

2024

City of Newberry, Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2024

CITY OF NEWBERRY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Prepared by:
Finance and Administrative Services

CITY OF NEWBERRY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
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INTRODUCTORY SECTION

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

MAYOR

Jordan Marlowe

CITY COMMISSIONERS

Mark Clark

Rick Coleman

Monty Farnsworth

Tim Marden

Tony Mazon

CITY MANAGER

Mike New, P.E.

CITY ATTORNEY

S. Scott Walker, Esq.

CITY CLERK

Judy S. Rice, MMC

DEPARTMENT HEADS

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

Jamie Jones, Assistant City Manager for Public Works & Utilities

Mike Vogel, Fire Chief

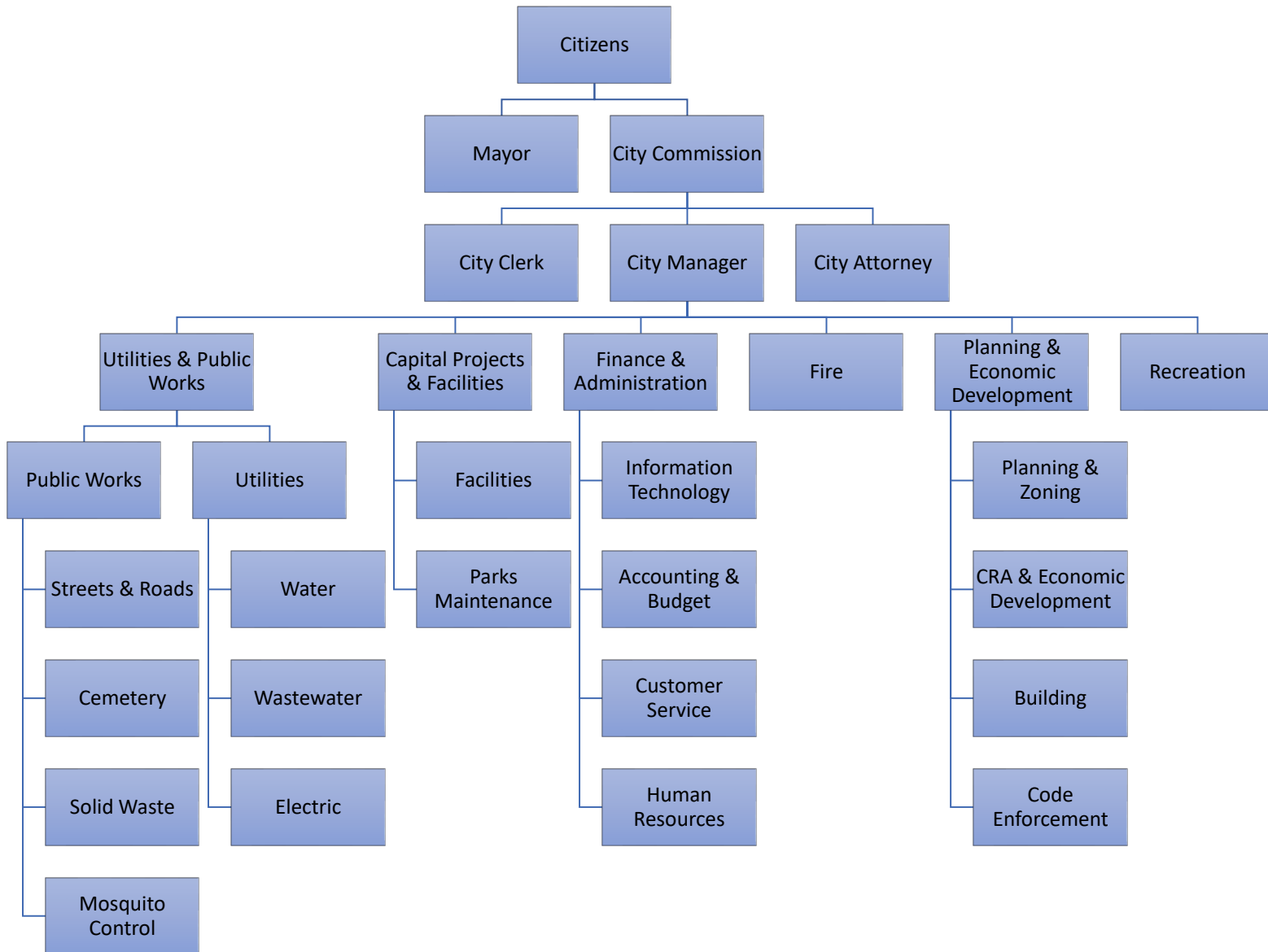
Rod Clark, Director of Recreation

Stacey Hectus, AICP, Director of Community Development

Joe Lovelady, Director of Capital Projects & Facilities

AUDITORS

Purvis, Gray and Company, LLP



March 19, 2025

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

Dear Honorable Mayor Marlowe:

It is with pleasure that we submit to you the Annual Comprehensive Financial Report of the City of Newberry (“Newberry”) for the year ended September 30, 2024. This report was prepared by the Department of Finance and Administration and the City’s Independent Auditors in accordance with the Newberry Charter, State Statutes, and U.S. generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects Newberry’s commitment to full financial disclosure. We encourage you to thoroughly read this report and some of the important items it addresses.

Independent Audit

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

Purvis Gray and Company, independent auditors, have issued an unmodified opinion on the City of Newberry’s financial statements for the fiscal year ended September 30, 2024. The goal of an independent audit is to provide reasonable assurance that the financial statement of the City are free of material misstatement and are presented fairly and in conformity with GAAP. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the basic financial statements; assessing accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor’s report is located at the front of the financial section of this report.

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

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

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

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

Profile of the Government

The City of Newberry is geographically located in North Central Florida. The City's boundaries encompass 61.5 square miles. Newberry was established in 1895 on a railroad line and began as a phosphate mining town. Newberry was incorporated as a municipality in 1906. According to the University of Florida Bureau of Economic and Business Research (BEBR), the City's population was approximately 9,096 as of September 30, 2024. The City has a charter government structure approved by a referendum of the electors pursuant to the Constitution and laws of the State of Florida. The City operates under the City Manager form of government with a Commission comprised of five elected commissioners and an elected non-voting Mayor. Elections are non-partisan and each elected official represents the entire City.

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

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

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

Local Economy

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

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

Accomplishments and Future Projects

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

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

- Underwent first bond rating and received a high rating of Aa3
- Broke ground for construction of the new City Hall building
- New Inclusive Playground at Easton Newberry Sports Complex
- Installed sidewalks and landscaping at Easton Newberry Sports Complex
- Fire Department fully converted to Advanced Life Support services
- Installed a new watermain on SW 258th Street
- Constructed SW 4th Ave turn lane
- Completed design and engineering on the new regional wastewater plant
- Implemented new software for the Community Development Department
- Completed design of elevated water storage tower

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

- Complete construction of multi-purpose field expansions and sports lighting at Easton Newberry Sports Complex
- Continuing the road resurfacing program
- Bid and construction phases for reconstruction and extension of SW 15th Avenue
- Bid and construction phases for lift station 8 abandonment and lift station 7 upgrade
- Bid and construction phases for environmental park stormwater basin
- Bid and construction phases for NW 1st Ave watermain
- Complete construction of new City Hall building
- Complete design and bid phases of gymnasium expansion at Easton Newberry Sports Complex
- Bid and construction phases of the regional wastewater treatment plant
- Bid and construction phases of an elevated water storage tower
- Complete construction of a Veterans Memorial Park

Financial Information & Relevant Financial Policies

Accounting and Administrative Controls

Newberry's internal control structure is designed to ensure that Newberry's assets are protected against loss from theft, unauthorized use, or disposition and to ensure that adequate and reliable financial records are available for preparing financial statements in conformity with U.S. generally accepted accounting principles. The internal controls provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

Budgetary Control

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

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

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

Capital Financing

The City has been actively advancing a range of capital projects focused on (1) economic development, (2) infrastructure improvements and replacements, and (3) expanding existing facilities. The scope and scale of these projects will continue to grow in the coming years. Most capital projects are funded through accumulated fund balance cash. However, major utility infrastructure improvements are primarily financed through State Revolving Fund (SRF) loans from the State Department of Environmental Protection. Additionally, the City Hall building expansion is funded by revenue bond proceeds.

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

Debt Service Administration

In Florida, there is no legal debt limit. All general obligation debt pledging payment from ad valorem taxes must be approved by referendum unless it is to refund outstanding debt. Article VII, Section 12, of the Florida State Constitution states "Counties, school districts, municipalities, special districts, and local governmental bodies with taxing powers may issue bonds, certificates of indebtedness, or any form of tax anticipation certificates payable from ad valorem taxes and maturing more than twelve months after issuance only to finance or refinance capital projects authorized by law and only when approved by vote of the electors ..." During the year ended September 30, 2024, Newberry issued revenue bonds to finance the City Hall expansion. Additionally, the City secured a line of credit as a bridge loan for the future construction of the new Advanced Wastewater Treatment Plant. No ad valorem taxes have been pledged for repayment of these debts.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newberry for its Annual Comprehensive Financial Report for the year ended September 30, 2023. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that the September 30, 2024, Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dallas Lee", with a long horizontal flourish extending to the right.

Dallas Lee, CGFO
Interim City Manager

A handwritten signature in blue ink, appearing to read "Amanda Hagan", with a stylized, cursive script.

Amanda Hagan, CPA, CGFO
Acting Director of Finance



Government Finance Officers Association

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**City of Newberry
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Commissioners
City of Newberry, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newberry, Florida (the City) as of and for the year ended September 30, 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 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 accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other postemployment benefit schedules on pages 5-17 and 50-55 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

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 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 solely to describe the scope of our testing of internal control

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Purvis Gray

March 19, 2025
Gainesville, Florida

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

As management of the City of Newberry, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. The Management's Discussion and Analysis (MD&A) is designed to: assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Financial Highlights

- The City of Newberry's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources on September 30, 2024, by \$61.4 million. Unrestricted net position was at \$2.9 million.
- The City of Newberry's total long-term debt (loans and notes payable) increased by \$6,928,452 during the current fiscal year, primarily due to the issuance of revenue bonds for construction of the new City Hall.
- Total net position of \$61.4 million is comprised of the following:
 - The \$51.6 million net investments in capital assets includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 - \$6.9 million of net position is restricted by constraints imposed from outside of the City such as debt covenants, grantors, laws, or regulations, or by enabling legislation.
 - \$2.9 million of unrestricted net position.
- On September 30, 2024, the City's governmental funds reported a combined ending fund balance of \$14.7 million, an increase of \$8.4 million compared to the prior fiscal year. The increase is primarily due to revenue bond proceeds that will be used in next fiscal year to fund the new City Hall construction.
- Governmental fund revenues (excluding interfund transfers) totaled \$13,688,267, an increase of \$2.2 million compared to the previous fiscal year. One contributing factor to this increase was the implementation of transportation and general government buildings impact fees, which began applying to all building permits issued from November 2023 onward.

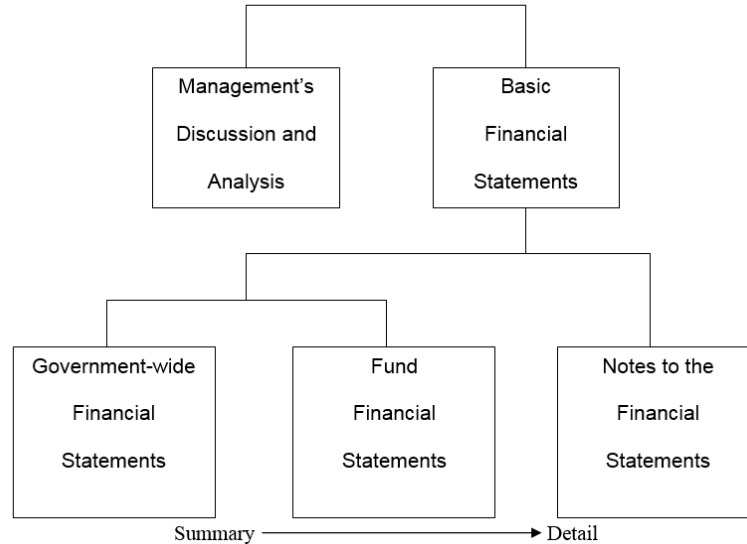
Overview of the Financial Statements

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

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

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Required Components of Annual Financial Report



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

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

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

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

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

The government-wide financial statements can be found on pages 18 and 19 of this report.

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

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

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

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

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, American Rescue Plan fund, and Capital Improvement fund which are considered to be major funds. The non-major governmental funds include the following special revenues funds: Champions Park, Wild Spaces and Public Places, Infrastructure Sales Surtax, Impact Fees, Opioid Settlement Proceeds, and the Community Redevelopment Agency.

The City adopts an annual appropriated budget for its general fund, special revenue funds, and capital improvement fund. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Commission about which services to

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. A budgetary comparison schedule has been provided for the general fund, special revenue funds, and capital improvement fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20 and 22 of this report.

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

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The Enterprise Fund financial statements provide separate information for each individual Enterprise Fund. The Internal Service Fund is also presented in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 24-28.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-49 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary information and pension and other postemployment benefits. Required supplementary information can be found on pages 50-55 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$61,440,486 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (84%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

City of Newberry - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 17,380,494	\$ 9,380,802	\$ 9,494,351	\$ 10,045,837	\$ 26,874,845	\$ 19,426,639
Capital Assets	25,171,053	20,222,346	33,237,903	26,879,990	58,408,956	47,102,336
Total Assets	42,551,547	29,603,148	42,732,254	36,925,827	85,283,801	66,528,975
Deferred Outflows of Resources	1,855,870	1,542,217	418,825	281,501	2,274,695	1,823,718
Long-Term Liabilities	13,941,727	7,224,779	7,203,429	5,271,499	21,145,156	12,496,278
Other Liabilities	2,632,495	2,749,417	1,372,757	1,967,621	4,005,252	4,717,038
Total Liabilities	16,574,222	9,974,196	8,576,186	7,239,120	25,150,408	17,213,316
Deferred Inflows of Resources	643,146	417,399	324,456	207,743	967,602	625,142
Net Position:						
Net Investment in Capital Assets	24,074,743	19,340,346	27,575,213	22,984,630	51,649,956	42,324,976
Restricted	3,777,959	2,560,304	3,139,002	2,621,814	6,916,961	5,182,118
Unrestricted	(662,653)	(1,146,880)	3,536,222	4,154,021	2,873,569	3,007,141
Total Net Position	\$ 27,190,049	\$ 20,753,770	\$ 34,250,437	\$ 29,760,465	\$ 61,440,486	\$ 50,514,235

The balance of *unrestricted net position*, \$2,873,569, may be used to meet the government's ongoing obligation to citizens and creditors.

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

A portion of the City's net position, \$6,916,961, represents resources that are subject to external restrictions on how they may be used. A large portion of this is related to Water and Wastewater Development fees, which are restricted to defray the cost of new facilities to the extent that new usage requires new facilities. Additionally, accumulated funds from the Wild Spaces Public Places and Infrastructure surtax have contributed to the increase in restricted position. These funds are to be used for future enhancements to the City's parks and infrastructure.

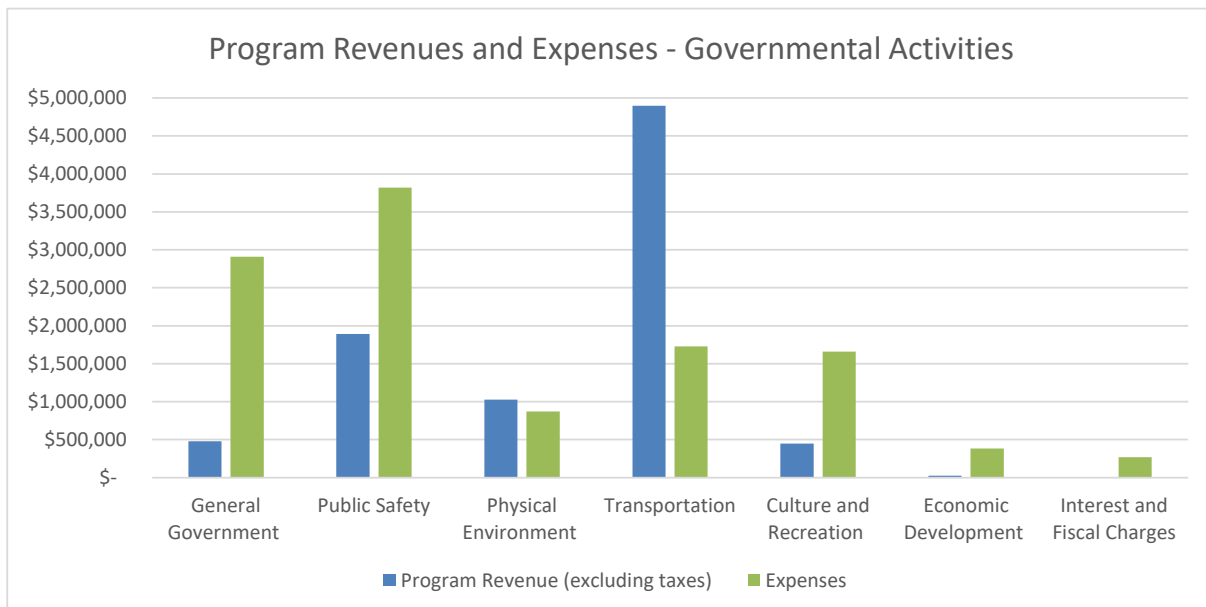
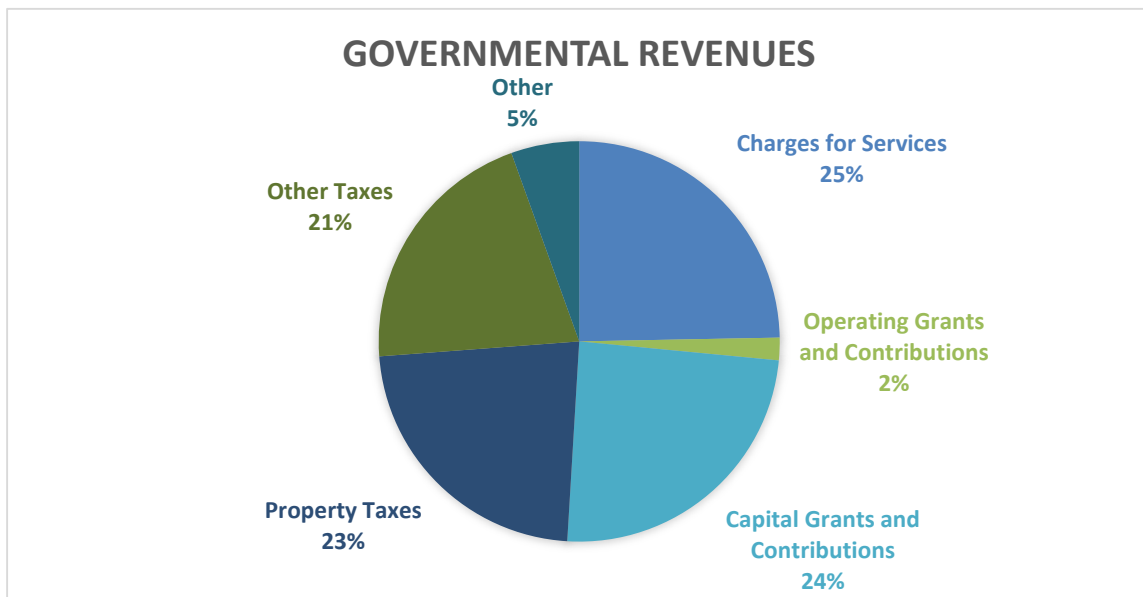
City of Newberry
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$ 4,251,237	\$ 3,260,739	\$ 8,853,420	\$ 8,715,517	\$ 13,104,657	\$ 11,976,256
Operating Grants and Contributions	312,847	305,119	20,632	-	333,479	305,119
Capital Grants and Contributions	4,206,570	1,674,250	5,151,685	3,859,154	9,358,255	5,533,404
General Revenues:						
Property Taxes	3,934,149	3,416,767	-	-	3,934,149	3,416,767
Other Taxes	3,562,669	3,283,595	-	-	3,562,669	3,283,595
Other	945,950	714,934	815,404	314,735	1,761,354	1,029,669
Total Revenues	17,213,422	12,655,404	14,841,141	12,889,406	32,054,563	25,544,810
Expenses						
General Government	2,908,794	2,983,857	-	-	2,908,794	2,983,857
Public Safety	3,820,070	3,721,718	-	-	3,820,070	3,721,718
Physical Environment	871,906	757,933	-	-	871,906	757,933
Transportation	1,726,523	1,359,315	-	-	1,726,523	1,359,315
Culture and Recreation	1,660,628	1,768,728	-	-	1,660,628	1,768,728
Economic Development	383,305	249,780	-	-	383,305	249,780
Interest and Fiscal Charges	270,917	-	-	-	270,917	-
Electric Utility	-	-	5,548,352	6,018,802	5,548,352	6,018,802
Water and Sewer Utilities	-	-	3,899,933	3,098,020	3,899,933	3,098,020
Mosquito Control	-	-	37,884	40,732	37,884	40,732
Total Expenses	(11,642,143)	(10,841,331)	(9,486,169)	(9,157,554)	(21,128,312)	(19,998,885)
Increase in Net Position						
Before Transfers	5,571,279	1,814,073	5,354,972	3,731,852	10,926,251	5,545,925
Transfers	865,000	325,000	(865,000)	(325,000)	-	-
Change in Net Position	6,436,279	2,139,073	4,489,972	3,406,852	10,926,251	5,545,925
Net Position, Beginning of Year	20,753,770	18,614,697	29,760,465	26,353,613	50,514,235	44,968,310
Net Position, End of Year	\$ 27,190,049	\$ 20,753,770	\$ 34,250,437	\$ 29,760,465	\$ 61,440,486	\$ 50,514,235

**CITY OF NEWBERRY, FLORIDA
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Governmental activities—Governmental activities increased the City's net position by \$6,436,279 in 2024, compared to an increase of \$2,139,073 in 2023. The primary factor contributing to the change in the governmental activities net position in 2024 was capital contributions from developers from various new construction developments within the City.

