,243)	\$ (15,347)
Business-type activities	434	365	1,674	610	(1,390)	815	841	426	(188)	(310)
Total primary government net (expense)	\$ (7,473)	\$ (7,720)	\$ (7,035)	\$ (8,166)	\$ (10,890)	\$ (9,177)	\$ (9,360)	\$ (6,912)	\$ (16,431)	\$ (15,657)

Continued next page

Schedule 2 - Continued
City of Gulfport, Florida

CHANGES IN NET POSITION - Continued
Last Ten Fiscal Years
(in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes:										
Ad Valorem	\$ 2,848	\$ 3,051	\$ 3,314	\$ 3,563	\$ 3,852	\$ 4,213	\$ 4,568	\$ 4,910	\$ 5,653	\$ 6,445
Franchise Fees	767	712	705	752	803	794	798	862	902	895
Public Service Taxes	1,589	1,577	1,593	1,621	1,711	1,800	1,864	1,956	2,112	2,092
Sales Tax - Infrastructure	1,258	1,242	1,281	1,343	1,417	1,353	1,524	1,786	1,851	1,851
Half-cent Sales Tax	730	764	772	799	821	780	912	1,015	993	955
Local Option Gas Tax	187	179	179	174	170	156	159	162	164	161
Other Taxes	70	64	69	67	72	41	65	73	65	63
State Revenue Sharing	391	398	416	425	437	408	461	557	546	514
Investment Income	33	27	37	53	62	33	9	36	334	507
Miscellaneous	1,370	203	128	177	216	167	119	65	126	150
Gain/(Loss) on Sale of Capital Assets	-	-	-	-	14	1	62	28	32	84
Transfers	378	(47)	(433)	222	(138)	664	840	(570)	440	531
Total governmental activities	\$ 9,621	\$ 8,170	\$ 8,061	\$ 9,196	\$ 9,437	\$ 10,410	\$ 11,381	\$ 10,880	\$ 13,218	\$ 14,249
Business-type activities:										
Investment Income (loss)	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ 82	\$ 89
Gain on Sale of Capital Assets	-	-	-	65	34	-	40	-	-	-
Miscellaneous / Special Item	-	-	-	-	-	316	-	-	-	20
Transfers	(378)	47	433	(222)	138	(664)	(840)	570	(440)	(531)
Total business-type activities	(377)	47	433	(157)	172	(348)	(800)	578	(358)	(422)
Total primary government	\$ 9,244	\$ 8,217	\$ 8,494	\$ 9,039	\$ 9,609	\$ 10,062	\$ 10,581	\$ 11,458	\$ 12,860	\$ 13,827
Change in Net Position										
Governmental activities	\$ 1,714	\$ 85	\$ (649)	\$ 420	\$ (63)	\$ 418	\$ 1,180	\$ 3,542	\$ (3,025)	\$ (1,098)
Business-type activities	57	412	2,107	453	(1,218)	467	41	1,004	(546)	(732)
Total primary government	\$ 1,771	\$ 497	\$ 1,458	\$ 873	\$ (1,281)	\$ 885	\$ 1,221	\$ 4,546	\$ (3,571)	\$ (1,830)

Schedule 3
City of Gulfport, Florida

FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>General Fund</u>										
Nonspendable	\$ 60	\$ 51	\$ 48	\$ 72	\$ 58	\$ 80	\$ 45	\$ 273	\$ 353	\$ 206
Restricted	16	20	27	43	16	8	16	16	18	20
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	60	17	9	58	78	218	506	2,762	1,748	1,508
Unassigned	4,330	4,184	3,415	3,626	3,310	3,016	4,033	6,350	7,169	7,848
Total General Fund	\$ 4,466	\$ 4,272	\$ 3,499	\$ 3,799	\$ 3,462	\$ 3,322	\$ 4,600	\$ 9,401	\$ 9,288	\$ 9,582
<u>All other governmental funds</u>										
Nonspendable	\$ -	\$ -	\$ -	\$ 1	\$ 2	\$ 1	\$ 1	\$ 25	\$ -	\$ -
Restricted	831	419	354	465	580	193	479	1,443	2,373	1,969
Assigned	174	602	475	421	359	630	631	634	339	646
Unassigned (Deficit)	(39)	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 966	\$ 1,021	\$ 829	\$ 887	\$ 941	\$ 824	\$ 1,111	\$ 2,102	\$ 2,712	\$ 2,615