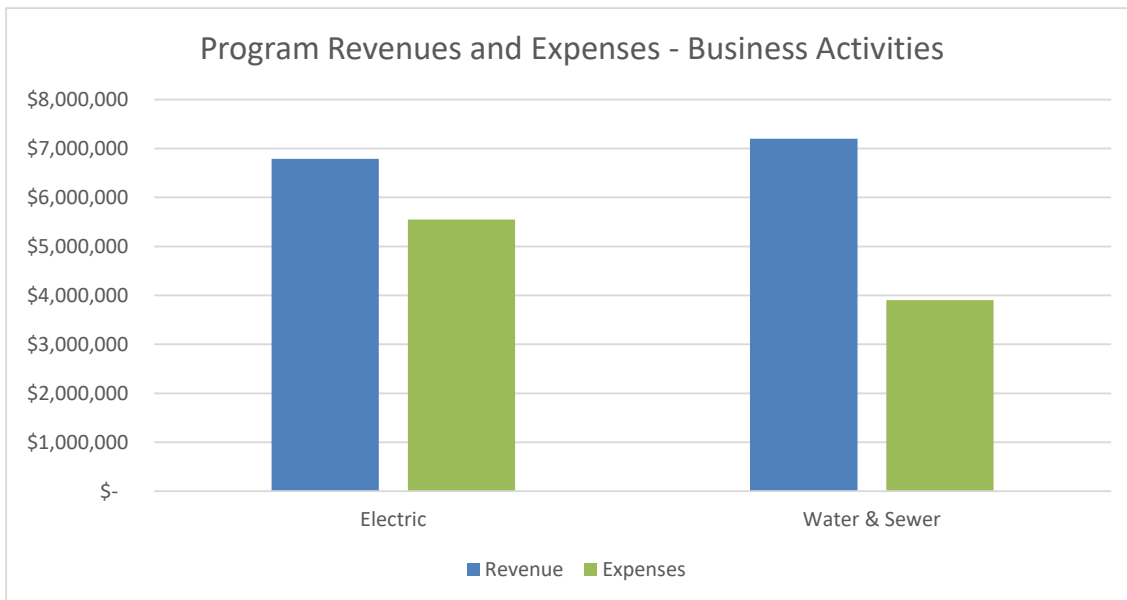
Overall, governmental activities reported an increase in revenues of 36.02% \$(4,558,018) and an increase in expenses of 7.4% \$(800,812) in comparison with the prior year. The increase in revenues is primarily due to developer contributions. The increase in expenses is related to increased investment in infrastructure, as well as cost increases due to inflation and personnel expenses.



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Business-type activities—Business-type activities increased the City’s net position, before transfers, by \$5,354,972 in 2024, compared to an increase of \$3,731,852 in 2023. Some primary factors contributing to the increase in net position in 2024 were capital contributions from developers and increased awarding of capital grants for water and wastewater infrastructure projects.

- The Electric Utility of the City operates at 7.2/12.47 kV. The City purchases power from Florida Municipal Power Association (FMPA) through its all-requirements project (ARP).
- The Water Utility obtains its water supply from 4 wells that pump from the upper portion of the Floridian Aquifer. Three wells with depths of approximately 280 feet withdraw water from the Ocala limestone and discharge it into the City’s distribution system. The quality of the City’s water supply is such that chlorination is the only treatment the water requires prior to distribution. The system’s wells range in age from 10 to 52 years old.
- Wastewater generated through the utility is collected through a gravity sewer system and pumped to the City’s wastewater treatment plant. The collected wastewater is treated in an activated sludge treatment facility, which has a current capacity of 560,000 gallons per day. The effluent from the treatment facility is chlorinated and land applied as spray irrigation for hay crop production.



Financial Analysis of the Government’s Funds

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

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

**CITY OF NEWBERRY, FLORIDA
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As of the end of the current fiscal year, the City's general fund, which is a major governmental fund, reported an ending fund balance of \$3,718,023, a decrease of \$544,767 compared to prior year. The restricted fund balance includes \$642,258 for building department expenses which the City plans to expend enforcing the Florida Building Code per state statute 553.80, and \$55,938 of restricted funds from unspent local option fuel taxes. The general fund also reported \$160,570 in advances to other funds. This advance was made to the Wild Spaces Public Places (WSPP) special revenue fund and will be repaid by fiscal year 2027. The remaining balance includes \$2,851,746 in unassigned fund balance, and \$7,511 in prepaid items. The City has adopted a policy of retaining two months or 17% of operating expenses on hand as its emergency fund. For fiscal year 2024, \$1,979,164 met that requirement; an additional \$582,107 is set aside within the unassigned category as the City's Stabilization Fund to mitigate against unforeseen events and diminished revenues during economic downturns. The excess \$290,475 was available for any other expenditure.

A special revenue fund is used to account for tracking the proceeds received from the *American Rescue Plan Act* (ARPA). These funds are recorded as unearned revenue until allowable expenditures are made. At the end of the current fiscal year, unearned revenues of \$1,175,108 exist, which will be used to fund the gymnasium expansion at the Eastern Newberry Sports Complex.

A capital projects fund is primarily used to record the proceeds from revenue bonds issued to fund the construction of the new City Hall, as well as track related capital expenditures. The new City Hall is projected to be complete in fiscal year 2025.

A special revenue fund is used to account for tracking the proceeds received from the lease and other operations of Champions Park. These funds are held for future renewal and replacement of the park's assets. In fiscal year 2024, the City utilized these funds to repair a large sinkhole that arose in August 2024. An insurance claim was filed for reimbursement of the unexpected costs; however, the claim was denied. At the end of the current fiscal year, the Champions Park special revenue fund reported a negative balance of \$(5,145). More information may be found on page 58.

A special revenue fund is used to account for tracking the proceeds received from the WSPP half-cent sales surtax. As of the end of the current fiscal year, this fund reported a balance of \$1,291,262. Fund balance increased 14% from prior year due to the City accumulating funds for future projects. WSPP half-cent sales taxes increased by \$38,818 or 7% from the prior year. Meanwhile, expenditures increased by \$525,492 from the prior year and were used for capital projects at the Easton Newberry Sports Complex such as sidewalks and interior roads as well as a gym expansion design. In the fiscal year 2025 adopted budget, some projects that funds have been allocated towards include parking lot improvements at the Easton Newberry Sports Complex and improvements at Jimmy Durden Park. More information on these funds can be found on page 59.

A special revenue fund is used to account for tracking the proceeds received from the Infrastructure half-cent sales surtax that was voter approved in November. As of end of the current fiscal year, this fund reported a balance of \$1,010,446. Fund balance increased 147% from the prior year due to the City accumulating funds for future projects. In the fiscal year 2025 adopted budget, these funds have been allocated towards construction of the Veteran's Memorial Park and paving of SW 15th Road. More information on these funds can be found on page 60.

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A special revenue fund is used to account for tracking the proceeds received from transportation and general government buildings impact fees. The City Commissioners adopted impact fee Ordinance 2023-14 in August 2023 for collection starting on all building permits issued from November 2023 onward. In the current year, \$622,515 have been collected in impact fees of which \$374,000 have been used for transportation projects. In the fiscal year 2025 adopted budget, these funds have been allocated towards construction of the new City Hall building and road infrastructure projects.

A special revenue fund is used to account for tracking the proceeds received from the Community Redevelopment Agency. In 2021, the City and the Alachua County Board of County Commissioners entered an interlocal agreement to establish a community redevelopment agency within the downtown area of the City. At the end of the current fiscal year, this fund reported a balance of \$516,442. Fund balance increased 70% from the prior year due to the City accumulating funds for future projects. In the current year, expenditures totaled \$274,793, an increase from prior year's \$17,824, and were used to fund sidewalk improvement projects and engineering costs for upcoming infrastructure projects. In the fiscal year 2025 adopted budget, these funds have been allocated in accordance with the community redevelopment agency plan. More information on these funds can be found on page 63.

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

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

Total assets and deferred outflows as of September 30, 2024, for enterprise funds were \$43,148,798, total liabilities and deferred inflows were \$8,757,434, and net position was \$34,391,364 before an adjustment for consolidation of internal service fund activity of \$(140,927). The statement of net position of the proprietary funds can be found on pages 24 and 25 of this report.

The unrestricted net position of the electric, water and sewer, and mosquito control funds at the end of the year were \$3,017,983, \$681,783, and \$(10,803), respectively. The internal service funds reported an unrestricted net position of \$(179,226). The internal service funds net position has been allocated among the various funds on the government-wide statements as business-type activities and governmental activities. The total change in net position for the electric, water and sewer, and mosquito control funds was \$496,188, \$3,923,915, and \$(4,691), respectively. The internal service fund reported a total change of \$144,035 in net position.

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Two primary drivers of the increase in net position for both electric and the water/sewer fund are capital contributions from developers and development charges as well as increased awarding of capital grants for water/sewer infrastructure. In the current year, the combined charges for services for electric, water/sewer, and mosquito control funds increased by \$75,984 compared to the prior year. In the electric fund, purchased power costs decreased in the current year which resulted in decreased charges to customers and a reduced power cost adjustment. Charges for services in the electric fund decreased by \$(271,959) compared to prior year. In the water/sewer fund, charges for services increased by \$345,955, compared to prior year, mainly due to offset increased operating costs. Compared to prior year, business-type expenses increased by \$461,579 largely due to inflation and personnel expenses.

More information on the changes in net position of the proprietary funds can be found on page 26 of this report.

General Fund Budgetary Highlights

On September 30, 2024, the City's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue in the amount of \$587,158. This variance was primarily driven by increased building permit revenues as the City continues to experience a high growth level. The increased operating revenues also results from donations received for building of the Veteran's Memorial Park.

The City's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of \$746,406. The largest budget variance of \$333,908 in transportation is mainly related to road projects that are underway but unable to be completed by fiscal year-end and related to a dump truck order that has a long lead time for delivery. The dump truck was ordered in fiscal year 2022 and is expected to be delivered in fiscal year 2025.

The schedule of revenues, expenditures, and changes in fund balance - budget and actual can be found on page 50 of this report.

Capital Asset and Debt Administration

Capital Assets—The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$58,408,956 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and roads. The total increase in the City's investment in capital assets for the current fiscal year was 24.0%. During the year ended 2024, the City purchased a new bucket truck, completed several utility system extensions, paved roads including SW 4th Ave turn lane, installed an inclusive playground, and completed design of a new elevated water storage tank. Additionally, the City continues to make significant investments in the design and future construction of the regional wastewater treatment plant.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Capital Assets

(Net of Depreciation)

Governmental Activities		Business-Type Activities		Total	
2024	2023	2024	2023	2024	2023
\$ 1,592,938	\$ 1,592,938	\$ 1,627,937	\$ 1,625,781	\$ 3,220,875	\$ 3,218,719
1,313,240	629,339	4,534,903	1,588,187	5,848,143	2,217,526
7,846,728	8,079,146	-	-	7,846,728	8,079,146
1,813,332	1,640,286	26,196,418	23,666,022	28,009,750	25,306,308
12,566,676	8,280,637	-	-	12,566,676	8,280,637
38,139	-	878,645	-	916,784	-
<u>\$ 25,171,053</u>	<u>\$ 20,222,346</u>	<u>\$ 33,237,903</u>	<u>\$ 26,879,990</u>	<u>\$ 58,408,956</u>	<u>\$ 47,102,336</u>

Additional information on the City's capital assets can be found on pages 35 and 36 of this report.

Long-term debt—At the end of the current fiscal year, the City had total long-term debt outstanding of \$11,705,812. The full amount represents notes payables in both the governmental and the business-type activities. In the governmental activities, the debt is related to a vehicle purchase loan agreement for purchase of the new quint fire engine as well as revenue bonds for construction of the new City Hall. In the business-type activities, the debt is related to expansion of the water system and expansion of the wastewater treatment plant.

**Outstanding Debt
Loans**

Governmental Activities		Business-Type Activities		Total	
2024	2023	2024	2023	2024	2023
\$ 6,904,000	\$ 882,000	\$ 4,801,812	\$ 3,895,360	\$ 11,705,812	\$ 4,777,360
<u>\$ 6,904,000</u>	<u>\$ 882,000</u>	<u>\$ 4,801,812</u>	<u>\$ 3,895,360</u>	<u>\$ 11,705,812</u>	<u>\$ 4,777,360</u>

The City's total debt increased by \$6,928,452 (145.03%) during the current fiscal year. The increased debt is mainly due to issuing capital improvement revenue bonds to finance construction of the new City Hall.

Additional information on the City's long-term debt can be found on pages 38-41 of this report.

Economic Factors and Next Year's Budgets and Rates

Due to the impact of current economic trends on both governmental and business-type activities, all the initiatives listed below were considered in preparing the City's budget for the 2025 fiscal year:

■ **Generally**

The final certified city-wide taxable value of property increased to \$794 million, representing an increase of 15%.

**CITY OF NEWBERRY, FLORIDA
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SEPTEMBER 30, 2024**

The population is estimated to be 9,096 on September 30, 2024, which is a 7% increase from the previous fiscal year.

The unemployment rate for the Gainesville MSA at December 31, 2024, was 3.9%, which includes the City of Newberry. This is an increase from the previous fiscal year's rate of 3.0%.

In the fiscal year 2023, the City Commission approved Ordinance 2023-14 adopting impact fees for transportation and general government buildings on all building permits issued from November 2023 onward. Fiscal year 2025 will be the first full fiscal year of collecting this new dedicated funding source for expansion of existing infrastructure to accommodate new growth.

In 2021, the City and the Alachua County Board of County Commissioners entered an interlocal agreement to establish a community redevelopment agency within the downtown area of the City. Payments from the City and County are made each fiscal year and the City will utilize these funds in accordance with the community redevelopment plan in effort to revitalize the downtown area.

■ **Culture and Recreation**

Wild Spaces & Public Places ½ cent sales surtax—In 2022 the voters of Alachua County passed an extension of the half-cent Wild Spaces & Public Places sales surtax for the funding of recreational and conservation programs. The sales tax will be levied for ten years through 2032. The City has adopted a long-term projects plan for the expenditure of these funds on a variety of recreation facilities.

■ **Infrastructure**

Infrastructure ½ cent sales surtax—In 2022 the voters of Alachua County passed a half-cent Infrastructure sales surtax for the funding of roads, fire stations, public buildings and other infrastructure. The sales tax will be levied for ten years through 2032 with distributions beginning in March 2023. The City has adopted a long-term projects plan for the expenditure of these funds on a variety of infrastructure projects throughout the City.

■ **Public Safety**

The City has a negotiated contract with the Alachua County Sheriff's Office for law enforcement services. The contract will be renegotiated in fiscal year 2025 but no significant changes in the level of service or cost of the contract are expected.

The City in fiscal year 2025 purchased a new brush truck as the former brush truck's lifespan has expired. The brush truck is a specialized firefighting vehicle used primarily for wildland fires, grass fires, and other off-road incidents.

■ **Electric Utility**

The power cost adjustment (PCA) will continue to be evaluated monthly instead of quarterly to ensure that proper recovery of current costs is occurring. Over the last year, natural gas prices continue to level and drop slightly reducing the cost of purchased power. The cost of the fuel is passed on to customers and included in the power cost adjustment (PCA) on their bill. Due to the decreased cost of purchased power, the City was able to decrease its PCA while still making efforts to restore the rate stabilization fund which is used to help offset price increases in the event of rising natural gas prices.

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The City's electric system requires several million dollars of upcoming capital improvements due to the Florida Department of Transportation's plan to reconstruct State Road 26. In preparation, the Commission increased rates in fiscal year 2024 to increase the electric fund's debt capacity.

■ **Water and Sewer Utilities**

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

The City is has concluded the design phase and will be entering the bid phase of a wastewater treatment plant expansion to increase the City's total treatment capacity and to enhance the level of treatment. In January 2024, the City of Archer entered an interlocal agreement with the City for a regional wastewater treatment plant. The City of Archer will cost share in the construction of the plant and once it is operational, will become a wholesale customer. The City is actively seeking grant funding and legislative appropriations for this project and as of the time of this report has been awarded approximately \$12 million in grant funding.

Additionally, the City is actively working to finalize Developer Agreements, which will provide developers with options for when to pay developer fees to secure wastewater treatment capacity for their development projects. These agreements will serve as a funding mechanism and demonstrate to the State Department of Environmental Protection that the City has the financial ability to repay State Revolving Fund (SRF) loans. The City anticipates utilizing SRF loans to finance any portion of the wastewater treatment plant expansion that is not covered by grant funding.

The City is also working to construct a new elevated water storage tank along State Road 26 to enhance fire flow and allow for economic expansion along this key corridor. The City has received grant funding towards this project and is utilizing the SRF program to fund the project. The project is expected to go out for bid in fiscal year 2025.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF NEWBERRY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 5,111,390	\$ 4,173,047	\$ 9,284,437
Investments	5,018,082	-	5,018,082
Accounts Receivable	61,106	1,624,431	1,685,537
Lease Receivable	134,358	-	134,358
Due from Other Governments	527,399	418,971	946,370
Due from Others	94,755	-	94,755
Prepaid Items	7,511	85	7,596
Inventory	-	20,748	20,748
Internal Balances	60,643	(60,643)	-
Restricted Assets:			
Cash and Cash Equivalents	1,347,168	3,317,712	4,664,880
Investments	5,018,082	-	5,018,082
Capital Assets Not Being Depreciated	2,906,178	6,162,840	9,069,018
Capital Assets Being Depreciated, Net of Accumulated Depreciation	22,264,875	27,075,063	49,339,938
Total Assets	42,551,547	42,732,254	85,283,801
Deferred Outflows of Resources			
Pension Related	1,738,368	364,971	2,103,339
OPEB Related	117,502	53,854	171,356
Total Deferred Outflows of Resources	1,855,870	418,825	2,274,695
Liabilities			
Accounts Payable	522,777	709,133	1,231,910
Accrued Expenses	310,401	132,846	443,247
Accrued Interest Payable	66,340	4,756	71,096
Due to Other Governments	3,491	-	3,491
Unearned Revenue	1,716,750	-	1,716,750
Customer Deposits	12,736	99,163	111,899
Power Costs Overrecovery	-	426,859	426,859
Non-Current Liabilities:			
Due Within One Year	446,851	535,784	982,635
Due in More than One Year	13,494,876	6,667,645	20,162,521
Total Liabilities	16,574,222	8,576,186	25,150,408
Deferred Inflows of Resources			
Leases	131,361	-	131,361
Pension Related	344,719	247,885	592,604
OPEB Related	167,066	76,571	243,637
Total Deferred Inflows of Resources	643,146	324,456	967,602
Net Position			
Net Investment in Capital Assets	24,074,743	27,575,213	51,649,956
Restricted for:			
Building Department	642,258	-	642,258
Transportation	55,938	-	55,938
Capital Improvement	1,267,599	3,139,002	4,406,601
Culture and Recreation	1,291,262	-	1,291,262
Community Redevelopment	516,442	-	516,442
Public Safety	4,460	-	4,460
Unrestricted	(662,653)	3,536,222	2,873,569
Total Net Position	\$ 27,190,049	\$ 34,250,437	\$ 61,440,486

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 2,908,794	\$ 456,126	\$ 24,008	\$ -	\$ (2,428,660)	\$ -	\$ (2,428,660)
Public Safety	3,820,070	1,887,675	4,720	-	(1,927,675)	-	(1,927,675)
Physical Environment	871,906	1,023,211	5,000	-	156,305	-	156,305
Transportation	1,726,523	542,888	254,619	4,101,570	3,172,554	-	3,172,554
Culture and Recreation	1,660,628	341,337	-	105,000	(1,214,291)	-	(1,214,291)
Economic Development	383,305	-	24,500	-	(358,805)	-	(358,805)
Interest and Fiscal Charges	270,917	-	-	-	(270,917)	-	(270,917)
Total Governmental Activities	11,642,143	4,251,237	312,847	4,206,570	(2,871,489)	-	(2,871,489)
Business-Type Activities							
Electric	5,548,352	5,927,225	17,291	845,045	-	1,241,209	1,241,209
Water and Sewer	3,899,933	2,892,108	3,311	4,306,640	-	3,302,126	3,302,126
Mosquito Control	37,884	34,087	30	-	-	(3,767)	(3,767)
Total Business-Type Activities	9,486,169	8,853,420	20,632	5,151,685	-	4,539,568	4,539,568
Total Government	\$ 21,128,312	\$ 13,104,657	\$ 333,479	\$ 9,358,255	(2,871,489)	4,539,568	1,668,079
General Revenues							
Property Taxes					3,934,149	-	3,934,149
Sales Taxes					2,013,592	-	2,013,592
Utility Service Taxes					1,244,010	-	1,244,010
Communication Services Taxes					267,033	-	267,033
Business License Taxes					38,034	-	38,034
Investment Earnings					438,721	387,225	825,946
Other					507,229	428,179	935,408
Transfers					865,000	(865,000)	-
Total General Revenues					9,307,768	(49,596)	9,258,172
Change in Net Position					6,436,279	4,489,972	10,926,251
Net Position, Beginning of Year					20,753,770	29,760,465	50,514,235
Net Position, End of Year					\$ 27,190,049	\$ 34,250,437	\$ 61,440,486

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	American Rescue Plan	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 1,060,571	\$ -	\$ 3,404,433	\$ 1,960,976	\$ 6,425,980
Investments	2,509,041	1,505,425	5,018,082	1,003,616	10,036,164
Accounts Receivable	61,106	-	-	-	61,106
Lease Receivable	134,358	-	-	-	134,358
Due from Other Governments	196,636	-	-	330,763	527,399
Due from Others	94,755	-	-	-	94,755
Prepaid Items	7,511	-	-	-	7,511
Due from Other Funds	277,881	-	-	-	277,881
Advances to Other Funds	160,570	-	-	-	160,570
Total Assets	4,502,429	1,505,425	8,422,515	3,295,355	17,725,724
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	290,933	-	176,422	55,422	522,777
Accrued Expenditures	304,243	-	6,158	-	310,401
Due to Other Governments	3,491	-	-	-	3,491
Unearned Revenue	41,642	1,175,108	500,000	-	1,716,750
Deposits	12,736	-	-	-	12,736
Due to Other Funds	-	153,430	-	4,745	158,175
Advances from Other Funds	-	-	-	160,570	160,570
Total Liabilities	653,045	1,328,538	682,580	220,737	2,884,900
Deferred Inflows of Resources					
Lease Related	131,361	-	-	-	131,361
Total Deferred Inflows of Resources	131,361	-	-	-	131,361
Fund Balances					
Non-Spendable:					
Prepays	7,511	-	-	-	7,511
Advances to Other Funds	160,570	-	-	-	160,570
Restricted for:					
Building Department	642,258	-	-	-	642,258
Transportation	55,938	-	-	-	55,938
Culture and Recreation	-	-	-	1,291,262	1,291,262
Capital Improvement	-	-	6,365,250	1,267,599	7,632,849
Community Redevelopment	-	-	-	516,442	516,442
Public Safety	-	-	-	4,460	4,460
Assigned for:					
Capital Projects	-	176,887	1,374,685	-	1,551,572
Unassigned	2,851,746	-	-	(5,145)	2,846,601
Total Fund Balances	3,718,023	176,887	7,739,935	3,074,618	14,709,463
Total Liabilities and Fund Balances	\$ 4,502,429	\$ 1,505,425	\$ 8,422,515	\$ 3,295,355	\$ 17,725,724

See accompanying notes.

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

Fund Balance - Total Governmental Funds \$ 14,709,463

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

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

Cost of Assets, excluding \$1,782,894 of capital assets reported in the Internal Service Fund	\$ 38,407,426	
(Accumulated Depreciation, Excluding \$477,738 of Accumulated Depreciation Reported in the Internal Service Fund)	<u>(14,541,529)</u>	23,865,897

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

Deferred Outflows on Pension Liability	1,738,368	
Deferred Outflows on OPEB Liability	117,502	
Deferred Inflows on Pension Liability	(344,719)	
Deferred Inflows on OPEB Liability	<u>(167,066)</u>	1,344,085

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

Bonds	(6,175,000)	
SBITAs	(16,146)	
Compensated Absences	(297,580)	
Other Postemployment Benefits	(277,434)	
Net Pension Liability	<u>(5,905,153)</u>	(12,671,313)

In fund financial statements, governmental fund types recognize discounts and premiums during the current period as other financing sources and uses. In the government-wide statements, discounts and premiums are applied against bonds payable.

Premiums	<u>(541,414)</u>	(541,414)
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Interest on long-term debt is accrued as a liability in the statement of net position, but is not recognized in the governmental funds until paid:

Accrued Interest Payable		(66,340)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are reported with governmental activities.

549,671

Net Position of Governmental Activities \$ 27,190,049

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	American Rescue Plan	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 5,814,670	\$ -	\$ -	\$ 1,176,988	\$ 6,991,658
Permits, Fees, and Special Assessments	2,025,108	-	-	-	2,025,108
Intergovernmental	962,446	246,070	-	342,229	1,550,745
Fines and Forfeitures	3,893	-	-	-	3,893
Charges for Services	1,575,297	-	-	652,875	2,228,172
Investment Earnings	217,217	75,227	50,393	95,884	438,721
Miscellaneous	256,228	-	-	3,142	259,370
Interfund Charges	190,600	-	-	-	190,600
Total Revenues	11,045,459	321,297	50,393	2,271,118	13,688,267
Expenditures					
Current:					
General Government	2,781,308	-	185,227	-	2,966,535
Public Safety	3,731,451	-	-	-	3,731,451
Physical Environment	861,395	-	-	-	861,395
Transportation	1,115,384	-	27,651	-	1,143,035
Culture and Recreation	1,221,888	-	-	51,548	1,273,436
Economic Development	242,763	-	-	140,186	382,949
Debt Service:					
Interest and Other	-	-	204,577	-	204,577
Capital Outlay	537,700	246,070	442,826	1,097,865	2,324,461
(Total Expenditures)	(10,491,889)	(246,070)	(860,281)	(1,289,599)	(12,887,839)
Excess (Deficiency) of Revenues Over (Under) Expenditures	553,570	75,227	(809,888)	981,519	800,428
Other Financing Sources					
Subscription-Based Information Technology Arrangements	16,146	-	-	-	16,146
Bond Issue Proceeds	-	-	6,716,414	-	6,716,414
Transfers In	315,000	-	1,742,254	237,229	2,294,483
Transfer Out	(1,429,483)	-	-	-	(1,429,483)
Total Other Financing Sources	(1,098,337)	-	8,458,668	237,229	7,597,560
Net Change in Fund Balances	(544,767)	75,227	7,648,780	1,218,748	8,397,988
Fund Balances, Beginning of Year, As Previously Presented	4,262,790	101,660	-	1,947,025	6,311,475
Change Within the Financial Reporting Entity (Non-Major to Major Fund)	-	-	91,155	(91,155)	-
Fund Balances, Beginning of Year, Restated	4,262,790	101,660	91,155	1,855,870	6,311,475
Fund Balances, End of Year	\$ 3,718,023	\$ 176,887	\$ 7,739,935	\$ 3,074,618	\$ 14,709,463

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net Change in Fund Balance - Total Governmental Funds \$ 8,397,988

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

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

Expenditures for Capital Assets	\$ 2,324,461	
Net Book Value of Disposals	(7,124)	
Donated Assets	3,715,754	
(Less Current Year Depreciation, Excluding \$106,411 of Depreciation Reported in the Internal Service Fund)	(1,189,175)	4,843,916

Issuance of debt provides current financial resources to governmental funds, but debt increases long-term liabilities in the statement of net position.

Bonds	(6,716,414)	
SBITAs	(16,146)	(6,732,560)

The net change in net pension liability and pension related deferred outflows and inflows of resources is reported in the statement of activities, but not in the governmental fund statements. (87,010)

The net change in total other postemployment benefit obligation liability (OPEB) and related deferred outflows and inflows of resources is reported in the statement of activities, but not in the governmental fund statements. (13,008)

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

Change in Compensated Absences Liability	23,818	
Change in Accrued Interest	(66,340)	(42,522)

Internal service funds are used by management to charge the cost of certain activities, such as the costs of utility administration and vehicle replacement, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 69,475

Change in Net Position of Governmental Activities **\$ 6,436,279**

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control	Enterprise Funds	
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 3,424,820	\$ 637,504	\$ 2,094	\$ 4,064,418	\$ 141,207
Accounts Receivable	1,015,547	605,283	2,142	1,622,972	1,459
Due from Other Governments	-	418,971	-	418,971	-
Due from Other Funds	59,063	-	-	59,063	-
Prepays	-	-	-	-	85
Inventory	-	20,748	-	20,748	-
Total Current Assets	4,499,430	1,682,506	4,236	6,186,172	142,751
Non-Current Assets:					
Restricted Cash and Cash Equivalents	79,548	3,238,164	-	3,317,712	-
Capital Assets:					
Land	66,263	1,561,674	-	1,627,937	-
Construction in Progress	133,710	4,401,193	-	4,534,903	-
Property, Plant and Equipment (Accumulated Depreciation)	10,746,203 (4,243,155)	33,528,925 (12,986,061)	37,183 (19,846)	44,312,311 (17,249,062)	1,816,575 (499,605)
Capital Assets, Net	6,703,021	26,505,731	17,337	33,226,089	1,316,970
Total Non-Current Assets	6,782,569	29,743,895	17,337	36,543,801	1,316,970
Total Assets	11,281,999	31,426,401	21,573	42,729,973	1,459,721
Deferred Outflows of Resources					
Pension Related	178,906	183,168	2,897	364,971	-
OPEB Related	24,479	29,375	-	53,854	-
Total Deferred Outflows of Resources	203,385	212,543	2,897	418,825	-

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024
(Concluded)

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total	Internal
	Electric	Water and Sewer	Mosquito Control	Enterprise Funds	Service Funds
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 414,229	\$ 289,776	\$ -	\$ 704,005	\$ 5,128
Accrued Expenses	74,990	30,607	261	105,858	26,988
Due to Other Funds	-	-	492	492	178,277
Compensated Absences	21,189	33,727	112	55,028	70,752
Power Costs Overrecovery	426,859	-	-	426,859	-
Accrued Interest Payable	-	4,756	-	4,756	-
Current Portion of Long-Term Debt	6,281	403,723	-	410,004	170,000
Total Current Liabilities	943,548	762,589	865	1,707,002	451,145
Non-Current Liabilities:					
Customer Deposits	79,548	19,615	-	99,163	-
Compensated Absences	5,632	6,908	23	12,563	40,832
Long-Term Debt	450,158	4,854,528	-	5,304,686	559,000
Total OPEB Liability	57,799	69,358	-	127,157	-
Net Pension Liability	514,129	653,518	14,760	1,182,407	-
Total Non-Current Liabilities	1,107,266	5,603,927	14,783	6,725,976	599,832
Total Liabilities	2,050,814	6,366,516	15,648	8,432,978	1,050,977
Deferred Inflows of Resources					
Pension Related	135,200	110,397	2,288	247,885	-
OPEB Related	34,805	41,766	-	76,571	-
Total Deferred Inflows of Resources	170,005	152,163	2,288	324,456	-
Net Position					
Net Investment in Capital Assets	6,246,582	21,299,480	17,337	27,563,399	587,970
Restricted for Capital Improvements	-	3,139,002	-	3,139,002	-
Unrestricted	3,017,983	681,783	(10,803)	3,688,963	(179,226)
Total Net Position	\$ 9,264,565	\$ 25,120,265	\$ 6,534	34,391,364	\$ 408,744
Adjustment to Reflect the Consolidation of Internal Service Fund Activity				(140,927)	
Net Position of Business-Type Activities				\$ 34,250,437	

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total Enterprise Funds	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control		
Operating Revenues					
Charges for Services	\$ 5,847,463	\$ 2,854,980	\$ 34,087	\$ 8,736,530	\$ -
Fees, Rentals, and Other	79,762	37,128	-	116,890	47,894
Interfund Charges	-	-	-	-	1,353,440
Total Operating Revenues	5,927,225	2,892,108	34,087	8,853,420	1,401,334
Operating Expenses					
Purchased Power	3,742,075	-	-	3,742,075	-
Personnel Services	603,531	727,298	13,227	1,344,056	964,970
Materials, Supplies, and Other	385,000	1,360,831	4,564	1,750,395	149,877
Billing and Administration	431,355	647,600	15,205	1,094,160	-
Depreciation and Amortization	415,785	1,075,648	5,924	1,497,357	109,469
(Total Operating Expenses)	(5,577,746)	(3,811,377)	(38,920)	(9,428,043)	(1,224,316)
Operating Income	349,479	(919,269)	(4,833)	(574,623)	177,018
Non-Operating Revenues (Expenses)					
Operating Grants	17,291	3,311	30	20,632	2,081
Interest Income	149,373	237,740	112	387,225	7,075
Interest Expense	-	(132,686)	-	(132,686)	(42,139)
Insurance Recoveries	-	428,179	-	428,179	-
Total Non-Operating Revenues (Expenses)	166,664	536,544	142	703,350	(32,983)
Income Before Capital Contributions and Transfers	516,143	(382,725)	(4,691)	128,727	144,035
Capital Contributions and Grants					
Development Charges	-	1,021,802	-	1,021,802	-
Developer Contributions	845,045	1,562,978	-	2,408,023	-
Capital Grants	-	1,721,860	-	1,721,860	-
Total Capital Contributions and Grants	845,045	4,306,640	-	5,151,685	-
Transfers Out	(865,000)	-	-	(865,000)	-
Change in Net Position	496,188	3,923,915	(4,691)	4,415,412	144,035
Net Position, Beginning of Year	8,768,377	21,196,350	11,225	29,975,952	264,709
Net Position, End of Year	\$ 9,264,565	\$ 25,120,265	\$ 6,534	\$ 34,391,364	\$ 408,744
Change in Net Position - Above				\$ 4,415,412	
Internal Service Fund Activities in the Enterprise Funds				74,560	
Change in Net Position of Business-Type Activities				\$ 4,489,972	

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total Enterprise Funds	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control		
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 5,932,005	\$ 2,673,169	\$ 34,504	\$ 8,639,678	\$ -
Receipts from Interfund Services Provided	-	-	-	-	1,353,514
Cash Received from Other Sources	79,762	37,128	-	116,890	47,894
Cash Payments to Suppliers for Goods and Services	(3,661,205)	(1,749,101)	(4,525)	(5,414,831)	(153,371)
Cash Payments to Employees for Services	(568,338)	(692,946)	(12,822)	(1,274,106)	(942,931)
Cash Payments for Interfund Charges	(431,355)	(647,600)	(15,205)	(1,094,160)	-
Net Cash Provided by Operating Activities	1,350,869	(379,350)	1,952	973,471	305,106
Cash Flows from Non-Capital Financing Activities					
Loans/Advances (to) and Repayments from Other Funds	58,769	-	-	58,769	(58,769)
Transfer from (to) Other Funds	(865,000)	-	-	(865,000)	-
Other	-	428,179	-	428,179	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	(806,231)	428,179	-	(378,052)	(58,769)
Cash Flows from Capital and Related Financing Activities					
Proceeds from New Debt	-	1,143,679	-	1,143,679	-
Principal Paid on Long-Term Debt	(21,589)	(258,816)	-	(280,405)	(153,000)
Interest Paid on Long-Term Debt	-	(132,686)	-	(132,686)	(42,139)
Acquisition and Construction of Capital Assets	(591,687)	(4,600,047)	-	(5,191,734)	(211,202)
Grants	17,291	2,254,666	30	2,271,987	2,081
Development Fees Received	-	1,021,802	-	1,021,802	-
Net Cash (Used in) Capital and Related Financing Activities	(595,985)	(571,402)	30	(1,167,357)	(404,260)
Cash Flows from Investing Activities					
Interest Earned on Investments	149,373	237,740	112	387,225	7,075
Net Cash Provided by Investing Activities	149,373	237,740	112	387,225	7,075
Net Increase (Decrease) in Cash and Cash Equivalents	98,026	(284,833)	2,094	(184,713)	(150,848)
Cash and Cash Equivalents, Beginning of Year	3,406,342	4,160,501	-	7,566,843	292,055
Cash and Cash Equivalents, End of Year	\$ 3,504,368	\$ 3,875,668	\$ 2,094	\$ 7,382,130	\$ 141,207
<u>Presented on the Statement of Net Position as</u>					
Cash and Cash Equivalents	\$ 3,424,820	\$ 637,504	\$ 2,094	\$ 4,064,418	\$ 141,207
Restricted Cash and Cash Equivalents	79,548	3,238,164	-	3,317,712	-
Total Cash and Cash Equivalents	\$ 3,504,368	\$ 3,875,668	\$ 2,094	\$ 7,382,130	\$ 141,207

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(Concluded)

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total Enterprise Funds	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control		
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>					
Operating Income	\$ 349,479	\$ (919,269)	\$ (4,833)	\$ (574,623)	\$ 177,018
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	415,785	1,075,648	5,924	1,497,357	109,469
(Increase) Decrease in:					
Accounts Receivable	88,806	(181,411)	417	(92,188)	74
Inventory	-	(20,748)	-	(20,748)	-
Increase (Decrease) in:					
Accounts Payable	152,193	(367,522)	39	(215,290)	(3,494)
Power Cost Overrecovery	313,677	-	-	313,677	
Compensated Absences	(5,633)	10,575	135	5,077	22,039
Customer Deposits	(4,264)	(400)	-	(4,664)	-
OPEB/Net Pension Liability and Related Deferred Inflows and Outflows	40,826	23,777	270	64,873	-
Total Adjustments	1,001,390	539,919	6,785	1,548,094	128,088
Net Cash Provided by Operating Activities	\$ 1,350,869	\$ (379,350)	\$ 1,952	\$ 973,471	\$ 305,106
<u>Supplemental Disclosure of Non-Cash Activities</u>					
Capital Contributions	\$ 845,045	\$ 1,562,978	\$ -	\$ 2,408,023	\$ -
Assets Acquired Under SBITAs	478,028	478,028	-	956,056	-

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Government-Wide and Fund Statements

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

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

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

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

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

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

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

In addition, the City reports the following fund type:

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

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

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

Deposits and Investments

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

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

Receivables and Payables

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

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

Inventories and Prepaid Items

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

Inventories of the Water and Sewer Fund are valued at cost and consist of pipe, valves, fittings, and meters.