Schedule 4
City of Gulfport, Florida

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 6,699	\$ 6,805	\$ 7,118	\$ 7,501	\$ 8,003	\$ 8,335	\$ 8,955	\$ 9,722	\$ 10,724	\$ 11,485
Permits and fees	334	401	385	585	592	638	771	794	797	845
Intergovernmental revenues	2,211	2,414	2,209	2,086	2,438	2,291	3,003	9,154	2,971	3,310
Charges for services	2,119	2,264	2,377	2,742	2,714	2,559	2,569	3,182	3,347	3,485
Fines and forfeitures	426	401	116	110	84	53	54	(75)	87	43
Investment Income	33	27	37	52	62	33	9	26	344	507
Miscellaneous revenues	1,566	434	344	469	476	325	311	405	461	572
Total revenues	\$ 13,388	\$ 12,746	\$ 12,586	\$ 13,545	\$ 14,369	\$ 14,234	\$ 15,672	\$ 23,208	\$ 18,731	\$ 20,247
Expenditures										
General government	\$ 1,421	\$ 1,432	\$ 1,520	\$ 1,489	\$ 1,610	\$ 1,773	\$ 1,749	\$ 2,147	\$ 2,183	\$ 2,362
Public safety	5,026	4,950	5,055	5,243	5,493	5,863	6,106	6,429	6,863	7,799
Recreation	2,860	2,698	3,015	2,979	3,259	3,283	3,252	4,115	4,834	4,946
Community development/ Redevelopment	774	1,709	1,406	1,123	1,062	1,299	1,156	1,214	1,401	1,837
Public works	1,185	1,180	1,225	1,586	1,562	1,538	1,606	2,131	2,352	2,392
Capital outlay	1,189	1,125	1,179	1,123	1,555	1,139	920	721	1,037	1,327
Debt service:										
Principal	-	-	43	115	196	247	153	85	3	36
Interest	-	-	6	13	18	13	5	3	1	3
Total expenditures	\$ 12,455	\$ 13,094	\$ 13,449	\$ 13,671	\$ 14,755	\$ 15,155	\$ 14,947	\$ 16,845	\$ 18,674	\$ 20,702
Excess of revenues over (under) expenditures	\$ 933	\$ (348)	\$ (863)	\$ (126)	\$ (386)	\$ (921)	\$ 725	\$ 6,363	\$ 57	\$ (455)
Other financing sources (uses)										
Transfers in	\$ 734	\$ 1,267	\$ 686	\$ 631	\$ 635	\$ 1,030	\$ 1,213	\$ 997	\$ 1,480	\$ 1,463
Transfers out	(357)	(1,315)	(1,119)	(409)	(773)	(366)	(373)	(1,567)	(1,040)	(931)
Issuance of leases / SBITAs	-	-	332	263	241	-	-	-	-	120
Total other financing sources (uses)	\$ 377	\$ (48)	\$ (101)	\$ 485	\$ 103	\$ 664	\$ 840	\$ (570)	\$ 440	\$ 652
Net change in fund balances	\$ 1,310	\$ (396)	\$ (964)	\$ 359	\$ (283)	\$ (257)	\$ 1,565	\$ 5,793	\$ 497	\$ 197
Debt service as a percentage of non-capital expenditures	N/A	N/A	N/A	0.4%	1.1%	1.7%	2.0%	1.2%	0.6%	0.2%

**Schedule 5
City of Gulfport, Florida**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years**

Fiscal Year Ended Sept. 30	Real Property			Less: Tax Exemptions	
	Residential Property	Commercial Property	Personal Property	Governmental/ Institutional	\$ 25,000.00 Homestead
2015	\$ 1,041,251,353	\$ 130,259,384	\$ 18,886,102	\$ 90,811,334	\$ 157,363,084
2016	1,158,471,984	132,568,863	18,251,893	90,582,656	160,455,030
2017	1,246,940,796	135,303,673	19,314,382	89,126,722	167,873,903
2018	1,363,188,964	142,481,545	17,562,734	91,440,845	174,575,373
2019	1,467,189,529	150,551,485	18,119,786	94,740,002	177,093,595
2020	1,598,555,263	164,355,758	21,154,924	103,325,187	182,642,216
2021	1,737,662,739	177,910,708	20,511,221	111,415,087	186,311,931
2022	2,252,778,016	200,349,023	20,093,197	120,569,843	190,513,020
2023	2,739,257,661	223,024,199	21,680,929	130,885,569	191,873,026
2024	2,858,311,973	238,661,181	22,742,731	137,216,491	195,524,540

Sources: Pinellas County Property Appraiser, 2024 Final tax roll (Form DR403V and Land Use Recaps)

**Schedule 5 - Continued
City of Gulfport, Florida**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - Continued
Last Ten Fiscal Years**

Less: Tax Exemptions			
Homestead Assessment Differential	Widows/ Disability/ Blind	Total Taxable Assessed Value	Millage Rate *
\$ 186,620,366	\$ 7,608,410	\$ 747,993,645	4.039
245,544,608	7,550,108	805,160,338	4.039
269,860,826	8,096,306	866,601,094	4.039
310,073,683	9,607,438	937,535,904	4.039
330,338,990	11,598,684	1,022,089,529	4.039
377,854,602	11,881,243	1,108,362,697	4.039
431,602,238	14,061,432	1,192,693,980	4.039
770,842,530	17,412,528	1,373,882,315	4.039
1,070,148,879	21,343,457	1,569,711,858	4.026
1,040,124,631	25,209,228	1,721,640,995	4.026

Note: * The rate used in the calculation of property taxes. One mill equals \$1 per \$1,000 of taxable value. A millage of 4.026 (which is the millage in effect for the City of Gulfport) is equal to \$4.026 for each \$1,000 of taxable value on real property. The tax rate on real property based on \$1 per \$1,000 of assessed property value.

Property is assessed at actual value and therefore a separate table for assessed and actual data is not presented.

**Schedule 6
City of Gulfport, Florida**

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**

City Direct Rates		Overlapping Rates					
Fiscal Year	Basic Rate *	Pinellas County	Pinellas County Schools	Transit	Emerg. Medical Services	Other **	Total Millage
2015	4.0390	5.3377	7.7700	0.7305	0.9158	1.2629	20.0559
2016	4.0390	5.3377	7.3180	0.7500	0.9158	1.2448	19.6053
2017	4.0390	5.3590	7.0090	0.7500	0.9158	1.2262	19.2990
2018	4.0390	5.3590	6.7270	0.7500	0.9158	1.2086	18.9994
2019	4.0390	5.3590	6.5840	0.7500	0.9158	1.1932	18.8410
2020	4.0390	5.3590	6.4270	0.7500	0.9158	1.1800	18.6708
2021	4.0390	5.2092	6.3250	0.7500	0.9158	1.1666	18.4056
2022	4.0390	4.8188	5.9630	0.7500	0.8775	1.0978	17.5461
2023	4.0258	4.8111	5.9380	0.7500	0.8418	1.0503	17.4170
2024	4.0258	4.6660	5.8220	0.7342	0.8050	1.0359	17.0889

Sources: Pinellas County Tax Collector, Pinellas County Property Appraiser

Note: * The rate used in the calculation for property taxes. One mill equals \$1 per \$1,000 of taxable value. The tax rate on real property based on \$1 per \$1,000 of assessed property value.

** "Other" includes Pinellas County Planning Council, Juvenile Welfare Board, South West Florida Water Management District and Pinellas Anclote River Basin.

Overlapping rates are those of local and county governments that apply to property owners within the City of Gulfport. The total millage column applies to all property owners within the City.

Schedule 7
City of Gulfport, Florida

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Total Tax Levy	Current Year Tax Collections	Percentage of Levy Collected in Year	Tax Collected in Subsequent Years	Total Tax Collected	Percentage of Levy Collected to Date
2015	\$ 2,818,244	\$ 2,717,771	96.4%	\$ 18,347	\$ 2,736,118	97.1%
2016	3,021,146	2,912,132	96.4%	8,951	2,921,083	96.7%
2017	3,252,043	3,139,165	96.5%	29,885	3,169,050	97.4%
2018	3,500,202	3,384,032	96.7%	10,887	3,394,919	97.0%
2019	3,786,708	3,655,605	96.5%	3,369	3,658,974	96.6%
2020	4,128,220	3,987,368	96.6%	2,297	3,989,665	96.6%
2021	4,476,677	4,322,415	96.6%	2,713	4,325,128	96.6%
2022	4,817,291	4,646,594	96.5%	3,296	4,649,890	96.5%
2023	5,549,111	5,357,847	96.6%	7,875	5,365,722	96.7%
2024	6,319,346	6,093,523	96.4%	17,491	6,111,014	96.7%

Sources: Pinellas County Tax Collector's reports, Pinellas County final tax roll.

**Schedule 8
City of Gulfport, Florida**

**PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago**

Property Description	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Seaside Villas Gulfport LLC	\$ 19,500,000	1	1.13%	\$ 8,750,000	1	1.17%
Culby Properties South LLC	6,599,428	2	0.38%	-		-
Valin, Peter J	5,302,359	3	0.31%	-		-
Hawkeye Equity LLC	5,152,482	4	0.30%	-		-
49th Street LLC	4,715,000	5	0.27%	2,591,457	5	0.35%
J L P Management Assoc Inc	3,842,852	6	0.22%	1,824,199	10	0.24%
Hawk Island LLC	3,791,290	7	0.22%	-		-
Hornsleth, Poul & April Caldwell	3,716,760	8	0.22%	-		-
McQuaid, Kevin Tre	3,645,800	9	0.21%	-		-
5701 Gulfport Property LLC	3,383,000	10	0.20%	-		-
Paonessa, Jeffry L	-		-	2,349,662	6	0.31%
CFC Pasadena Golf LLC	-		-	3,115,896	2	0.42%
Woiteshak, Dwight	-		-	2,906,273	3	0.39%
Karma Fund 3 LLC	-		-	2,612,034	4	0.35%
Hernandez, Roberto M	-		-	2,109,195	7	0.28%
Carlan, Douglas	-		-	2,077,824	8	0.28%
Holmes, Michael R	-		-	2,002,962	9	0.27%
All Others	-		96.54%	-		95.94%
Total	\$ 59,648,971		100.00%	\$ 30,339,502		100.00%

Source: Pinellas County Property Appraiser tax rolls.