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

Restricted Assets

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

Capital Assets

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

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

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

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

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

Compensated Absences

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

Long-Term Obligations

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

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

Subscription-Based Technology Arrangements (SBITAs)

The City recognizes a SBITA liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. At the commencement of the arrangement, the City initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. Subsequently, the SBITA liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for subscription payments made at or before the lease commencement date. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITAs include how the City determines: (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- (1) The City uses the interest rate charged in the agreement as the discount rate. When an interest rate is not provided in the agreement, the City uses the treasury rate corresponding to the subscription term as the discount rate for the SBITA.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

- (2) The subscription term includes the non-cancellable period of the subscription. Subscription payments included in the measurement of the SBITA liability are composed of fixed payments. The City only recognizes a SBITA liability for lease terms greater than one year.
- (3) Subscription payments are the monthly or yearly payments stated in the agreement. The City only recognizes a SBITA liability for SBITAs with a beginning present value greater than \$10,000.

Fund Balance

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

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

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

Deferred Inflows and Outflows of Resources

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

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

Leases—the City is a lessor for a lease and, therefore, has recorded a receivable and deferred inflow of resources in the government-wide and fund financial statements. The deferred inflow is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

E. Property Tax Calendar

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

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

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

F. Adoption of New Accounting Pronouncement

During the year ended September 30, 2024, the City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The statement enhances accounting and financial reporting requirements for accounting changes and error corrections. The statement defines accounting changes as: (a) changes in accounting principles, (b) changes in accounting estimates, or (c) changes to or within the financial reporting entity, each with its own financial reporting requirements. Disclosure requirements include descriptions of accounting changes and error corrections and their quantitative effects on account balances. The impact to the City’s financial statements as a result of the adoption of this statement is described in Note 14.

Note 2 - Deposits and Investments

Deposits and investments are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Cash Equivalents	\$ 9,284,437
Investments	5,018,082
Restricted Cash and Cash Equivalents	4,664,880
Restricted Investments	<u>5,018,082</u>
Total	<u>\$ 23,985,481</u>

All of the City’s deposits and investments as of September 30, 2024, were deposits with financial institutions, including non-negotiable certificates of deposits.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

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

Interest Rate Risk

The interest rate risk is controlled primarily through duration, which is a measure that approximates the change in value of a bond, or bond portfolio, for a given change in interest rates. In general, shorter duration measures are less sensitive to interest rate shifts, while longer durations are more sensitive. To limit the portfolio volatility associated with changes in interest rates, the City's investment policy restricts the duration of current operating funds to have maturities of no longer than 36 months and investments of bond reserves, construction funds, and other non-operating funds having maturities of no longer than 5 ½ years.

Note 3 - Capital Assets

Capital Asset Activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,592,938	\$ -	\$ -	\$ 1,592,938
Construction in Progress	629,339	951,350	(267,449)	1,313,240
Total Capital Assets, Not Being Depreciated	2,222,277	951,350	(267,449)	2,906,178
Capital Assets, Being Depreciated:				
Buildings and Improvements	11,962,795	79,354	-	12,042,149
Equipment, Furniture, Fixtures, and Vehicles	4,166,531	479,445	-	4,645,976
Infrastructure	15,594,423	4,925,316	-	20,519,739
Right-to-Use Subscriptions	-	76,277	-	76,277
Total Capital Assets, Being Depreciated	31,723,749	5,560,392	-	37,284,141
Less Accumulated Depreciation:				
Buildings and Improvements	(3,883,649)	(311,772)	-	(4,195,421)
Equipment, Furniture, Fixtures, and Vehicles	(2,526,245)	(306,399)	-	(2,832,644)
Infrastructure	(7,313,786)	(639,277)	-	(7,953,063)
Right-to-Use Subscriptions	-	(38,138)	-	(38,138)
Total Accumulated Depreciation	(13,723,680)	(1,295,586)	-	(15,019,266)
Total Capital Assets Being Depreciated, Net	18,000,069	4,264,806	-	22,264,875
Governmental Activities Capital Assets, Net	\$ 20,222,346	\$ 5,216,156	\$ (267,449)	\$ 25,171,053

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,625,781	\$ 2,156	\$ -	\$ 1,627,937
Construction in Progress	1,588,187	3,537,816	(591,100)	4,534,903
Total Capital Assets, Not Being Depreciated	3,213,968	3,539,972	(591,100)	6,162,840
Capital Assets, Being Depreciated:				
Electric Distribution System	7,504,798	1,116,024	-	8,620,822
Water and Sewer Distribution System	29,510,382	2,356,655	-	31,867,037
Vehicles and Equipment	2,421,356	523,900	-	2,945,256
Right-to-Use Subscriptions	-	912,877	-	912,877
Total Capital Assets, Being Depreciated	39,436,536	4,909,456	-	44,345,992
Less Accumulated Depreciation:				
Electric Distribution System	(3,118,554)	(283,544)	-	(3,402,098)
Water and Sewer Distribution System	(11,597,870)	(916,877)	-	(12,514,747)
Vehicles and Equipment	(1,054,090)	(265,762)	-	(1,319,852)
Right-to-Use Subscriptions	-	(34,232)	-	(34,232)
Total Accumulated Depreciation	(15,770,514)	(1,500,415)	-	(17,270,929)
Total Capital Assets Being Depreciated, Net	23,666,022	3,409,041	-	27,075,063
Business-Type Activities Capital Assets, Net	\$ 26,879,990	\$ 6,949,013	\$ (591,100)	\$ 33,237,903

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General Government	\$ 107,969
Public Safety	217,698
Physical Environment	8,422
Transportation	573,759
Culture and Recreation	387,738
Total	\$ 1,295,586
Business-Type Activities	
Electric	\$ 415,785
Water and Sewer	1,075,648
Mosquito Control	5,924
Internal Service Funds	3,058
Total	\$ 1,500,415

Note 4 - Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables at September 30, 2024:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ 165,315
General Fund	American Rescue Plan (ARPA)	153,430
General Fund	Internal Service Funds	119,214
General Fund	Non-Major Enterprise Fund	492
Electric Fund	Internal Service Funds	59,063
Total		\$ 497,514

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

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

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

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

The outstanding balance between the electric and the internal service funds resulted from a loan to the internal service funds to purchase a new fire truck. The balance is expected to be repaid within one year.

Interfund Transfers

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

Transfers (Out)	Transfers In		
	General Fund	Capital Improvement Fund	Non-Major Funds
General Fund	\$ -	\$ 1,192,254	\$ 237,229
Electric Fund	315,000	550,000	-
Total	\$ 315,000	\$ 1,742,254	\$ 237,229

Transfers are normally recurring and are approved by the City Commission during the budget process. Transfers from the electric fund to the general fund are to recover costs provided by the general fund and to support general fund operations. Transfers from the general fund to the capital improvement fund were for capital-related projects.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 5 - Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Fire Truck Purchase, Series 2023	\$ 882,000	\$ -	\$ (153,000)	\$ 729,000	\$ 170,000
Revenue Bonds, Series 2024	-	6,175,000	-	6,175,000	10,000
Bond Premium	-	541,414	-	541,414	-
Compensated Absences	321,398	35,969	(59,787)	297,580	250,705
Total OPEB Liability	230,942	46,492	-	277,434	-
Net Pension Liability	5,790,439	114,714	-	5,905,153	-
SBITA Liability	-	16,146	-	16,146	16,146
Governmental Activity Long-Term Liabilities	\$ 7,224,779	\$ 6,929,735	\$ (212,787)	\$ 13,941,727	\$ 446,851
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
State Revolving Fund Loans	\$ 3,038,360	\$ 1,113,269	\$ (178,817)	\$ 3,972,812	\$ 262,442
Water/Sewer Rev. Bond, Series 2022	857,000	-	(80,000)	777,000	83,000
Compensated Absences	152,059	33,661	(6,544)	179,176	125,780
Total OPEB Liability	88,824	38,333	-	127,157	-
Net Pension Liability	1,135,256	47,151	-	1,182,407	-
Line of Credit	-	52,000	-	52,000	52,000
SBITA Liability	-	912,877	-	912,877	12,562
Business-Type Activity Long-Term Liabilities	\$ 5,271,499	\$ 2,197,291	\$ (265,361)	\$ 7,203,429	\$ 535,784

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

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

Governmental Activities

■ **Fire Truck Purchase, Series 2023, Direct Placement**

In August 2023, the City entered into a loan agreement with Flagstar Public Funding Corporation to finance the acquisition of vehicles and equipment for the City's Fire Department for the amount of \$882,000. Interest accrues at an annual rate of 4.873%. Principal and interest are paid annually, commencing August 1, 2024.

■ **Capital Improvement Revenue Bonds, Series 2024**

In July 2024, the City issued bonds in the amount of \$6,175,000 at a fixed rate of 4.375% maturing September 1, 2054. The bonds are payable solely from a pledge of future Non-Ad Valorem Revenues. The bond proceeds are to be used for the design and construction of the new City Hall. The bonds were sold through a negotiated public sale. A premium of \$541,414 was realized on the bond issuance.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Business-Type Activities

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

In September 2006, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of improvements to the wastewater treatment plant for a total amended amount of \$2,539,208. Interest accrues at annual rates ranging from 1.83% to 2.33%. Principal and interest are due semiannually on August 15 and February 15 of each year until maturity on August 15, 2034.

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

In June 2019, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of planning and administrative work necessary for the City to qualify for Clean Water State Revolving Fund financing for construction of wastewater transmission, collection, reuse, and treatment facilities for a total amended amount of \$3,879,600. The loan is structured so that 50% of the loan is eligible for principal forgiveness in the form of a capital grant and the remaining 50% is debt of the City. Interest accrues at annual rates ranging from 0.14% to 2.12%. Principal and interest payments in the amount of \$56,718 are due semiannually on August 15 and February 15 of each year until all amounts due under the agreement have been fully paid, beginning August 15, 2024. The total amount drawn down as of September 30, 2024, is \$3,879,600 of which \$1,925,331 is recorded as a loan payable.

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

In October 2022, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of planning or administrative work necessary to qualify for Drinking Water State Revolving Fund financing for construction of drinking water facilities for a total amended amount of \$670,902. Interest accrues at an annual rate of 2.00%. Principal and interest payments in the amount of \$42,556 are due semiannually on August 15 and February 15 each year until all amounts due under the agreement have been fully paid, beginning August 15, 2025.

■ **Water and Sewer Revenue Bond, Series 2022, Direct Placement**

In November 2022, the City issued a bond to Truist Bank to finance the acquisition, construction and equipping of additions and extensions to existing water and sewer system for a total of \$915,000. Interest is payable semiannually on each September 1 and March 1, commencing March 1, 2023, at an annual rate equal to 4.23%. Principal payments, paid annually, commence September 1, 2023, for \$58,000 increasing each year until final payment on principal is made in 2032 for \$112,000. The bond is callable at anytime at 100%.

■ **Water and Sewer Utility Revolving Credit Bond, Series 2024, Direct Borrowing**

In July 2024, the City closed on a \$10,000,000 Revolving Line of Credit (Series 2024 Credit Bond) with a two year term. The Line of Credit will be used to provide funding for the City's water and sewer utility projects and to pay costs of issuance. The interest rate on the Line of Credit is variable and will be calculated at a rate of 79% of SOFR plus 100 basis points with the interest payments being due semi-annually on March 1 and September 1. As of September 30, 2024, the City has drawn a total of \$52,000 on the line of credit with a current outstanding amount of \$52,000 and the amount of unused line of credit is \$9,948,000.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Annual Debt Service

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

Year Ending September 30,	Governmental Activities			
	Direct Borrowings and Direct Placements		Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 170,000	\$ 35,524	\$ 10,000	\$ 390,880
2026	178,000	27,240	50,000	352,650
2027	186,000	18,566	55,000	343,650
2028	195,000	9,502	65,000	333,750
2029	-	-	80,000	322,050
2030-2034	-	-	640,000	1,355,550
2035-2039	-	-	945,000	1,049,000
2040-2044	-	-	1,160,000	830,503
2045-2049	-	-	1,420,000	569,045
2050-2054	-	-	1,750,000	236,250
	<u>\$ 729,000</u>	<u>\$ 90,832</u>	<u>\$ 6,175,000</u>	<u>\$ 5,783,328</u>

Year Ending September 30,	Business-Type Activities	
	Principal	Interest
2025	\$ 397,442	\$ 85,688
2026	395,129	81,639
2027	404,123	75,593
2028	413,205	69,327
2029	422,377	62,839
2030-2034	1,737,485	123,681
2035-2039	536,781	7,484
2040-2044	495,270	7,484
Total	<u>\$ 4,801,812</u>	<u>\$ 513,735</u>

Debt Covenants

The City has covenanted to establish, maintain, and collect fees from users of the water and sewer system, which, after payment of the costs of operation and maintenance, result in net revenues equal to or exceeding 115% of the bond service requirements of the State Revolving Fund Loans. As of September 30, 2024, the City has met its debt covenants.

Default Provisions

■ **State Revolving Fund Loans**

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

■ **Water and Sewer Revenue Bond, Series 2022**

Any holder of the bond may either at law or in equity, by action or suit, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in the related Resolution, and may enforce and compel the performance of all duties required by the Resolution.

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

■ **Fire Truck Purchase, Series 2023**

In the event of default, the lender may demand and sue for compensatory damages, including the accelerated payment of amounts due, require the City voluntarily return the equipment, and/or exercise any legal right or remedy through court action.

■ **Capital Improvement Revenue Bonds, Series 2024**

In the event of default, the bondholders may protect and enforce any and all rights under the Laws of the State of Florida or granted and contained in the Bond Resolution.

Interest Expense

The total interest cost incurred by the City during the current fiscal year was \$181,257.

Note 6 - Pledged Revenues

The City has pledged certain revenues to repay loans outstanding as of September 30, 2024. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the loans at September 30, 2024:

Pledged Revenue	Description of Debt	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Net Water and Sewer System Revenues	Drinking Water SRF Loan, Clean Water SRF Loan, Revenue Bond	\$ 394,143	\$ 391,502	99.33%	\$ 4,685,243	2037

Note 7 - Retirement Plans

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

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

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

Benefits Provided

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

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

The benefits under the HIS program are described in Section 112.363, Florida Statutes. In general, an eligible retiree is entitled to a benefit of \$7.50 per month per year of service, with a minimum benefit of \$45 per month and maximum benefit of \$225 per month. The retiree must apply for and provide certification of health insurance coverage to be eligible for the subsidy.

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2024, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	11.63%	2.00%
Special Risk Class	30.79%	2.00%
Senior Management Service Class	32.52%	2.00%
Elected Officials	56.68%	2.00%
DROP from FRS	19.13%	2.00%

The City's contributions for the year ended September 30, 2024, were \$782,563 to the FRS Pension Plan and \$106,146 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2024. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>	<u>Investment Plan</u>
Net Pension Liability	\$ 5,245,268	\$ 1,842,292	N/A
Proportion at:			
Current Measurement Date	0.0135590235%	0.0122811535%	N/A
Prior Measurement Date	0.0128531262%	0.0113600723%	N/A
Pension Expense	\$ 868,228	\$ 143,258	\$ 304,212

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Deferred Outflows/Inflows of Resources Related to Pensions

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

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions After Measurement Date	\$ 208,987	\$ -	\$ 28,723	\$ -
Difference Between Expected and Actual Experience	529,913	-	17,789	3,537
Change of Assumptions	718,912	-	32,604	218,104
Changes of Proportion and Difference Between City Contributions and Proportionate Share of Contributions	297,708	19,270	268,704	2,399
Net Difference Between Projected and Actual Earnings on Pension Investments	-	348,628	-	666
Total	\$ 1,755,520	\$ 367,898	\$ 347,820	\$ 224,706

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>FRS Amount</u>	<u>HIS Amount</u>
2025	\$ (10,292)	\$ 36,678
2026	951,287	28,349
2027	130,400	9,005
2028	46,963	9,495
2029	60,277	8,898
Thereafter	-	1,966
Total	\$ 1,178,635	\$ 94,391

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2024. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2024. The total pension liability for the HIS Program was determined by an actuarial valuation dated July 1, 2024.

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

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary Increases Including Inflation	3.50%	3.50%
Long-Term Expected Rate of Return	6.70%	N/A
Discount Rate	6.70%	3.93%

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Assumed Inflation – Mean			2.4%	1.5%

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

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

The discount rate used to measure the total pension liability for the HIS Pension Plan was 3.93%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

The following changes in actuarial assumption occurred in 2024:

- HIS—The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.65% to 3.93%.

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

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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FRS	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's Proportionate Share of the Net Pension Liability	\$ 9,226,243	\$ 5,245,268	\$ 1,910,357
HIS	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
City's Proportionate Share of the Net Pension Liability	\$ 2,097,214	\$ 1,842,292	\$ 1,630,668

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

FRS - Defined Contribution Pension Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2024, totaled \$304,212.

Note 8 - Other Postemployment Benefits

Plan Description

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

Benefits Provided

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

At October 1, 2023, the date of the latest actuarial valuation, plan participation consisted of:

Active Employees	94
Retirees and Beneficiaries Receiving Benefits	2
	<u>96</u>

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Funding Policy

For the OPEB Plan, contribution requirements of the City are established and may be amended through action from the City Commission. To-date, the City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit cost and expenses. There is no separate Trust fund or equivalent into which the City would make contributions to advance-fund the obligation. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the City, which are invested in very short-term fixed income instruments according to its current investment policy. The discount rate is based on the S&P Municipal 20 Year High Grade Rate Index. The discount rate is 4.06% as of the September 30, 2024, value of the index.