**Schedule 9
City of Gulfport, Florida**

**WATER SOLD BY TYPE OF CUSTOMER
Last Ten Fiscal Years**

Type of Customer	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Residential	\$ 2,852,787	\$ 2,758,757	\$ 2,828,295	\$ 2,646,964	\$ 2,643,615	\$ 2,728,581	\$ 2,600,561	\$ 2,591,810	\$ 2,657,756	\$ 2,578,054
Commercial	283,859	271,658	291,889	258,286	272,263	292,060	297,300	271,434	273,719	287,435
Government	110,428	113,235	112,531	108,342	107,453	86,816	81,856	100,168	96,608	90,263
Total	\$ 3,247,074	\$ 3,143,650	\$ 3,232,715	\$ 3,013,592	\$ 3,023,331	\$ 3,107,457	\$ 2,979,717	\$ 2,963,412	\$ 3,028,083	\$ 2,955,752

Sources: City of Gulfport Utility Billing System, Incode Software

**Schedule 10
City of Gulfport, Florida**

**WATER AND SEWER RATES
Last Ten Fiscal Years**

Water Rates Effective 10/1

Service Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Base Rate starts FY23	-	-	-	-	-	-	-	-	\$ 17.74	\$ 19.16
Volumetric Charges per 1,000 gallons of water usage:										
0 - 2,000	\$ 13.84	\$ 13.84	\$ 14.28	\$ 15.68	\$ 15.68	\$ 16.93	\$ 18.28	\$ 19.74	\$ 1.00	\$ 1.08
2,001 - 3,000	6.92	6.92	7.14	7.84	7.84	8.47	9.15	9.88	9.88	10.67
3,001 - 4,000	7.83	7.83	8.08	8.87	8.87	9.58	10.35	11.18	11.48	12.07
5,001 - 10,000	8.77	8.77	9.05	9.93	9.93	10.72	11.58	12.51	12.51	13.51
10,001 - 15,000	9.68	9.68	9.99	10.96	10.96	11.84	12.79	13.81	13.81	14.91
15,001 - 20,000	10.60	10.60	10.94	12.01	12.01	12.97	14.01	15.13	15.13	16.34
20,000 +	10.60	10.60	17.95	19.70	19.70	21.28	22.98	24.82	24.82	26.81

Sewer Rates Effective 10/1

Service Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Base Rate starts FY23	-	-	-	-	-	-	-	-	\$ 24.86	\$ 26.85
Volumetric Charges per 1,000 gallons of water usage:										
0 - 2,000	\$ 17.21	\$ 17.21	\$ 17.76	\$ 17.76	\$ 21.32	\$ 23.03	\$ 24.87	\$ 26.86	\$ 1.00	\$ 1.08
2,001 - 3,000	8.60	8.60	8.88	8.88	10.66	11.51	12.43	13.42	13.42	14.49
3,001 - 4,000	9.06	9.06	9.35	9.35	11.22	12.12	13.09	14.14	14.14	15.27
5,001 - 10,000	9.50	9.50	9.80	9.80	11.76	12.70	13.72	14.82	14.82	16.01
10,001 - 15,000	9.97	9.97	10.29	10.29	12.35	13.34	14.41	15.56	15.56	16.80
15,001 - 20,000	10.43	10.43	10.76	10.76	12.91	13.94	15.06	16.26	16.26	17.56
20,000 +	10.43	10.43	10.95	10.95	13.14	14.19	15.33	16.56	16.56	17.88

Sources: City of Gulfport Utility Billing, City Ordinances

Schedule 11
City of Gulfport, Florida

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Gulfport Personal Income	Percentage of Personal Income	Per Capita
	Lease Liability	SBITAs Liability	Financed Purchases	Financed Purchases	State Revolving Loan				
2015	\$ -	\$ -	\$ -	\$ 239,633	\$ 959,120	\$ 1,198,753	\$ 366,447,480	0.30%	\$ 98
2016	-	-	-	166,409	1,457,997	1,624,406	385,109,230	0.40%	131
2017	-	-	288,561	91,918	1,563,819	1,944,298	408,689,190	0.50%	155
2018	-	-	436,386	28,229	2,995,086	3,459,701	426,431,607	0.80%	276
2019	-	-	481,807	673,995	4,272,126	5,427,928	446,273,542	1.20%	430
2020	-	-	235,023	530,911	4,610,978	5,376,912	465,068,760	1.20%	424
2021	-	-	82,268	384,085	5,232,143	5,698,496	514,478,003	1.10%	460
2022	15,183	-	-	233,419	7,550,930	7,799,532	603,785,007	1.30%	663
2023	12,010	-	-	78,813	7,484,334	7,575,157	784,916,262	1.00%	631
2024	8,547	87,778	-	-	7,133,144	7,229,469	784,618,374	0.90%	609

Sources: Per capita information for calculation of personal income obtained from University of Florida Bureau of Economic and Business Research for Pinellas County.

Debt limitation: There are no legal debt limits for Florida municipalities.