Total OPEB Liability

The City's total OPEB liability was measured as of September 30, 2024. The actuarial valuation date was October 1, 2023.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	\$ 319,766
Service Cost	41,048
Interest on Total OPEB Liability	20,549
Differences Between Expected and Actual Experience	67,689
Change of Assumptions	(31,220)
Benefit Payments	(13,241)
Net Change in Total OPEB Liability	84,825
Total OPEB Liability, End of Year	<u>\$ 404,591</u>

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

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

	1% Decrease <u>3.06%</u>	Current Discount Rate <u>4.06%</u>	1% Increase <u>5.06%</u>
Total OPEB Liability	<u>\$ 437,523</u>	<u>\$ 404,591</u>	<u>\$ 373,228</u>

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

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

	1% Decrease <u>3.06%</u>	Current Healthcare Cost Trend Rate <u>4.06%</u>	1% Increase <u>5.06%</u>
Total OPEB Liability	<u>\$ 350,811</u>	<u>\$ 404,591</u>	<u>\$ 468,474</u>

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

For the fiscal year ended September 30, 2024, the City recognized OPEB expense of \$59,758. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions and Other Inputs	\$ 30,774	\$ 94,180
Difference Between Expected and Actual Experience	140,582	149,457
Total	<u>\$ 171,356</u>	<u>\$ 243,637</u>

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

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2025	\$ (6,239)
2026	(6,239)
2027	(5,936)
2028	(36,331)
2029	(22,365)
Thereafter	4,829
Total	<u>\$ (72,281)</u>

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2023
Measurement Date:	September 30, 2024
Reporting Date:	September 30, 2024
Actuarial Cost Method:	Entry Age Normal Cost
Discount Rate:	4.06%
Projected Salary Increases:	2.00%
Retirement Age:	General Employees are assumed to retire at age 62 and Special Risk employees at age 55.
Mortality:	Mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. Rates are based on those outlined in Milliman's July 1, 2021 FRS Valuation.
Healthcare Cost Trend Rate:	Initial Trend Rate 7.50%
	Ultimate Trend Rate 4.00%
Expenses:	Included in the premiums used

Changes of Assumptions reflect a change in the discount rate from 4.87% for the reporting period ended September 30, 2023, to 4.06% for the reporting period ended September 30, 2024.

Note 9 - Leases

Lessor

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

The facility rental is a 60-month lease beginning August 12, 2023. An initial lease receivable was recorded in the amount of \$160,305. As of September 30, 2024, the value of the lease receivable is \$134,358. The lessee is required to make monthly fixed payments of \$2,500 through August 15, 2025, and \$2,550 thereafter. The lease has an interest rate of 4.45%. The value of the deferred inflow as of September 30, 2024, was \$131,361 and the City recognized lease revenue of \$23,448 during the fiscal year.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 10 - Subscription-Based Information Technology Arrangements

The City entered into two software subscription-based information technology arrangements. Subscription terms vary from 12 months to 240 months. The discount rate used for the calculation of the software subscription liability was 4.73%.

As of September 30, 2024, the City's software subscription liability is valued at \$929,023, \$16,146 for governmental activities, and \$912,877 for business-type activities.

Future principal and interest related to the City's software subscription payables are estimated as follows:

Fiscal Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 16,146	\$ -	\$ 16,146	\$ 12,562	\$ 43,179	\$ 55,741
2026	-	-	-	14,828	42,585	57,413
2027	-	-	-	17,252	41,884	59,136
2028	-	-	-	19,842	41,068	60,910
2029	-	-	-	22,608	40,129	62,737
2030-2034	-	-	-	161,400	181,671	343,071
2035-2039	-	-	-	263,256	134,457	397,713
2040-2044	-	-	-	401,129	59,929	461,058
Total	<u>\$ 16,146</u>	<u>\$ -</u>	<u>\$ 16,146</u>	<u>\$ 912,877</u>	<u>\$ 584,902</u>	<u>\$ 1,497,779</u>

Note 11 - Commitments and Contingencies

Commitments

Interlocal Agreement

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

Construction Commitments

As of September 30, 2024, the City had various construction projects in progress that were not completed with remaining balances that totaled approximately \$8,246,760.

Contingent Liabilities

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

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

Note 12 - Stewardship, Compliance, and Accountability

Deficit Fund Balances or Net Positions

At September 30, 2024, the following funds had deficit fund balances or net positions:

<u>Fund</u>	<u>Type</u>	<u>Deficit</u>
Champions Park	Non-Major Governmental Fund	\$ (5,145)
Utility Administration	Internal Service	(153,467)

Note 13 - Risk Management

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

Note 14 - Changes Within the Financial Reporting Entity

During fiscal year 2024, the Capital Improvement fund was reclassified from non-major to a major fund due to significant increases in its revenues, expenditures, and assets.

	<u>Funds</u>	
	<u>Capital Improvement Fund</u>	<u>Non-Major Governmental</u>
Fund Balances, Beginning of Year, as Previously Reported	\$ 91,155	\$ 1,947,025
Change from Non-Major to Major Fund	(91,155)	(91,155)
Fund Balance, Beginning of Year, Restated	<u>\$ -</u>	<u>\$ 1,855,870</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWBERRY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Taxes	\$ 5,772,066	\$ 5,772,066	\$ 5,814,670	\$ 42,604
Permits, Fees, and Special Assessments	1,681,800	1,726,800	2,025,108	298,308
Intergovernmental	913,250	913,250	962,446	49,196
Fines and Forfeitures	5,000	5,000	3,893	(1,107)
Charges for Services	1,475,735	1,580,735	1,575,297	(5,438)
Investment Earnings and Other	239,850	269,850	217,217	(52,633)
Other	-	-	256,228	256,228
Interfund Charges	190,600	190,600	190,600	-
Total Revenues	10,278,301	10,458,301	11,045,459	587,158
Expenditures				
General Government:				
Legislative	152,995	148,825	145,529	3,296
Executive	703,745	673,535	645,906	27,629
Finance and Administrative	859,085	861,550	823,757	37,793
Legal Counsel	109,200	247,120	156,297	90,823
Comprehensive Planning	398,640	410,027	385,025	25,002
Other General Government Services	843,775	778,831	719,109	59,722
Public Safety:				
Fire Control	2,228,710	2,237,721	2,207,808	29,913
Law Enforcement	974,000	984,000	983,557	443
Building and Zoning	500,667	504,717	479,039	25,678
Code Enforcement	123,870	116,420	95,898	20,522
Transportation	1,174,085	1,768,770	1,434,862	333,908
Culture and Recreation	1,328,771	1,324,244	1,310,944	13,300
Economic Environment	205,785	310,935	242,763	68,172
Physical Environment	760,300	871,600	861,395	10,205
(Total Expenditures)	(10,363,628)	(11,238,295)	(10,491,889)	746,406
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,327)	(779,994)	553,570	1,333,564
Other Financing Sources				
Subscription-Based Information Technology Arrangements	-	-	16,146	16,146
Transfers In	315,000	315,000	315,000	-
Transfer Out	(401,671)	(1,498,571)	(1,429,483)	69,088
Total Other Financing Sources	(86,671)	(1,183,571)	(1,098,337)	85,234
Net Change in Fund Balance	(171,998)	(1,963,565)	(544,767)	1,418,798
Fund Balances, Beginning of Year	4,262,790	4,262,790	4,262,790	-
Fund Balances, End of Year	\$ 4,090,792	\$ 2,299,225	\$ 3,718,023	\$ 1,418,798

CITY OF NEWBERRY, FLORIDA
AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 246,070	\$ 246,070
Investment Earnings	1,500	81,500	75,227	(6,273)
Total Revenues	<u>1,500</u>	<u>81,500</u>	<u>321,297</u>	<u>239,797</u>
Expenditures				
Public Safety	70,000	10,000	-	10,000
Physical Environment	1,194,000	364,000	184,510	179,490
Transportation	-	130,000	61,560	68,440
(Total Expenditures)	<u>(1,264,000)</u>	<u>(504,000)</u>	<u>(246,070)</u>	<u>257,930</u>
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	<u>(1,262,500)</u>	<u>(422,500)</u>	<u>75,227</u>	<u>497,727</u>
Other Financing Sources				
Transfer Out	(401,671)	(1,498,571)	-	1,498,571
Total Other Financing Sources	<u>(401,671)</u>	<u>(1,498,571)</u>	<u>-</u>	<u>1,498,571</u>
Net Change in Fund Balance	(1,664,171)	(1,921,071)	75,227	1,996,298
Fund Balances, Beginning of Year	<u>101,660</u>	<u>101,660</u>	<u>101,660</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (1,562,511)</u>	<u>\$ (1,819,411)</u>	<u>\$ 176,887</u>	<u>\$ 1,996,298</u>

CITY OF NEWBERRY, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

Note 1 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

1. Prior to September 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in August and September to obtain taxpayer comments.
3. Prior to November 1, the budget is legally enacted through passage of an ordinance.
4. The legal level of budgetary control is at the fund level. The City Manager, or designee, is authorized to make budget adjustments within a fund that do not change the total budget of a fund.
5. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America for governmental fund types.

**CITY OF NEWBERRY, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2024**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City of Newberry's Proportion of the FRS Net Pension Liability	0.013559024%	0.012853126%	0.012755841%	0.011969186%	0.012017108%	0.012387818%	0.012419319%	0.011896231%	0.010542663%	0.009341129%
City of Newberry's Proportionate Share of the FRS Net Pension Liability	\$ 5,245,268	\$ 5,121,564	\$ 4,746,198	\$ 904,136	\$ 5,208,392	\$ 4,266,192	\$ 3,740,763	\$ 3,518,825	\$ 2,662,031	\$ 1,206,552
City of Newberry's Covered Payroll (for the Year Ended June 30)	5,198,794	4,282,464	3,892,771	3,384,396	3,176,145	3,120,843	2,986,205	2,816,687	2,408,663	2,471,327
City of Newberry's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	100.89%	119.59%	121.92%	26.71%	163.98%	136.70%	125.27%	124.93%	110.52%	48.82%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

HEALTH INSURANCE SUBSIDY PENSION PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City of Newberry's Proportion of the HIS Net Pension Liability	0.012281154%	0.011360072%	0.010679475%	0.009558714%	0.009149382%	0.009222925%	0.009140888%	0.008834977%	0.008752638%	0.007939591%
City of Newberry's Proportionate Share of the HIS Net Pension Liability	\$ 1,842,293	\$ 1,804,131	\$ 1,131,127	\$ 1,172,520	\$ 1,117,125	\$ 1,031,953	\$ 967,482	\$ 944,676	\$ 1,020,084	\$ 809,713
City of Newberry's Covered Payroll (for the Year Ended June 30)	5,198,794	4,282,464	3,892,771	3,384,396	3,176,145	3,120,843	2,986,205	2,816,687	2,408,663	2,471,327
City of Newberry's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	35.44%	42.13%	29.06%	34.64%	35.17%	33.07%	32.40%	33.54%	42.35%	32.76%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

CITY OF NEWBERRY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2024

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 782,563	\$ 655,822	\$ 564,167	\$ 490,926	\$ 411,646	\$ 388,567	\$ 359,768	\$ 312,743	\$ 256,615	\$ 228,396
FRS Contribution in Relation to the Contractually Required Contribution	<u>(782,563)</u>	<u>(655,822)</u>	<u>(564,167)</u>	<u>(490,926)</u>	<u>(411,646)</u>	<u>(388,567)</u>	<u>(359,768)</u>	<u>(312,743)</u>	<u>(256,615)</u>	<u>(228,396)</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (for the Year Ended September 30)	\$ 5,307,300	\$ 4,745,559	\$ 4,054,398	\$ 3,562,892	\$ 3,241,145	\$ 3,130,392	\$ 2,975,542	\$ 2,874,096	\$ 2,647,212	\$ 2,471,327
FRS Contributions as a Percentage of Covered Payroll	14.75%	13.82%	13.91%	13.78%	12.70%	12.41%	12.09%	10.88%	9.69%	9.24%

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 106,146	\$ 82,810	\$ 67,303	\$ 59,144	\$ 53,803	\$ 51,806	\$ 49,394	\$ 47,710	\$ 43,895	\$ 33,584
HIS Contribution in Relation to the Contractually Required Contribution	<u>(106,146)</u>	<u>(82,810)</u>	<u>(67,303)</u>	<u>(59,144)</u>	<u>(53,803)</u>	<u>(51,806)</u>	<u>(49,394)</u>	<u>(47,710)</u>	<u>(43,895)</u>	<u>(33,584)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (for the Year Ended September 30)	\$ 5,307,300	\$ 4,745,559	\$ 4,054,398	\$ 3,562,892	\$ 3,241,145	\$ 3,130,392	\$ 2,975,542	\$ 2,874,096	\$ 2,647,212	\$ 2,471,327
HIS Contributions as a Percentage of Covered Payroll	2.00%	1.75%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%

CITY OF NEWBERRY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 41,048	\$ 22,244	\$ 33,363	\$ 40,104	\$ 31,649	\$ 13,163	\$ 12,905
Interest on the Total OPEB Liability	20,549	14,739	9,038	9,779	12,940	16,549	14,955
Changes of Assumptions	(31,220)	(3,068)	(92,446)	(13,214)	51,192	-	-
Difference Between Expected and Actual Experience	67,689	-	(113,315)	-	(176,929)	18,943	16,977
Benefit Payments	(13,241)	(1,786)	(1,735)	(1,652)	(3,803)	(1,273)	(797)
Net Change in Total OPEB Liability	84,825	32,129	(165,095)	35,017	(84,951)	47,382	44,040
Total OPEB Liability - Beginning	319,766	287,637	452,732	417,715	502,666	455,284	411,244
Total OPEB Liability - Ending	\$ 404,591	\$ 319,766	\$ 287,637	\$ 452,732	\$ 417,715	\$ 502,666	\$ 455,284
Covered-Employee Payroll	\$ 4,194,110	\$ 3,525,571	\$ 3,456,442	\$ 2,689,420	\$ 2,636,687	\$ 2,338,750	\$ 2,292,892
Total OPEB Liability as a Percentage of Covered-Employee Payroll	9.65%	9.07%	8.32%	16.83%	15.84%	21.49%	19.86%

Notes to the Schedule

10 years of data will be presented as available.

The City does not accumulate assets in a trust to pay related benefits.

Covered Employee Payroll was projected one year forward from the valuation date of the reporting period ending September 30, 2024.

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

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

The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2024	4.06%
Fiscal Year Ending September 30, 2023	4.87%
Fiscal Year Ending September 30, 2022	4.77%
Fiscal Year Ending September 30, 2021	2.43%
Fiscal Year Ending September 30, 2020	2.14%
Fiscal Year Ending September 30, 2019	3.64%
Fiscal Year Ending September 30, 2018	3.64%

SUPPLEMENTARY INFORMATION

CITY OF NEWBERRY, FLORIDA
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Special Revenue Funds						Capital	Total
	Champions	Wild Spaces	Infrastructure	Impact	Opioid	Community	Improvement	Non-Major
	Park	Public Places	Sales Surtax	Fees Fund	Settlement Proceeds	Redevelopment Agency	Fund	Governmental Funds
Assets								
Cash and Cash Equivalents	\$ -	\$ 525,441	\$ 648,478	\$ 257,653	\$ 4,460	\$ 524,944	\$ -	\$ 1,960,976
Investments	-	752,712	250,904	-	-	-	-	1,003,616
Due from Other Governments	-	219,699	111,064	-	-	-	-	330,763
Total Assets	<u>-</u>	<u>1,497,852</u>	<u>1,010,446</u>	<u>257,653</u>	<u>4,460</u>	<u>524,944</u>	<u>-</u>	<u>3,295,355</u>
Liabilities and Fund Balance								
Liabilities:								
Accounts Payable	400	46,020	-	500	-	8,502	-	55,422
Due to Other Funds	4,745	-	-	-	-	-	-	4,745
Advances from Other Funds	-	160,570	-	-	-	-	-	160,570
Total Liabilities	<u>5,145</u>	<u>206,590</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>8,502</u>	<u>-</u>	<u>220,737</u>
Fund Balance:								
Restricted for:								
Culture and Recreation	-	1,291,262	-	-	-	-	-	1,291,262
Infrastructure	-	-	1,010,446	-	-	-	-	1,010,446
Capital Improvement	-	-	-	257,153	-	-	-	257,153
Community Redevelopment	-	-	-	-	-	516,442	-	516,442
Public Safety	-	-	-	-	4,460	-	-	4,460
Unassigned	(5,145)	-	-	-	-	-	-	(5,145)
Total Fund Balance	<u>(5,145)</u>	<u>1,291,262</u>	<u>1,010,446</u>	<u>257,153</u>	<u>4,460</u>	<u>516,442</u>	<u>-</u>	<u>3,074,618</u>
Total Liabilities and Fund Balance								
Balance	<u>\$ -</u>	<u>\$ 1,497,852</u>	<u>\$ 1,010,446</u>	<u>\$ 257,653</u>	<u>\$ 4,460</u>	<u>\$ 524,944</u>	<u>\$ -</u>	<u>\$ 3,295,355</u>

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds						Total	
	Champions Park Special Revenue Fund	Wild Spaces Public Places	Infrastructure Sales Surtax	Impact Fees Fund	Opioid Settlement Proceeds	Community Redevelopment Agency	Capital Improvement Fund	Non-Major Governmental Funds
Revenues								
Taxes	\$ -	\$ 588,494	\$ 588,494	\$ -	\$ -	\$ -	\$ -	\$ 1,176,988
Intergovernmental	-	105,000	-	-	-	237,229	-	342,229
Charges for Services	30,360	-	-	622,515	-	-	-	652,875
Investment Earnings	701	51,713	21,812	8,638	131	12,889	-	95,884
Miscellaneous	-	-	-	-	3,142	-	-	3,142
Total Revenues	31,061	745,207	610,306	631,153	3,273	250,118	-	2,271,118
Expenditures								
Current:								
Culture and Recreation	44,755	6,793	-	-	-	-	-	51,548
Economic Development	-	-	-	-	-	140,186	-	140,186
Capital Outlay	-	580,365	8,893	374,000	-	134,607	-	1,097,865
(Total Expenditures)	(44,755)	(587,158)	(8,893)	(374,000)	-	(274,793)	-	(1,289,599)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,694)	158,049	601,413	257,153	3,273	(24,675)	-	981,519
Other Financing Sources								
Transfer from Other Funds	-	-	-	-	-	237,229	-	237,229
Net Change in Fund Balances	(13,694)	158,049	601,413	257,153	3,273	212,554	-	1,218,748
Fund Balances, Beginning of Year, As Previously Presented	8,549	1,133,213	409,033	-	1,187	303,888	91,155	1,947,025
Change Within the Financial Reporting Entity (Non-Major to Major Fund)	-	-	-	-	-	-	(91,155)	(91,155)
Fund Balances, Beginning of Year, Restated	8,549	1,133,213	409,033	-	1,187	303,888	-	1,855,870
Fund Balance, End of Year	\$ (5,145)	\$ 1,291,262	\$ 1,010,446	\$ 257,153	\$ 4,460	\$ 516,442	\$ -	\$ 3,074,618

CITY OF NEWBERRY, FLORIDA
CHAMPIONS PARK SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 31,000	\$ 30,360	\$ (640)
Investment Earnings	-	701	701
Total Revenues	<u>31,000</u>	<u>31,061</u>	<u>61</u>
Expenditures			
Culture and Recreation	45,000	44,755	245
(Total Expenditures)	<u>(45,000)</u>	<u>(44,755)</u>	<u>245</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,000)</u>	<u>(13,694)</u>	<u>306</u>
Net Change in Fund Balance	(14,000)	(13,694)	306
Fund Balance, Beginning of Year	<u>8,549</u>	<u>8,549</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (5,451)</u>	<u>\$ (5,145)</u>	<u>\$ 306</u>

CITY OF NEWBERRY, FLORIDA
WILD SPACES PUBLIC PLACES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	\$ 590,000	\$ 588,494	\$ (1,506)
Intergovernmental	867,500	105,000	(762,500)
Investment Earnings	-	51,713	51,713
Total Revenues	<u>1,457,500</u>	<u>745,207</u>	<u>(712,293)</u>
Expenditures			
Culture and Recreation	1,940,443	587,158	1,353,285
(Total Expenditures)	<u>(1,940,443)</u>	<u>(587,158)</u>	<u>1,353,285</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(482,943)</u>	<u>158,049</u>	<u>640,992</u>
Net Change in Fund Balance	(482,943)	158,049	640,992
Fund Balances, Beginning of Year	<u>1,133,213</u>	<u>1,133,213</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 650,270</u>	<u>\$ 1,291,262</u>	<u>\$ 640,992</u>

CITY OF NEWBERRY, FLORIDA
INFRASTRUCTURE SALES SURTAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 590,000	\$ 588,494	\$ (1,506)
Intergovernmental	333,000	-	(333,000)
Investment Earnings	-	21,812	21,812
Total Revenues	<u>923,000</u>	<u>610,306</u>	<u>(312,694)</u>
Expenditures			
General Government	347,500	-	347,500
Transportation	1,279,000	8,893	1,270,107
Culture and Recreation	350,000	-	350,000
(Total Expenditures)	<u>(1,976,500)</u>	<u>(8,893)</u>	<u>1,967,607</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,053,500)</u>	<u>601,413</u>	<u>1,654,913</u>
Net Change in Fund Balance	(1,053,500)	601,413	1,654,913
Fund Balance, Beginning of Year	<u>409,033</u>	<u>409,033</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (644,467)</u>	<u>\$ 1,010,446</u>	<u>\$ 1,654,913</u>

CITY OF NEWBERRY, FLORIDA
IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Charges for Service	\$ 609,377	\$ 622,515	\$ 13,138
Investment Earnings	-	8,638	8,638
Total Revenues	<u>609,377</u>	<u>631,153</u>	<u>21,776</u>
Expenditures			
General Government	<u>374,000</u>	<u>374,000</u>	-
(Total Expenditures)	<u>(374,000)</u>	<u>(374,000)</u>	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>235,377</u>	<u>257,153</u>	<u>21,776</u>
Net Change in Fund Balance	235,377	257,153	21,776
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 235,377</u></u>	<u><u>\$ 257,153</u></u>	<u><u>\$ 21,776</u></u>

**CITY OF NEWBERRY, FLORIDA
OPIOID SETTLEMENT PROCEEDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ 131	\$ 131
Miscellaneous	2,920	3,142	222
Total Revenues	<u>2,920</u>	<u>3,273</u>	<u>353</u>
Expenditures			
General Government	2,920	-	2,920
(Total Expenditures)	<u>(2,920)</u>	<u>-</u>	<u>2,920</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>3,273</u>	<u>3,273</u>
Net Change in Fund Balance	-	3,273	3,273
Fund Balance, Beginning of Year	<u>1,187</u>	<u>1,187</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,187</u></u>	<u><u>\$ 4,460</u></u>	<u><u>\$ 3,273</u></u>

CITY OF NEWBERRY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 476,000	\$ 237,229	\$ (238,771)
Investment Earnings	2,000	12,889	10,889
Total Revenues	<u>478,000</u>	<u>250,118</u>	<u>(227,882)</u>
Expenditures			
Economic Environment	638,369	274,793	363,576
(Total Expenditures)	<u>(638,369)</u>	<u>(274,793)</u>	<u>363,576</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(160,369)</u>	<u>(24,675)</u>	<u>135,694</u>
Other Financing Sources			
Transfers In	-	237,229	237,229
Total Other Financing Sources	<u>-</u>	<u>237,229</u>	<u>237,229</u>
Net Change in Fund Balance	(160,369)	212,554	372,923
Fund Balance, Beginning of Year	<u>303,888</u>	<u>303,888</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 143,519</u></u>	<u><u>\$ 516,442</u></u>	<u><u>\$ 372,923</u></u>

CITY OF NEWBERRY, FLORIDA
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment Earnings	\$ -	\$ -	\$ 50,393	\$ 50,393
Total Revenues	<u>-</u>	<u>-</u>	<u>50,393</u>	<u>50,393</u>
Expenditures				
General Government	45,800	8,858,189	628,053	8,230,136
Transportation	-	71,995	27,651	44,344
Economic Development	-	121,405	-	121,405
Debt Service	-	-	204,577	(204,577)
(Total Expenditures)	<u>(45,800)</u>	<u>(9,051,589)</u>	<u>(860,281)</u>	<u>8,191,308</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45,800)</u>	<u>(9,051,589)</u>	<u>(809,888)</u>	<u>8,241,701</u>
Other Financing Sources				
Bond Issue Proceeds	-	6,500,000	6,716,414	216,414
Transfers In	86,250	2,397,334	1,742,254	(655,080)
Total Other Financing Sources	<u>86,250</u>	<u>8,897,334</u>	<u>8,458,668</u>	<u>(438,666)</u>
Net Change in Fund Balance	40,450	(154,255)	7,648,780	7,803,035
Fund Balance, Beginning of Year	<u>91,155</u>	<u>91,155</u>	<u>91,155</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 131,605</u>	<u>\$ (63,100)</u>	<u>\$ 7,739,935</u>	<u>\$ 7,803,035</u>

CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
WATER AND SEWER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Charges for Services	\$ 2,854,980	\$ 2,509,025
Fees, Rentals, and Other	37,128	6,571
Total Operating Revenues	<u>2,892,108</u>	<u>2,515,596</u>
Operating Expenses		
Personnel Services	727,298	709,550
Materials, Supplies, and Other	1,360,831	852,680
Billing and Administration	647,600	557,510
Depreciation	1,075,648	837,203
(Total Operating Expenses)	<u>(3,811,377)</u>	<u>(2,956,943)</u>
Operating Income	<u>(919,269)</u>	<u>(441,347)</u>
Non-Operating Revenues (Expenses)		
Loss on Disposal of Capital Assets	-	14,730
Interest Income	237,740	168,392
Interest Expense	(132,686)	(59,675)
Insurance Recoveries	428,179	-
Total Non-Operating Revenues (Expenses)	<u>533,233</u>	<u>123,447</u>
Income Before Contributions and Transfers	<u>(386,036)</u>	<u>(317,900)</u>
Capital Contributions and Grants		
Development Charges	1,021,802	1,107,813
Developer Contributions	1,562,978	1,138,329
Capital Grants	1,721,860	423,031
Total Capital Contributions and Grants	<u>4,306,640</u>	<u>2,669,173</u>
Change in Net Position	3,923,915	2,351,273
Net Position, Beginning of Year	<u>21,196,350</u>	<u>18,845,077</u>
Total Net Position, End of Year	<u>\$ 25,120,265</u>	<u>\$ 21,196,350</u>

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

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2024

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 80,805	\$ 32,578	\$ 27,824	\$ 141,207
Accounts Receivable	1,459	-	-	1,459
Prepays	85	-	-	85
Total Current Assets	<u>82,349</u>	<u>32,578</u>	<u>27,824</u>	<u>142,751</u>
Non-Current Assets:				
Property, Plant and Equipment	17,897	1,782,894	15,784	1,816,575
(Accumulated Depreciation)	(12,923)	(477,738)	(8,944)	(499,605)
Capital Assets, Net	<u>4,974</u>	<u>1,305,156</u>	<u>6,840</u>	<u>1,316,970</u>
Total Non-Current Assets	<u>4,974</u>	<u>1,305,156</u>	<u>6,840</u>	<u>1,316,970</u>
Total Assets	<u>87,323</u>	<u>1,337,734</u>	<u>34,664</u>	<u>1,459,721</u>
Liabilities				
Current Liabilities:				
Accounts Payable	3,698	-	1,430	5,128
Accrued Expenses	7,567	-	19,421	26,988
Due to Other Funds	28,395	59,063	90,819	178,277
Compensated Absences	25,640	-	45,112	70,752
Current Portion of Long-Term Debt	-	170,000	-	170,000
Total Current Liabilities	<u>65,300</u>	<u>229,063</u>	<u>156,782</u>	<u>451,145</u>
Non-Current Liabilities:				
Compensated Absences	9,483	-	31,349	40,832
Long-Term Debt	-	559,000	-	559,000
Total Non-Current Liabilities	<u>9,483</u>	<u>559,000</u>	<u>31,349</u>	<u>599,832</u>
Total Liabilities	<u>74,783</u>	<u>788,063</u>	<u>188,131</u>	<u>1,050,977</u>
Net Position				
Net Investment in Capital Assets	4,974	576,156	6,840	587,970
Unrestricted	7,566	(26,485)	(160,307)	(179,226)
Total Net Position	<u>\$ 12,540</u>	<u>\$ 549,671</u>	<u>\$ (153,467)</u>	<u>\$ 408,744</u>

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Operating Revenues				
Fees, Rentals, and Other	\$ 31,824	\$ -	\$ 16,070	\$ 47,894
Interfund Charges	452,500	210,950	689,990	1,353,440
Total Operating Revenues	<u>484,324</u>	<u>210,950</u>	<u>706,060</u>	<u>1,401,334</u>
Operating Expenses				
Personnel Services	317,401	-	647,569	964,970
Materials, Supplies, and Other	94,285	-	55,592	149,877
Depreciation	1,480	106,411	1,578	109,469
(Total Operating Expenses)	<u>(413,166)</u>	<u>(106,411)</u>	<u>(704,739)</u>	<u>(1,224,316)</u>
Operating Income	<u>71,158</u>	<u>104,539</u>	<u>1,321</u>	<u>177,018</u>
Non-Operating Revenues (Expenses)				
Grant Revenue	448	-	1,633	2,081
Interest Income	-	7,075	-	7,075
Interest Expense	-	(42,139)	-	(42,139)
Total Non-Operating Revenues (Expenses)	<u>448</u>	<u>(35,064)</u>	<u>1,633</u>	<u>(32,983)</u>
Change in Net Position	<u>71,606</u>	<u>69,475</u>	<u>2,954</u>	<u>144,035</u>
Net Position, Beginning of Year	<u>(59,066)</u>	<u>480,196</u>	<u>(156,421)</u>	<u>264,709</u>
Total Net Position, End of Year	<u>\$ 12,540</u>	<u>\$ 549,671</u>	<u>\$ (153,467)</u>	<u>\$ 408,744</u>

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Cash Flows from Operating Activities				
Receipts from Interfund Services Provided	\$ 452,574	\$ 210,950	\$ 689,990	\$ 1,353,514
Cash Received from Other Sources	31,824	-	16,070	47,894
Cash Payments to Suppliers for Goods and Services	(94,428)	(12,392)	(46,551)	(153,371)
Cash Payments to Employees for Services	(309,613)	-	(633,318)	(942,931)
Net Cash Provided by (Used in) Operating Activities	<u>80,357</u>	<u>198,558</u>	<u>26,191</u>	<u>305,106</u>
Cash Flows from Non-Capital Financing Activities				
Loans/Advances and Repayments from (to) Other Funds	-	(58,769)	-	(58,769)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>-</u>	<u>(58,769)</u>	<u>-</u>	<u>(58,769)</u>
Cash Flows from Capital and Related Financing Activities				
Principal Paid on Long-Term Debt	-	(153,000)	-	(153,000)
Interest Expense	-	(42,139)	-	(42,139)
Acquisition and Construction of Capital Assets	-	(211,202)	-	(211,202)
Grants	448	-	1,633	2,081
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>448</u>	<u>(406,341)</u>	<u>1,633</u>	<u>(404,260)</u>
Cash Flows from Investing Activities				
Interest on Investments	-	7,075	-	7,075
Net Cash Provided by (Used in) Investing Activities	<u>-</u>	<u>7,075</u>	<u>-</u>	<u>7,075</u>
Net Increase (Decrease) in Cash and Cash Equivalents	80,805	(259,477)	27,824	(150,848)
Cash and Cash Equivalents, Beginning of Year	-	292,055	-	292,055
Cash and Cash Equivalents, End of Year	<u>\$ 80,805</u>	<u>\$ 32,578</u>	<u>\$ 27,824</u>	<u>\$ 141,207</u>
<u>Presented on the Statement of Net Position as</u>				
Cash and Cash Equivalents	<u>\$ 80,805</u>	<u>\$ 32,578</u>	<u>\$ 27,824</u>	<u>\$ 141,207</u>

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(Concluded)

	<u>Customer Service Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Utility Administration Fund</u>	<u>Total Internal Service Funds</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income	\$ 71,158	\$ 104,539	\$ 1,321	\$ 177,018
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,480	106,411	1,578	109,469
(Increase) Decrease in:				
Accounts Receivable	74	-	-	74
Increase (Decrease) in:				
Accounts Payable	(143)	(12,392)	9,041	(3,494)
Compensated Absences	7,788	-	14,251	22,039
Total Adjustments	<u>9,199</u>	<u>94,019</u>	<u>24,870</u>	<u>128,088</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 80,357</u></u>	<u><u>\$ 198,558</u></u>	<u><u>\$ 26,191</u></u>	<u><u>\$ 305,106</u></u>

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends Information	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	70
Revenue Capacity Information	
These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, which is property taxes.	75
Debt Capacity Information	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. The City has no legal debt margin, thus it is not reported in these schedules.	81
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	85
Operating Information	
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	87

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

FINANCIAL TRENDS INFORMATION

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 10,288,387	\$ 12,169,576	\$ 17,069,358	\$ 17,603,706	\$ 18,443,352	\$ 17,985,746	\$ 17,582,337	\$ 17,901,083	\$ 19,340,346	\$ 24,074,743
Restricted	359,734	360,014	361,699	789,730	104,928	158,284	254,770	968,479	2,560,304	3,777,959
Unrestricted	<u>(1,377,088)</u>	<u>(1,310,479)</u>	<u>(1,016,322)</u>	<u>(1,125,151)</u>	<u>(1,965,452)</u>	<u>(1,760,727)</u>	<u>(609,192)</u>	<u>(254,865)</u>	<u>(1,146,880)</u>	<u>(662,653)</u>
Total governmental activities net position	<u>9,271,033</u>	<u>11,219,111</u>	<u>16,414,735</u>	<u>17,268,285</u>	<u>16,582,828</u>	<u>16,383,303</u>	<u>17,227,915</u>	<u>18,614,697</u>	<u>20,753,770</u>	<u>27,190,049</u>
Business-Type Activities										
Net investment in capital assets	8,340,063	9,303,739	9,929,798	11,913,865	12,501,327	12,882,572	15,252,961	19,538,269	22,984,630	27,575,213
Restricted	9,340	9,518	9,700	9,885	10,169	11,762	1,377,103	1,619,946	2,621,814	3,139,002
Unrestricted	<u>7,256,727</u>	<u>7,682,231</u>	<u>7,708,661</u>	<u>6,912,238</u>	<u>7,267,982</u>	<u>8,302,467</u>	<u>5,947,922</u>	<u>5,195,398</u>	<u>4,154,021</u>	<u>3,536,222</u>
Total business-type net position	<u>15,606,130</u>	<u>16,995,488</u>	<u>17,648,159</u>	<u>18,835,988</u>	<u>19,779,478</u>	<u>21,196,801</u>	<u>22,577,986</u>	<u>26,353,613</u>	<u>29,760,465</u>	<u>34,250,437</u>
Total Government										
Invested in capital assets, net of related debt	18,628,450	21,473,315	26,999,156	29,517,571	30,944,679	30,868,318	32,835,298	37,439,352	42,324,976	51,649,956
Restricted	369,074	369,532	371,399	799,615	115,097	170,046	1,631,873	2,588,425	5,182,118	6,916,961
Unrestricted	<u>5,879,639</u>	<u>6,371,752</u>	<u>6,692,339</u>	<u>5,787,087</u>	<u>5,302,530</u>	<u>6,541,740</u>	<u>5,338,730</u>	<u>4,940,533</u>	<u>3,007,141</u>	<u>2,873,569</u>
Total government net position	<u>\$ 24,877,163</u>	<u>\$ 28,214,599</u>	<u>\$ 34,062,894</u>	<u>\$ 36,104,273</u>	<u>\$ 36,362,306</u>	<u>\$ 37,580,104</u>	<u>\$ 39,805,901</u>	<u>\$ 44,968,310</u>	<u>\$ 50,514,235</u>	<u>\$ 61,440,486</u>

Source: City of Newberry Financial Reports

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 993,353	\$ 1,200,185	\$ 1,355,008	\$ 1,336,282	\$ 1,673,641	\$ 1,837,268	\$ 1,719,382	\$ 2,351,649	\$ 2,983,857	\$ 2,908,794
Public safety	1,136,809	1,431,214	2,345,314	2,389,694	2,755,444	2,964,167	2,671,992	3,149,445	3,721,718	3,820,070
Physical Environment	406,715	524,304	559,465	540,304	541,135	585,667	629,904	722,422	757,933	871,906
Transportation	675,343	730,779	826,538	889,778	948,642	1,007,222	1,021,898	1,197,045	1,359,315	1,726,523
Culture and Recreation	1,301,168	1,239,440	1,281,447	1,248,616	2,305,954	1,263,738	1,284,123	1,431,049	1,768,728	1,660,628
Health and Welfare	17,975	15,469	35,713	35,474	28,995	-	-	15,000	-	-
Economic Development	-	85,871	87,214	130,980	162,606	781,281	249,142	210,260	249,780	383,305
Interest on long-term debt	7,097	6,248	5,656	14,262	3,637	2,744	-	35	-	270,917
Total governmental activities expenses	4,538,460	5,233,510	6,496,355	6,585,390	8,420,054	8,442,087	7,576,441	9,076,905	10,841,331	11,642,143
Business-Type Activities										
Electric	3,916,988	3,854,346	3,933,270	3,887,764	4,340,112	4,176,763	4,325,963	6,253,048	6,018,802	5,548,352
Water and sewer	1,449,549	1,527,571	1,644,813	1,717,709	1,938,281	2,059,466	2,056,316	2,435,546	3,098,020	3,899,933
Mosquito control	-	21,153	14,607	18,531	27,591	34,790	21,754	29,383	40,732	37,884
Total business-type activities	5,366,537	5,403,070	5,592,690	5,624,004	6,305,984	6,271,019	6,404,033	8,717,977	9,157,554	9,486,169
Program Revenues										
Governmental activities:										
Charges for services:										
General government	24,057	27,998	281,634	320,875	301,078	315,002	366,616	381,965	313,245	456,126
Public safety	617,936	736,760	838,564	982,526	980,542	1,082,788	1,044,370	1,381,715	1,749,648	1,887,675
Physical Environment	476,581	561,460	545,933	538,545	596,764	636,315	710,301	824,803	859,160	1,023,211
Health and Welfare	12,235	11,326	17,152	15,496	15,808	-	-	-	-	-
Transportation	24,341	26,501	27,294	27,354	29,613	30,473	31,356	33,663	36,066	542,888
Culture and recreation	366,112	336,189	393,786	403,278	239,224	222,512	279,693	283,187	302,620	341,337
Operating grants and contributions	1,014,090	1,691,777	4,590,683	199,598	270,774	742,437	282,733	296,125	305,119	312,847
Capital grants and contributions	91,945	975,527	881,013	639,061	569,648	296,316	327,208	1,997,083	1,674,250	4,206,570
Total governmental activities program revenues	2,627,297	4,367,538	7,576,059	3,126,733	3,003,451	3,325,843	3,042,277	5,198,541	5,240,108	8,770,654
Business-type activities:										
Charges for services:										
Electric	4,040,798	4,084,388	4,008,652	4,099,826	4,559,920	4,443,894	4,687,948	6,371,194	6,167,822	5,927,225
Water and sewer	1,588,494	1,900,800	1,931,674	2,101,204	2,257,349	2,692,876	2,016,666	2,250,967	2,515,596	2,892,108
Mosquito control	-	22,917	23,689	24,856	26,085	27,259	28,831	30,545	32,099	34,087
Operating grants and contributions	11,302	1,080	14,348	99,261	57,460	88,434	-	-	-	20,632
Capital grants and contributions	91,943	1,025,779	437,750	654,990	428,545	594,023	1,243,904	3,085,221	3,859,154	5,151,685
Total business-type activities program revenues	5,732,537	7,034,964	6,416,113	6,980,137	7,329,359	7,846,486	7,977,349	11,737,927	12,574,671	14,025,737
Total Revenues	8,359,834	11,402,502	13,992,172	10,106,870	10,332,810	11,172,329	11,019,626	16,936,468	17,814,779	22,796,391
Net (Expense) Revenue										
Governmental activities	(1,911,163)	(865,972)	1,079,704	(3,458,657)	(5,416,603)	(5,116,244)	(4,534,164)	(3,878,364)	(5,601,223)	(2,871,489)
Business-type activities	366,000	1,631,894	823,423	1,356,133	1,023,375	1,575,467	1,573,316	3,019,950	3,417,117	4,539,568
Total government net expense	\$ (1,545,163)	\$ 765,922	\$ 1,903,127	\$ (2,102,524)	\$ (4,393,228)	\$ (3,540,777)	\$ (2,960,848)	\$ (858,414)	\$ (2,184,106)	\$ 1,668,079