**Schedule 12
City of Gulfport, Florida**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2024**

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (a)	City's Share of Debt
DIRECT DEBT			
City of Gulfport	\$ 96,325	100.00%	\$ 96,325
Subtotal Direct Debt	<u>\$ 96,325</u>		<u>\$ 96,325</u>
OVERLAPPING DEBT			
Pinellas County School District State Bonds (b)	\$ -	1.31%	\$ -
Pinellas County School District Lease Liability	3,225,958	1.31%	42,418
Pinellas County Financed Purchases	30,540,960	1.31%	401,579
Pinellas County Notes Outstanding	-	1.31%	-
Pinellas County SBITAs	5,077,220	1.31%	66,760
Subtotal Overlapping Debt	<u>\$ 38,844,138</u>		<u>\$ 510,757</u>
Total Direct and Overlapping Debt	<u>\$ 38,940,463</u>		<u>\$ 607,082</u>

Sources: Assessed value data used to estimate applicable percentages provided by Pinellas County Property Appraiser. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

(a) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

(b) The School District State Bonds are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is also pledged for the bonds.

**Schedule 13
City of Gulfport, Florida**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Year	Population	Personal Income (a)	Per Capita Personal Income	Median Age (a)	Unemployment Rate (b)	School Enrollment (c)
2015	12,180	\$ 366,447,480	\$ 30,086	52.9	5.4%	2,289
2016	12,371	385,109,230	31,130	53.0	4.5%	2,489
2017	12,510	408,689,190	32,669	53.7	3.1%	2,493
2018	12,527	426,431,607	34,041	54.2	3.7%	2,531
2019	12,623	446,273,542	35,354	54.7	3.3%	2,502
2020	12,686	465,068,760	36,660	54.9	6.8%	2,277
2021	12,389	514,478,003	41,527	55.2	4.0%	2,110
2022	11,769	603,785,007	51,303	55.2	2.5%	2,003
2023	12,006	784,916,262	65,377	54.0	2.8%	1,887
2024	11,877	784,618,374	66,062	56.9	3.3%	1,693

Sources:

- (a) - Pinellas County Economic Development
- (b) - Florida Department of Economic Opportunity
- (c) - Pinellas County School Board (Boca Ciega High School, Gulfport Elementary School, and Disston Academy)

**Schedule 14
City of Gulfport, Florida**

**PRINCIPAL EMPLOYERS (a)
Current Year and Nine Years Ago**

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Pinellas County Public School District	13,071	1	2.68%	15,836	1	3.53%
Publix	7,641	2	1.57%			
U.S. Dept Of Veterans Affairs	5,055	3	1.04%	4,459	2	0.99%
Walmart	4,809	4	0.99%			
Raymond James & Associates	4,541	5	0.93%	2,650	6	0.59%
All Childrens Health Systems	3,767	6	0.77%	3,200	3	0.71%
City of St Petersburg	3,716	7	0.76%	3,165	4	0.71%
Morton F Plant Hospital	3,196	8	0.66%	2,550	7	0.57%
Baycare Health System	2,550	9	0.52%			
Mease Hospital Trustees	2,498	10	0.51%	2,100	10	0.47%
St. Petersburg College	-	-	-	2,413	8	0.54%
Pinellas County Sheriff's Office	-	-	-	2,732	5	0.61%
Home Shopping Network	-	-	-	2,150	9	0.48%
All Others	-	-	89.57%	-	-	90.81%
Total Employees above	<u>50,844</u>			<u>41,255</u>		
Total Employment Pinellas County	<u>487,617</u>		<u>100%</u>	<u>448,842</u>		<u>100%</u>

(a) Data for the City of Gulfport is not currently available. Pinellas County is the closest large metropolitan area with data available for reporting purposes.

Source: Pinellas County Economic Development, Florida Research and Economic Information Database Application

Schedule 15
City of Gulfport, Florida

CITY FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
City Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Services	6.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	8.00	5.00
Human Resources	1.500	-	-	-	-	-	-	-	2.00	3.00
Public Safety										
Police	37.00	37.50	37.50	37.50	38.50	38.50	40.00	40.00	40.00	40.50
Fire	13.50	14.50	13.50	13.50	14.50	18.50	18.50	18.50	20.50	20.50
Recreation										
Library	9.75	8.50	8.75	9.75	9.25	9.25	9.75	9.75	9.75	9.75
Museum & Art Center	-	-	-	-	-	-	-	-	-	2.50
Recreation	11.00	10.25	11.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25
Senior Center	3.00	3.00	3.25	3.25	3.25	3.25	3.25	3.25	4.25	4.25
Gems	4.00	3.50	3.50	3.00	3.00	3.00	3.50	3.50	3.50	3.50
Cultural Facilities										
Casino	3.25	3.25	3.5	3.5	3.5	3.5	3.25	3.25	3.75	3.75
Theater	3.25	3.25	3.5	3.5	3.5	3.5	3.25	3.25	3.75	3.75
Tech Events	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development										
Planning	2.00	2.00	2.00	3.00	2.67	2.67	2.67	2.67	2.67	2.67
Building	3.00	3.00	3.00	3.00	3.67	3.67	4.67	5.67	5.67	5.67
Code Enforcement	1.25	1.25	1.25	1.25	1.66	2.66	2.66	2.66	2.66	2.66
49th Street Corridor	0.75	0.75	0.75	0.75	-	-	-	-	-	-
Public Works										
Director	1.00	1.00	1.25	1.25	1.25	1.50	1.50	1.50	1.50	1.50
Parks	6.00	6.00	7.00	7.00	8.50	9.00	9.00	9.00	9.00	9.00
Streets	3.50	1.50	0.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Garage	2.00	2.00	2.00	2.00	2.50	3.00	3.00	3.00	3.00	3.00
Building	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Utilities										
Utility Billing - Customer Service	-	-	-	-	-	-	-	-	-	4.50
Water	3.30	3.80	3.54	3.54	3.21	3.28	3.28	3.28	3.28	3.28
Sewer	3.30	3.80	3.54	3.54	3.21	3.28	3.28	3.28	3.28	3.28
Stormwater	1.00	1.00	1.67	3.67	4.34	4.34	4.34	4.34	4.34	4.34
Sanitation	13.90	15.90	17.00	16.00	16.00	16.10	16.10	16.10	16.10	16.10
Marina	3.50	3.50	4.50	6.00	6.00	6.00	7.00	7.00	7.00	7.50
Total	143.75	146.25	149.75	157.75	161.26	167.75	171.75	172.75	176.75	182.75

Source: City Annual Adopted Budgets

Notes:

Refers to the number of personnel authorized for an accounting period, including part-time personnel converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time recreation aide working twenty (20) hours per week for fifty-two (52) weeks a year equals .5 of a full-time position.

Schedule 16
City of Gulfport, Florida

OPERATING INDICATORS BY FUNCTION / PROGRAM
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Reported crime (UCR Part One)	661	444	633	455	528	384	367	-	-	-
Reported crime (NIBRS) ***	-	-	-	-	-	-	-	708	614	526
Felony arrests (a)	168	148	173	176	152	117	112	88	101	81
Reported traffic crashes	95	104	118	114	133	98	107	126	122	148
Traffic violations issued (a)	1,520	1,053	1,137	1,445	1,518	672	776	667	452	504
Calls for service	29,144	21,649	29,139	27,538	29,821	29,513	24,794	22,188	29,043	20,615
Fire										
Fire incidents (b)	43	23	18	32	38	40	41	75	65	121
Emergency responses	3,040	3,668	2,576	2,698	3,106	2,876	4,295	3,660	3,509	3,899
Fire inspections	702	813	707	556	788	486	767	477	234	284
Sanitation										
Refuse collected (tons/annu.)	9,042	9,839	9,917	9,966	10,473	10,125	10,099	9,457	9,675	10,285
Recyclables collected (tons/annu.)	1,147	987	796	756	692	731	653	769	632	591
Utilities										
Average daily consumption (thousands of gallons)	948	964	968	921	899	900	886	958	1,001	890
Average daily sewage treatment (thousands of gallons)	1,323	1,299	977	1,028	1,131	836	953	748	620	911
Recreation										
Participants in after- school program	58	61	52	78	67	11	33	51	59	47
Participants in summer camp program	152	136	149	125	123	27	72	79	75	83
Library										
Circulation of materials	85,513	110,371	120,047	119,261	114,482	123,397	144,771	134,793	138,200	138,578
Reference questions	5,132	8,908	7,835	6,300	9,053	1,311	2,756	13,117	10,823	8,015
Sponsored programs	259	354	374	435	609	319	141	398	359	418
Senior Center										
Average daily attendance	233	240	525	599	614	270	150	445	592	539
Meals served daily	71	82	88	59	59	184	115	125	148	177
Reassurance calls made daily	11	10	10	10	12	199	18	15	18	16
GEMS										
Number of rides	6,811	8,300	8,502	9,624	9,659	4,683	6,425	8,569	9,136	9,934
Number of subscriptions	115	128	113	122	128	104	122	120	132	160
Number of handicapped members	92	102	76	73	58	60	55	63	39	69
Marina										
Number of wet/dry slips rented	290	290	290	290	281	320	326	332	330	318
Number of vessels fueled	5,014	5,528	5,167	5,704	6,790	7,683	7,606	9,104	6,825	6,530
Number of gallons dispensed	196,046	208,394	224,490	272,977	296,018	389,387	380,559	428,942	355,592	364,397
Number of transient rentals	209	303	353	304	566	424	419	420	379	355
Number of kayaks stored	32	32	24	22	29	32	32	32	32	23
Cultural Facilities										
Number of dances/rentals	329	335	328	331	340	145	77	327	383	383
Number of theater rentals	66	66	69	82	82	41	16	87	122	87

Sources: Various City departments

(a) Different operating indicators selected for tracking after 2007.

(b) Changed from Fires extinguished as of FY21-22.

*** The State of Florida has transitioned from Uniform Crime Reporting (UCR) to National Incident Based Reporting (NIBRS). NIBRS requires reporting of up to ten offenses per incident versus UCR's one offense and includes a much larger range of offense types.