Source: City of Newberry Financial Reports

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

General Revenues and Other Changes in Net Position

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Taxes:										
Property taxes	\$ 1,278,988	\$ 1,276,772	\$ 2,156,399	\$ 2,324,614	\$ 2,445,196	\$ 2,691,642	\$ 2,857,603	\$ 3,168,059	\$ 3,416,767	\$ 3,934,149
Sales Tax	394,874	420,010	693,818	842,390	912,419	860,645	1,045,354	1,269,460	1,779,940	2,013,592
Utility taxes	733,357	816,835	814,060	761,772	797,823	819,318	976,302	1,075,783	1,213,991	1,244,010
Communications services taxes	148,453	147,131	153,247	167,616	176,431	182,305	178,484	208,651	235,232	267,033
Business license tax	35,170	32,530	38,117	41,995	31,092	28,937	43,976	23,131	54,432	38,034
Unrestricted investment earnings	51	4,045	12,084	40,172	83,014	27,087	14,336	75,931	343,631	438,721
Other	31,350	39,478	33,725	61,277	64,691	84,425	42,869	133,203	371,303	507,229
Transfers	(195,000)	205,163	214,470	217,080	220,480	222,360	219,852	(689,072)	325,000	865,000
Total governmental activities	<u>2,427,243</u>	<u>2,941,964</u>	<u>4,115,920</u>	<u>4,456,916</u>	<u>4,731,146</u>	<u>4,916,719</u>	<u>5,378,776</u>	<u>5,265,146</u>	<u>7,740,296</u>	<u>9,307,768</u>
Business-Type Activities										
Unrestricted investment earnings	8,367	35,371	43,718	83,313	140,595	64,216	27,721	66,605	301,038	387,225
Other	-	-	-	-	-	-	-	-	13,697	428,179
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	195,000	(205,163)	(214,470)	(217,080)	(220,480)	(222,360)	(219,852)	689,072	(325,000)	(865,000)
Total business-type activities	<u>203,367</u>	<u>(169,792)</u>	<u>(170,752)</u>	<u>(133,767)</u>	<u>(79,885)</u>	<u>(158,144)</u>	<u>(192,131)</u>	<u>755,677</u>	<u>(10,265)</u>	<u>(49,596)</u>
Total primary government	<u>2,630,610</u>	<u>2,772,172</u>	<u>3,945,168</u>	<u>4,323,149</u>	<u>4,651,261</u>	<u>4,758,575</u>	<u>5,186,645</u>	<u>6,020,823</u>	<u>7,730,031</u>	<u>9,258,172</u>
Change in Net Position										
Governmental activities	516,080	2,075,992	5,195,624	998,259	(685,457)	(199,525)	844,612	1,386,782	2,139,073	6,436,279
Business-type activities	569,367	1,462,102	652,671	1,222,366	943,490	1,417,323	1,381,185	3,775,627	3,406,852	4,489,972
Total government	<u>\$ 1,085,447</u>	<u>\$ 3,538,094</u>	<u>\$ 5,848,295</u>	<u>\$ 2,220,625</u>	<u>\$ 258,033</u>	<u>\$ 1,217,798</u>	<u>\$ 2,225,797</u>	<u>\$ 5,162,409</u>	<u>\$ 5,545,925</u>	<u>\$ 10,926,251</u>

Source: City of Newberry Financial Reports

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund										
Non-spendable	\$ 1,957	\$ -	\$ 15,436	\$ 21,781	\$ 602,695	\$ 520,159	\$ 404,639	\$ 328,653	\$ 248,367	\$ 168,081
Restricted	141,268	229,484	128,835	194,480	72,763	122,357	112,832	292,315	704,434	698,196
Assigned	173,106	185,484	42,072	45,531	241,444	242,510	408,892	762,888	171,998	-
Unassigned	<u>428,585</u>	<u>657,935</u>	<u>1,429,098</u>	<u>1,584,781</u>	<u>1,463,052</u>	<u>2,122,515</u>	<u>2,635,145</u>	<u>2,861,827</u>	<u>3,137,991</u>	<u>2,851,746</u>
Total general fund	<u><u>744,916</u></u>	<u><u>1,072,903</u></u>	<u><u>1,615,441</u></u>	<u><u>1,846,573</u></u>	<u><u>2,379,954</u></u>	<u><u>3,007,541</u></u>	<u><u>3,561,508</u></u>	<u><u>4,245,683</u></u>	<u><u>4,262,790</u></u>	<u><u>3,718,023</u></u>
All other Government Funds										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	218,466	130,530	232,864	595,250	32,165	35,927	141,938	676,164	1,855,870	9,445,013
Assigned	245,071	264,552	142,336	50,305	2,950	2,950	3,273	-	192,815	1,551,572
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(494,658)</u>	<u>(251,202)</u>	<u>(13,499)</u>	<u>(56,627)</u>	<u>-</u>	<u>(5,145)</u>
Total all other governmental funds	<u><u>\$ 463,537</u></u>	<u><u>\$ 395,082</u></u>	<u><u>\$ 375,200</u></u>	<u><u>\$ 645,555</u></u>	<u><u>\$ (459,543)</u></u>	<u><u>\$ (212,325)</u></u>	<u><u>\$ 131,712</u></u>	<u><u>\$ 619,537</u></u>	<u><u>\$ 2,048,685</u></u>	<u><u>\$ 10,991,440</u></u>

Source: City of Newberry Financial Reports

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 2,552,982	\$ 2,439,243	\$ 3,568,507	\$ 3,798,474	\$ 4,013,059	\$ 4,254,379	\$ 4,712,526	\$ 5,258,009	\$ 6,177,197	\$ 6,991,658
Permits, fees, and special assessments	460,828	574,407	877,346	1,101,492	1,112,294	1,199,226	1,247,573	1,543,516	1,845,890	2,025,108
Intergovernmental revenues	1,454,239	2,465,871	5,151,998	864,666	913,475	1,149,602	1,011,453	1,878,690	1,352,807	1,550,745
Charges for services	885,268	943,522	1,013,101	966,372	828,987	1,081,510	946,473	1,365,432	1,422,740	3,893
Fines and forfeitures	5,865	10,804	11,622	17,856	8,854	8,926	4,751	6,658	4,629	2,228,172
Investment Earnings	51	4,045	12,084	40,172	83,014	27,087	14,336	75,931	343,631	438,721
Other	89,492	131,826	33,408	52,036	57,366	77,786	33,536	115,424	169,774	259,370
Interfund Charges	269,974	95,091	98,622	102,785	105,152	124,451	113,807	141,820	152,062	190,600
Total revenues	<u>5,718,699</u>	<u>6,664,809</u>	<u>10,766,688</u>	<u>6,943,853</u>	<u>7,122,201</u>	<u>7,922,967</u>	<u>8,084,455</u>	<u>10,385,480</u>	<u>11,468,730</u>	<u>13,688,267</u>
Expenditures										
General government	1,239,691	1,186,876	1,291,469	1,350,516	1,503,230	1,639,851	1,811,314	2,353,693	2,792,764	2,966,535
Public safety	1,152,480	1,295,294	2,160,332	2,292,888	2,454,617	2,570,642	2,730,983	3,056,688	3,336,445	3,731,451
Physical environment	410,032	520,209	550,183	537,445	528,235	578,879	634,038	713,528	747,293	861,395
Transportation	389,589	413,268	447,706	515,524	546,487	561,294	604,128	765,423	871,382	1,143,035
Health and Welfare	17,975	15,469	35,713	35,474	28,995	-	-	15,000	-	-
Economic Environment	-	83,395	82,151	123,546	147,360	714,307	257,003	206,572	223,597	382,949
Culture and recreation	775,092	802,517	831,385	896,476	1,866,555	845,900	934,474	1,034,459	1,239,157	1,273,436
Debt service:										
Principal	538,333	1,416,000	4,359,000	395,000	-	-	-	-	-	-
Bond Issuance Costs	46,796	-	-	-	-	-	-	-	-	-
Interest on long-term debt	220,859	84,178	82,954	14,262	3,637	2,744	-	-	-	204,577
Capital Outlay	356,681	793,234	1,012,609	453,315	835,282	356,905	434,363	398,429	1,136,837	2,324,461
Total expenditures	<u>5,147,528</u>	<u>6,610,440</u>	<u>10,853,502</u>	<u>6,614,446</u>	<u>7,914,398</u>	<u>7,270,522</u>	<u>7,406,303</u>	<u>8,543,792</u>	<u>10,347,475</u>	<u>12,887,839</u>
Excess (deficiency) of revenues over (under) expenditures	571,171	54,369	(86,814)	329,407	(792,197)	652,445	678,152	1,841,688	1,121,255	800,428
Other Financing Sources (Uses)										
Leases and SBITAs	-	-	-	-	-	-	-	19,384	-	16,146
Proceeds from sale of general fixed assets	-	-	-	-	-	-	-	-	-	-
Proceeds of Debt Issuance	5,775,000	-	395,000	-	-	-	-	-	-	6,716,414
Payments to Refunded Bond Escrow Agent	(5,386,667)	-	-	-	-	-	-	-	-	-
Transfers in	6,138,762	1,734,093	4,668,768	762,612	220,480	222,360	219,852	295,123	1,137,581	2,294,483
Transfers out	(6,333,762)	(1,528,930)	(4,454,298)	(590,532)	-	-	-	(984,195)	(812,581)	(1,429,483)
Total other financing sources (uses)	<u>193,333</u>	<u>205,163</u>	<u>609,470</u>	<u>172,080</u>	<u>220,480</u>	<u>222,360</u>	<u>219,852</u>	<u>(669,688)</u>	<u>325,000</u>	<u>7,597,560</u>
Net change in fund balances	<u>\$ 764,504</u>	<u>\$ 259,532</u>	<u>\$ 522,656</u>	<u>\$ 501,487</u>	<u>\$ (571,717)</u>	<u>\$ 874,805</u>	<u>\$ 898,004</u>	<u>\$ 1,172,000</u>	<u>\$ 1,446,255</u>	<u>\$ 8,397,988</u>
Debt service as a percentage of non capital expenditures	22.2%	42.6%	101.3%	7.7%	0.1%	0.0%	0.0%	0.0%	0.0%	2.5%

Source: City of Newberry Financial Reports

REVENUE CAPACITY INFORMATION

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

Fiscal Year Ended September 30	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Centrally Assessed Property for Operating Purposes	Gross Taxable Value	New Construction Taxable Value	Adjusted Taxable Value	Final Taxable Value	Millage Rate
2015	\$ 187,723,126	\$ 147,383,150	\$ 929,178	\$ 336,035,454	\$ (6,551,530)	\$ 329,483,924	\$ 337,176,963	3.9113
2016	196,220,126	136,956,523	941,359	334,118,008	(4,688,980)	329,429,028	334,295,760	3.9500
2017	205,113,150	163,218,847	2,102,281	370,434,278	(13,534,578)	356,899,700	373,402,916	5.9089
2018	225,503,073	140,506,668	2,098,176	368,107,917	(11,594,270)	356,513,647	422,385,827	5.9999
2019	257,417,663	170,781,145	2,253,187	430,451,995	(17,087,647)	413,364,348	430,451,995	5.9999
2020	286,754,126	153,517,653	2,032,911	442,304,690	(20,091,017)	422,213,673	464,618,207	5.9999
2021	320,126,713	171,865,376	2,106,375	494,098,464	(21,052,088)	473,046,376	492,929,695	5.9999
2022	363,228,468	183,991,003	2,619,984	549,839,455	(21,189,291)	528,650,164	546,998,439	5.9999
2023	441,972,379	171,660,932	3,022,546	616,655,857	(34,808,437)	581,847,420	594,750,721	5.9244
2024	503,381,195	190,508,297	2,544,677	696,434,169	(31,094,313)	665,339,856	690,478,300	5.9000

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

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

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

Direct				Overlapping							
Fiscal Year Ended Sept. 30,	Basic Rate	General Obligation Debt Service	Total City	Alachua BOCC	Alachua BOCC GO Debt	Children's Trust of Alachua County	Alachua County Library District	Library Capital Outlay	Library Debt Service	School Board	Suwannee River Water Management District
2015	3.9113	0.0000	3.9113	8.7990	0.2500	0.0000	1.3638	0.0000	0.0950	8.4100	0.4141
2016	3.9500	0.0000	3.9500	8.7950	0.1595	0.0000	1.3638	0.0000	0.0900	8.3420	0.4104
2017	5.9089	0.0000	5.9089	8.9290	0.0000	0.0000	1.3371	0.0000	0.0750	7.9360	0.4093
2018	5.9999	0.0000	5.9999	8.4648	0.0000	0.0000	1.2655	0.0000	0.0000	7.6250	0.4027
2019	5.9999	0.0000	5.9999	8.2829	0.0000	0.0000	1.2303	0.0000	0.0000	7.2640	0.3948
2020	5.9999	0.0000	5.9999	8.2729	0.0000	0.0000	1.2303	0.0000	0.0000	7.1440	0.3840
2021	5.9999	0.0000	5.9999	7.8935	0.0000	0.5000	1.1289	0.0000	0.0000	6.9150	0.3696
2022	5.9999	0.0000	5.9999	7.8662	0.0000	0.5000	1.0856	0.0000	0.0000	6.8430	0.3615
2023	5.9244	0.0000	5.9244	7.7662	0.0000	0.4612	1.0565	0.0000	0.0000	6.4980	0.3368
2024	5.9000	0.0000	5.9000	7.6414	0.0000	0.4612	1.0339	0.0000	0.0000	6.4320	0.3113

Source: Alachua County Property Appraiser

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

Fiscal Year 2024

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Argos USA	\$ 154,304,109	1	22.35%
Sabal Trail Transmission LLC	13,960,942	2	2.02%
Watson Construction Co LLC	6,637,399	3	0.96%
Norfleet-Green Development II LLC	3,701,264	4	0.54%
Florida Rock Properties Inc	3,499,960	5	0.51%
Community Properties USA Inc	3,499,574	6	0.51%
Bella-Rue LLC	3,039,885	7	0.44%
Davis Heritage LTD	2,922,857	8	0.42%
Norfleet Construction Group LLC	2,213,360	9	0.32%
PetCo Animal Supplies Inc	2,046,942	10	0.30%
	<u>\$ 195,826,292</u>		<u>28.36%</u>

Fiscal Year 2015

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Florida Rock Industries Inc	\$ 144,912,240	1	42.98%
Florida Rock Properties	4,960,700	2	1.47%
Hitchcock Enterprises Inc	2,570,500	3	0.76%
Davis Heritage Ltd	2,082,970	4	0.62%
Bellsouth Telecommunications	1,869,540	5	0.55%
Rat's Lair Properties LLC	1,711,200	6	0.51%
Watson Construction Co LLC	1,649,600	7	0.49%
Watson Equipment LLC	1,480,440	8	0.44%
Alachua County Housing Authority	1,437,500	9	0.43%
Watson Landholdings LLC	1,372,200	10	0.41%
	<u>\$ 164,046,890</u>		<u>48.65%</u>

Source: Alachua County Property Appraiser

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

	2015		2016		2017		2018		2019		2020		2021		2022		2023		2024	
<u>Electric Customer</u>	<u>Kilowatt Hours</u>	<u>Rank</u>	<u>Kilowatt Hours</u>	<u>Rank</u>	<u>Kilowatt Hours</u>	<u>Rank</u>	<u>Kilowatt Hours</u>	<u>Rank</u>	<u>Kilowatt Hours</u>	<u>Rank</u>	<u>Kilowatt Hours</u>	<u>Rank</u>	<u>Kilowatt Hours</u>	<u>Rank</u>	<u>Kilowatt Hours</u>	<u>Rank</u>	<u>Kilowatt Hours</u>	<u>Rank</u>	<u>Kilowatt Hours</u>	<u>Rank</u>
Alachua County School Board	3,728,160	1	3,719,752	1	3,672,076	1	4,091,790	1	4,494,990	1	4,096,163	1	4,967,337	1	4,544,042	1	4,496,085	1	3,829,120	1
City of Newberry	1,186,502	3	1,204,130	3	1,103,578	3	1,153,850	3	1,670,222	3	1,631,798	3	1,649,407	3	1,631,263	3	1,763,807	2	1,800,087	2
Hitchcocks	1,931,437	2	1,984,870	2	1,982,031	2	1,979,229	2	1,933,200	2	1,834,000	2	1,852,400	2	1,642,600	2	1,622,800	3	1,634,600	3
Southern Fuelwood	877,240	4	808,980	4	940,320	4	934,220	4	1,025,258	4	1,331,390	4	1,193,686	4	1,284,819	4	1,261,777	4	1,114,009	4
Inspired Energy	397,804	9	425,394	8	478,763	7	630,643	5	713,880	5	712,280	6	756,480	6	758,480	5	752,240	5	701,280	5
Hudson Food Stores	450,262	7	456,507	7	449,689	8	432,669	8	418,560	8	430,080	8	452,200	8	443,480	8	426,680	7	472,060	6
Circle K Stores, Inc	537,220	6	531,400	5	566,780	6	564,760	6	645,339	6	548,120	7	512,260	7	493,560	7	512,760	6	408,960	7
Watson Asphalt													325,472	10					332,997	8
Bellsouth	211,200	10	237,920	10	242,560	10	238,160	10	246,560	10	266,080	10			273,840	10	261,040	9	271,760	9
Pat Post Properties																	238,574	10	256,023	10
Hardees Phase 3 Star	412,500	8	418,001	9	425,302	9	410,000	9	411,500	9	375,700	9	340,400	9	308,400	9	287,700	8		
The Gourmet Rodent	585,615	5	519,098	6	616,886	5	505,565	7	554,260	7	931,600	5	890,573	5	647,368	6				