Schedule 17
City of Gulfport, Florida

CAPITAL ASSET STATISTICS BY FUNCTION PROGRAM
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Schools										
Elementary	1	1	1	1	1	1	1	1	1	1
Junior/Senior High	2	2	2	2	2	2	2	2	2	2
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	23	23	23	23	23	23	23	23	23
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire trucks	2	2	2	2	2	2	2	2	2	2
Rescue Units	-	-	-	-	-	1	1	1	1	1
Other Public Works										
Streets - Paved	67.63	67.63	67.63	*49.25	49.25	49.25	49.25	49.25	49.25	49.25
Streets - Unpaved	32	32	32	32	32	32	32	32	32	32
Streetlights	1,368	1,368	1,368	1,368	1,368	1,368	1,380	1,380	1,381	1,381
Sanitation										
Collection trucks	8	11	11	11	12	12	12	12	12	12
Utilities										
Water mains (miles)	68	68	68	68	68	68	68	68	68	68
Fire hydrants	284	284	285	286	286	286	286	286	268	268
Lift stations	2	2	2	2	2	2	2	2	2	2
Sanitary sewer (miles)	105	105	105	105	105	105	105	105	105	105
Storm drain lines (miles)	23	23	23	23	23	23	23	23	23	23
Stormwater treatment lakes	2	2	4	4	4	4	4	4	4	4
Recreation										
Acreage	36.75	36.75	36.75	36.75	36.75	36.75	36.75	36.75	36.75	36.75
Playgrounds	5	6	6	6	6	6	6	6	6	6
Tennis courts	2	2	2	2	2	2	2	2	2	2
Skate parks	-	-	-	-	1	1	1	1	1	1
Volleyball courts	4	4	4	4	6	6	6	6	6	6
Basketball courts	1	1	1	1	1	1	1	1	1	1
Bocce courts	1	1	1	1	1	1	1	1	1	1
Recreation buses	1	1	1	1	1	1	1	1	1	1
Pickleball courts	-	-	-	-	-	-	-	-	2	2
Library										
Catalogued items	75,546	80,948	76,868	100,071	127,834	147,969	153,762	78,795	78,204	78,712
GEMS										
Vehicles	4	4	4	4	4	4	4	4	4	4
Marina										
Number of slips	247	247	247	247	247	252	252	252	252	252
Dry storage slips	80	80	80	79	79	78	78	78	78	52

Sources: Various City departments

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

*All paved roads were recently inventoried which showed a reduction in City maintained lane miles. Prior to 2018 this statistic included private and County maintained paved roadways.

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Compliance Section

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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

The Honorable Mayor and City Council
City of Gulfport, Florida
Gulfport, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gulfport, Florida (the "City") as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 14, 2025.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the City in a separate management letter and Independent Accountant's Report dated July 14, 2025.

Purpose of this Report

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

Forvis Mazars, LLP

**Tampa, Florida
July 14, 2025**

Report on Compliance for The Major State Project and on Internal Control Over Compliance

Independent Auditor's Report

The Honorable Mayor and City Council
City of Gulfport, Florida
Gulfport, Florida

Report on Compliance for The Major State Project

Opinion on The Major State Project

We have audited the City of Gulfport, Florida (the "City") compliance with the types of compliance requirements described in the Department of Financial Services State Projects *Compliance Supplement* that could have a direct and material effect on its major state project for the year ended September 30, 2024. The City's major state's major project is 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 its major state projects for the year ended September 30, 2024.

Basis for Opinion for The Major State Project

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

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

Responsibility of Management for Compliance

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

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 GAAS, *Government Auditing Standards* and Chapter 10.550, *Rules of the Auditor General* 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 state project as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material 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 Chapter 10.550, *Rule of the Auditor General*, 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 or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 have not been 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 Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Tampa, Florida
July 14, 2025**

CITY OF GULFPORT, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2024

STATE GRANTS FUNDING SOURCE AND GRANT PROGRAM	CSFA Number	Grant Number	Pass-Through Identifying Number	Expenditures	Amount Provided to Subrecipients
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION:					
Statewide Water Quality Restoration Project: *Water Restoration Assistance	37.039	LPA0529	N/A	\$ 779,335	\$ -
FLORIDA DEPARTMENT OF TRANSPORTATION:					
Local Transportation Projects City of Gulfport - 58th Street Roadway Improvements	55.039	G2T43	N/A	82,741	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE				<u>\$ 862,076</u>	<u>\$ -</u>

* Denotes major state financial assistance project.

CITY OF GULFPORT, FLORIDA
NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2024

NOTE 1 – GENERAL

The accompanying Schedule of State Financial Assistance represents the state-initiated grant activity of the City of Gulfport, Florida (the “City”), recorded by the City during the fiscal year ended September 30, 2024.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The information in this schedule is presented in accordance with the requirements of *Chapter 69I-5, Schedule of Expenditures of State Financial Assistance*, Rules of the Florida Department of Financial Services; and Chapter 10.550, Rules of the Florida Auditor General. Therefore, some amounts presented in this schedule may differ from amounts shown in or used to prepare the basic financial statements of the City of Gulfport, Florida.

Basis of Accounting

The expenditures in the accompanying Schedule of State Financial Assistance are presented using the modified accrual basis of accounting, except for the proprietary funds presented on the accrual basis. The modified accrual basis recognizes expenditures in the period the associated liability is incurred, when matured and due, while expenses are recognized when incurred under the accrual basis. Such expenditures are reported following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – WATER RESTORATION ASSISTANCE

Through the efforts of the City’s Public Relations Consultant, Shumaker Advisors Florida, and sponsorship by State Senator DiCeglie, the City was awarded a Florida Department of Environmental Protection grant in the amount of \$1 million. The grant will be used to rehabilitate approximately 24,030 LF of sanitary sewer mains using trenchless repair methods such as cured-in-place pipe lining and pressure grouting sewer lateral connections. The remaining 10,470 LF of priority 2 repairs and the priority 3 repairs will be completed at a future date. The City’s Annual Comprehensive Financial Report shows that the City incurred state expenditures as of September 30, 2024.

Grant Description	Total Awarded	Total Expenditures	FY 24 Expenditures
Water Restoration Assistance (37.039)	\$1,000,000	\$779,335	\$779,335

CITY OF GULFPORT, FLORIDA
NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – 58TH STREET ROADWAY IMPROVEMENTS

The City has incurred expenditures for construction activities for the 58th Street Roadway Improvements project. This project included curb reconstruction, base rehabilitation, roadway resurfacing, drainage improvements, curb ramp improvements (to ensure ADA compliance), partial sidewalk replacement where needed and driveway reconstruction. The City was awarded \$1.2 million from the Florida Department of Transportation to fund this project. The City’s Annual Comprehensive Financial Report shows that the City incurred state expenditures as of September 30, 2024.

Grant Description	Total Awarded	Total Expenditures	FY 24 Expenditures
58th Street Improvements (55.039)	\$1,200,000	\$82,741	\$82,741

Through the efforts of the City’s Public Relations Consultant, Shumaker Advisors Florida, and sponsorship by State Senator DiCeglie, the City was been awarded a Florida Department of Environmental Protection grant in the amount of \$1 million. The grant will be used to rehabilitate approximately 24,030 LF of sanitary sewer mains using trenchless repair methods such as cured-in-place pipe lining and pressure grouting sewer lateral connections. The remaining 10,470 LF of priority 2 repairs and the priority 3 repairs will be completed at a future date.

City of Gulfport, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

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

Unmodified Qualified Adverse Disclaimer

Internal control over financial reporting:

Material weakness(es) identified? Yes No
Significant deficiency(ies) identified? Yes None reported

Noncompliance material to the financial statements noted? Yes No

State projects

Internal control over major state projects:

Material weakness(es) identified? Yes No
Significant deficiency(ies) identified? Yes None reported

Type of auditor’s report issued on compliance for the state project:

Unmodified Qualified Adverse Disclaimer

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General? Yes No

Identification of major state projects:

<u>CSFA Number</u>	<u>Name of State Project</u>
37.039	Statewide Water Quality Restoration Projects

Dollar threshold used to distinguish between Type A and Type B programs:

State \$300,000

Section II – Financial Statement Findings

No matters are reported.

Section III – Financial Assistance Findings and Questioned Costs

No matters are reported.

City of Gulfport, Florida
Summary Schedule of Prior Audit Findings
September 30, 2024

No matters are reported.

Independent Accountant's Report

The Honorable Mayor and City Council
City of Gulfport, Florida
Gulfport, Florida

We have examined the compliance of the City of Gulfport, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2024. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

Forvis Mazars, LLP

Tampa, Florida
July 14, 2025

Management Letter

The Honorable Mayor and City Council
City of Gulfport, Florida
Gulfport, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Gulfport, Florida (the "City") as of and for the year ended September 30, 2024, and have issued our report thereon dated July 14, 2024.

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 *Chapter 10.550, Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated July 14, 2025, 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. In connection with the preceding audit, there were no findings or recommendations.

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 legal authority is 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*, requires 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 identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

2024-001 – Investment Diversification

Criteria:

The City's investment policy establishes diversification limits that are in accordance with Chapter 281.415 Florida Statutes. The investment policy states that the maximum amount allowed to be invested in local government investment pool is 80% and 50% for an individual issuer.

Condition:

At September 30, 2024, the City had 97% of its total investment portfolio with a single local government investment pool, which exceeds the allowable allocation per the investment policy.

Cause:

The City manager and finance director considered reallocating funds to other allowable investments; however, the rates were not as advantageous and provided less liquidity. The City opted to maintain their investment in the local government investment pool to maximize investment income and maintain liquidity.

Effect:

The City was not in compliance with its investment policy at September 30, 2024.

Recommendation:

We recommend that the City consider reallocating its investment portfolio to be within the diversification limits or consider updating its investment policy.

Views of Responsible Officials and Plan Corrective Action:

City Manager and Finance Director will work with investment advisors to reallocate a portion of the investment balance to be within the policy's allocation requirements.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c, *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided 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 determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

The Honorable Mayor and City Council
City of Gulfport, Florida

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, see separately issued financial statements for the City of Gulfport Community Redevelopment Agency. The Forty-Ninth Street Corridor Redevelopment District does not have employees, independent contractors, construction projects or budget variances.

Additional Matters

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

Forvis Mazars, LLP

**Tampa, Florida
July 14, 2025**