Source: City Utility Records

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

	2015		2016		2017		2018		2019		2020		2021		2022		2023		2024	
Water Customer	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank	Thousands of Gallons	Rank
Alachua County School Board	8,737	1	6,339	3	7,547	2	9,452	2	11,688	2	10,265	2	8,836	3	8,499	3	13,805	1	13,822	1
Smyrna Ready Mix Concrete			11,955	1	12,047	1	11,425	1	14,420	1	16,479	1	15,451	1	8,873	1	9,816	2	10,223	2
City of Newberry	8,269	2	9,850	2	7,163	3	3,196	3	3,772	3	7,584	3	10,696	2	8,525	2	4,643	3	6,713	3
Scott's Laundry	948	3	1,028	5	616	7	1,088	4	1,242	4	1,016	6	1,070	6	1,291	5	1,490	4	1,505	4
Argos Ready Mix LLC					509	9	708	7	1,017	7	1,482	5	1,259	5	1,097	7	1,037	6	930	5
Newberry Car Wash											1,915	4	1,488	4	1,605	4	1,231	5	879	6
Hitchcocks	445	7					467	9	419	9	964	7					473	10	878	7
Stonehouse Neighborhood Grill																			635	8
DR Hortorn															687	10			615	9
Inspired Energy							826	6	1,070	6									615	10
Newtown Park															1,068	8				
Norfleet Construction																	685	7		
RADDSports																	546	8		
Gourmet Rodent			1,111	4	539	8	608	8	510	8					1,213	6	522	9		
Kevin Coleman															704	9				
McCall Pest Service																				
Raymond King													860	7						
Woodyard Grill													538	8						
GPS Newberry West											484	10	507	9						
Booker T Hunt Funeral	339	9	575	7	810	5					523	9	464	10						
Maronda Homes											667	8								
Watson Construction	758	4	362	11																
Hardees Phase 3 Star	415	8	546	8	443	10	969	5	1,078	5										
Mac Johnson Roofing					616	7	384	10	384	10										
Newberry's Backyard BBQ	686	5	610	6	1,083	4														
B&K Carwash	335	10																		
Villagio's Pizzeria					636	6														
Red Wok Buffet	568	6	450	9																

Source: City Utility Records

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 1,317,312	\$ 1,272,857	96.6%	\$ 788	\$ 1,273,096	96.7%
2016	1,321,096	1,275,872	96.6%	1,111	1,276,070	96.6%
2017	2,229,962	2,150,778	96.4%	5,306	2,151,592	96.5%
2018	2,369,571	2,321,570	98.0%	2,771	2,324,341	98.0%
2019	2,648,528	2,445,196	94.7%	3,888	2,445,196	94.7%
2020	2,792,045	2,684,664	96.2%	13,287	2,697,951	96.6%
2021	2,957,529	2,844,220	96.2%	3,145	2,847,365	96.3%
2022	3,281,936	3,159,284	96.3%	8,775	3,168,059	96.5%
2023	3,563,393	3,406,516	95.6%	10,251	3,416,767	95.9%
2024	4,073,822	3,928,072	96.4%	6,077	3,934,149	96.6%

Source: Alachua County Tax Collector

DEBT CAPACITY INFORMATION

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

Fiscal Year	Governmental Activities		Business-Type Activities			Percent of Personal Income	Debt Per Capita
	General Government Bonds	Financing Loans/Capital Leases	Utility Revenue Bonds	Loans/Capital Leases	Total Government		
2015	\$ 5,775,000	\$ -	\$ -	\$ 3,078,330	\$ 8,853,330	1.4%	1,580
2016	4,359,000	-	1,345,562	-	5,704,562	0.0%	1,262
2017	-	395,000	-	2,787,745	3,182,745	1.1%	536
2018	-	-	-	2,637,973	2,637,973	1.0%	422
2019	-	-	-	2,485,133	2,485,133	0.8%	378
2020	-	-	-	2,329,157	2,329,157	0.7%	339
2021	-	-	-	1,802,850	1,802,850	0.5%	235
2022	-	19,384	-	2,300,242	2,319,626	0.6%	288
2023	-	882,000	857,000	3,038,360	4,777,360	1.1%	562
2024	-	6,904,000	777,000	4,024,812	11,705,812	2.4%	1,287

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

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

Schedule 12
CITY OF NEWBERRY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Fire Truck Purchase, Series 2023	\$ 729,000	100%	\$ 729,000
City Hall Capital Improvement Revenue Bonds, Series 2024	6,175,000	100%	6,175,000
Total Direct Debt Outstanding	6,904,000		6,904,000
Overlapping:			
Alachua County Board of County Commissioners			
Public Improvement Revenue Note, 2014	1,085,000	3.26%	35,321
Capital Improvement Revenue Note, 2015A	829,000	3.26%	26,987
Public Improvement Revenue Refunding Note, 2015B	4,406,000	3.26%	143,433
Public Improvement Revenue Refunding Note, 2016	4,770,000	3.26%	155,282
Public Improvement Revenue Note, 2017	613,000	3.26%	19,956
Local Option Gas Tax Revenue Note, 2018	5,315,000	3.26%	173,024
2020A Capital Improvement Revenue Note	2,325,000	3.26%	75,688
2020B Capital Improvement Revenue Note	2,995,000	3.26%	97,499
2020C Capital Improvement Revenue Bond	8,510,000	3.26%	277,034
Tourist Development Tax Revenue Note, 2021AB	29,655,000	3.26%	965,388
Capital Improvement Revenue Note, 2022	32,405,000	3.26%	1,054,912
Capital Improvement Revenue Note, 2023	7,755,000	3.26%	252,456
School Board of Alachua County			
Bus Purchase 2020	924,513	3.26%	30,097
Certificates of Participation, Series 2013 and 2020	74,270,000	3.26%	2,417,784
Qualified School Construction Bonds, Series 2010A	11,211,997	3.26%	364,995
Build America Bonds, Series 2010B	2,017,899	3.26%	65,691
Total Overlapping Debt	189,087,409		6,155,547
Total Government Activities Debt	\$ 195,991,409		\$ 13,059,547

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

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

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

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

Series 2008 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2015	\$ 92,504	\$ 80,736	\$ 11,767	1.00
2016	92,504	83,530	8,974	1.00
2017	92,504	86,420	6,084	1.00
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-

Series 2015 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2015	\$ -	\$ -	\$ -	-
2016	1,493,930	1,416,000	77,930	1.00
2017	4,436,298	4,359,000	77,298	1.00
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-

**Nations Park Series 2010
Revenue Bond**

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2015	\$ 612,970	\$ 400,000	\$ 212,970	1.00
2016	5,965,425	5,925,000	40,425	1.00
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-

Source: City of Newberry Financial Reports

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

Fiscal Year	Operating Revenue (1)	Direct Operating Expenses (2)	Net Available for Debt Service (3)	Debt Service		
				Principal	Interest	Coverage
2015	\$ 1,521,106	\$ 797,352	\$ 723,754	\$ 140,935	\$ 64,581	3.52
2016	1,855,182	884,658	970,524	143,820	61,696	4.72
2017	1,862,949	1,046,593	816,356	146,765	58,752	3.97
2018	2,182,661	1,099,122	1,083,539	149,772	55,745	5.27
2019	2,309,052	1,250,893	1,058,159	152,841	52,675	5.15
2020	2,725,329	1,341,269	1,384,060	155,976	49,541	6.73
2021	2,894,862	1,327,159	1,567,703	566,867	42,015	2.57
2022	3,341,336	1,534,988	1,806,348	126,144	32,949	11.35
2023	4,208,261	2,119,738	2,088,523	186,554	59,681	8.48
2024	5,836,382	2,735,729	3,100,653	258,816	73,335	9.34

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

Notes:

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 15
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	City Population	Gainesville MSA Population	Per Capita Personal Income	Total Personal Income	Unemployment Rate
2015	5,604	273,377	40,199 \$	225,275,196	4.5%
2016	5,778	277,163	41,008	236,944,224	4.4%
2017	5,942	280,708	41,718	247,888,356	3.1%
2018	6,249	280,715	44,390	277,393,110	2.7%
2019	6,573	285,072	44,880	294,996,240	2.8%
2020	6,873	289,857	45,666	313,862,418	4.3%
2021	7,684	328,517	47,302	363,468,568	3.0%
2022	8,066	351,001	50,623	408,325,118	2.4%
2023	8,503	357,446	50,892	432,734,676	3.0%
2024	9,096	361,661	54,166	492,693,936	3.9%

Notes: Per Capita Personal Income figures are based on amounts obtained from Bureau of Economic Analysis (BEA)
Unemployment rate figures obtained from Bureau of Labor Statistics
Population estimates obtained from Bureau of Economic and Business Research, University of Florida

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

Employer	2024	
	Number of Employees	Rank
School Board of Alachua County	264	1
Argos	113	2
Inspired Energy	101	3
City of Newberry	97	4
Bounds Heating and Air	88	5
Southern Fuelwood	75	6
Hitchcocks	50	7
Stone House Neighborhood Grill	42	8
Greenfield Preschools	40	9
Tropic Traditions	29	10

Employer	2015	
	Number of Employees	Rank
School Board of Alachua County	243	1
City of Newberry	71	2
Bounds Heating and Air	62	3
Southern Fuelwood	52	4
Watson Construction	21	5

Unable to obtain additional historical data

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

OPERATING INFORMATION

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

Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Administration										
City Manager	2.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Clerk	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0
Finance	2.6	2.6	2.7	2.7	3.0	3.0	4.0	4.0	4.8	5.1
Human Resources	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning	3.0	1.6	1.7	1.7	2.2	2.5	2.5	2.5	2.7	3.0
Facilities	2.2	2.7	2.9	2.2	3.0	3.0	3.0	4.5	4.5	4.0
Economic Development	-	1.0	1.0	1.0	0.5	0.5	0.5	0.5	1.0	1.0
Capital Improvement	-	-	-	-	-	-	-	0.5	0.5	1.0
Public Safety										
Fire	13.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0	14.0	15.0
Building	2.9	2.2	2.9	3.2	3.2	3.0	3.0	3.5	3.4	4.1
Code Enforcement	-	1.1	1.0	0.5	0.5	0.5	1.0	1.0	1.0	1.0
Physical Environment										
Electric	5.9	4.7	4.9	4.9	4.9	5.0	5.0	5.0	4.1	4.6
Water	3.6	2.8	2.4	3.0	3.0	3.0	3.0	3.0	3.0	3.8
Wastewater	3.0	2.8	2.4	2.9	3.0	3.0	3.0	3.0	3.0	3.5
Utility Administration	-	-	3.0	3.0	4.0	4.0	4.0	5.5	6.0	6.2
Customer Service	-	-	3.5	3.5	3.5	3.5	3.5	4.0	4.0	3.7
Public Works										
Cemetery	0.3	0.3	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Streets & Roads	4.7	4.4	3.1	2.8	2.8	3.0	3.0	3.0	3.7	5.3
Solid Waste	-	0.2	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Mosquito Control	-	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Culture and Recreation										
Parks & Recreation	8.4	9.4	9.5	7.2	6.7	6.7	7.5	6.5	7.7	8.2
Diamond Sports Park	2.6	2.5	2.3	1.4	-	-	-	-	-	-
MLK Community Center	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Parks Maintenance	-	-	-	2.2	2.0	2.0	2.0	3.0	3.4	3.0
Total	57.3	57.0	62.9	61.8	61.9	62.3	65.6	70.1	74.0	79.7

Source: City of Newberry Annual Budget

*Departments added as needed to accommodate city growth

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

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Planning and Development:										
Local business tax receipts issued	360	485	421	279	278	238	260	286	315	311
Building permits issued	280	323	396	474	573	541	733	633	738	693
Fire:										
Number of Calls	853	937	933	918	1,028	1,035	1,088	1,160	1,204	1,202
ISO Rating	3	3	3/3x	3/3x	3/3x	3/3x	3/3x	3/3x	3/3x	3/3x
Culture and Recreation:										
Recreation sports programs	10	10	10	10	10	10	14	11	11	13
Recreation sports programs participants	693	655	654	666	859	794	1,003	1,474	1,529	1,834
Summer program participants	135	106	101	96	-	-	-	175	141	275
Electric Utility:										
Number of residential customers	1,409	1,469	1,512	1,587	1,665	1,785	1,913	2,058	2,272	2,537
Kilowatts per hour sold-residential	18,187,100	18,706,281	18,473,149	19,770,623	20,734,891	22,034,436	23,816,283	25,135,854	26,188,140	29,213,283
Number of non-residential customers	310	311	319	319	303	318	325	338	349	350
Kilowatts per hour sold- non-residential	15,641,552	15,703,703	15,576,182	16,327,580	16,814,325	16,268,108	17,684,088	17,047,983	16,641,059	16,109,956
Water Utility:										
Number of residential customers	1,567	1,666	1,729	1,846	1,955	2,072	2,224	2,357	2,546	2,826
Gallons sold	119,520,000	123,301,000	125,702,000	125,931,000	134,039,000	153,780,000	151,769,000	161,887,000	170,281,000	184,616,000
Number of non-residential customers	190	194	197	198	194	198	205	249	218	210
Gallons sold	22,387,000	33,511,000	35,226,000	35,718,000	40,289,000	42,619,000	39,264,000	33,679,000	37,976,000	39,212,000
Wastewater Utility:										
Number of residential customers	1,452	1,539	1,601	1,702	1,815	1,929	2,055	2,076	2,359	2,591
Gallons of wastewater billed to customers	110,486,000	112,209,000	113,187,000	113,855,000	121,785,000	139,519,000	140,730,000	148,931,000	156,291,000	167,437,000
Number of non-residential customers	155	158	160	162	161	162	168	201	170	167
Gallons of wastewater billed to customers	17,242,000	17,216,000	17,659,000	19,893,000	20,657,000	18,858,000	18,412,000	18,496,000	20,219,000	20,290,000
Irrigation:										
Number of residential customers	11	11	12	13	14	14	15	17	18	20
Gallons sold to residential customers	1,421,000	1,452,000	1,073,000	1,142,000	1,933,000	1,726,000	1,964,000	1,982,000	1,355,000	795,000
Number of non-residential customers	44	43	39	38	36	35	36	41	39	35
Gallons sold to non-residential customers	17,589,000	12,066,000	8,869,000	4,148,000	5,099,000	11,224,000	11,264,000	9,859,000	8,001,000	9,787,000
Solid Waste:										
Number of residential customers	1,551	1,632	1,696	1,798	1,918	2,033	2,168	2,308	2,488	2,715
Number of non-residential customers	71	107	109	114	115	122	125	126	138	132

Source: Various City Departments

*Zeros in solid waste indicate time prior to commercial service

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety:										
Fire Station	1	1	1	1	1	1	1	1	1	1
Fire Apparatus	5	5	5	5	5	5	5	5	5	6
Public Services:										
Streets (miles)	38	38	38	40	42	42	50	62*	64	65
Culture and Recreation:										
Parks	7	7	7	7	7	7	7	7	7	7
Baseball Fields	33	33	33	33	25	23	23	23	23	23
Community Centers	1	1	1	1	1	1	1	1	1	1
Water Utility:										
Wells	4	4	4	4	4	4	4	4	4	4
Elevated Tanks	2	2	2	2	2	2	2	2	2	2
Wastewater Utility:										
Treatment Capacity (millions of gallons per day)	0.499	0.499	0.499	0.499	0.499	0.499	0.560	0.560	0.560	0.560
Lift Stations	25	26	26	26	26	26	26	28	28	28

Source: Various City Departments

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

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

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

To the Mayor and City Commissioners
City of Newberry, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newberry, Florida (the City) as of and for the year ended September 30, 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 March 19, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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To the Mayor and City Commissioners
City of Newberry, Florida

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Purvis Gray

March 19, 2025
Gainesville, Florida

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

To the Mayor and City Commissioners
City of Newberry, Florida

We have examined the City of Newberry, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2024. City management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

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

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

Purvis Gray

March 19, 2025
Gainesville, Florida

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CITY OF NEWBERRY, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024

<u>State Grantor/Program Title</u>	<u>CSFA Number</u>	<u>Contract/Grant No.</u>	<u>Expenditures</u>
Florida Department of Environmental Protection			
Florida Recreation Development Assistance Program:			
Jimmy Durden Park Baseball Field Renovations	37.017	A23084	\$ 39,310
Accessible Playground Equipment Easton Park	37.017	A23084	105,000
Total Florida Recreation Development Assistance Program	37.017		144,310
Statewide Water Quality Restoration Projects - Newberry			
Regional Advanced Wastewater Treatment Facility	37.039	WG087	309,371
Drinking Water Facility Construction	37.076	DW010810	507,917
Wastewater Treatment Facility Construction	37.077	WW010800	2,017,842
Resilient Florida Program	37.098	24PLN38	65,500
Total Florida Department of Environmental Protection			<u>3,044,940</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 3,044,940</u></u>

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

Note 1 - Significant Accounting Policies

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

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

To the Mayor and City Commissioners
City of Newberry, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited City of Newberry Florida's (the City) compliance with the types of compliance requirements described in the Department of Financial Services' State Projects *Compliance Supplement* that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2024. The City's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2024.

Basis for Opinion on Each Major State Project

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

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

Responsibilities of Management for Compliance

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

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To the Mayor and City Commissioners
City of Newberry, Florida

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of 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, *Rules 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, non-compliance with a type of compliance requirement of a state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

To the Mayor and City Commissioners
City of Newberry, Florida

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

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

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

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

Purvis Gray

March 19, 2025
Gainesville, Florida

**CITY OF NEWBERRY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Part I - Summary of Auditor's Results

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

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

- 8) A threshold of \$750,000 was used to distinguish between Type A and Type B projects for state projects.

Part II - Financial Statement Findings

None reported.

Part III - Findings and Questioned Costs - State Projects

None reported.

MANAGEMENT LETTER

To the Mayor and City Commissioners
City of Newberry, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Newberry, Florida (the City) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 19, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 19, 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 financial audit report. Corrective actions have been taken to address findings and recommendations in the preceding financial audit report.

Official Title and Legal Authority

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

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To the Mayor and City Commissioners
City of Newberry, Florida

MANAGEMENT LETTER

Financial Condition and Management

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

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. The City has not authorized the operation of a PACE program, and management is not aware of the operation of any such program, within its geographical boundaries.

Special District Component Units

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

Specific Information

Specific information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General* are reported in the separate financial statements of the City of Newberry Community Redevelopment Agency.

Additional Matters

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

To the Mayor and City Commissioners
City of Newberry, Florida

MANAGEMENT LETTER

Purpose of This Letter

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

Purvis Gray

March 19, 2025
Gainesville, Florida

IMPACT FEE AFFIDAVIT

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

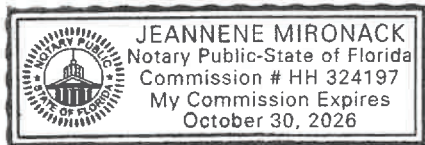
1. I am the Chief Financial Officer¹ of City of Newberry which is a local governmental entity of the State of Florida.
2. The governing body of City of Newberry adopted (Ordinance No. 2024-33, 2023-14, 2022-44 or Resolution No. n/a) implementing an impact fee or authorized City of Newberry to receive and expend proceeds of an impact fee implemented by the City of Newberry.
3. City of Newberry has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

[Signature]
Acting Finance Director

STATE OF FLORIDA
COUNTY OF ALACHUA

SWORN TO AND SUBSCRIBED before me this 3rd day of April, 2025.



[Signature]
NOTARY PUBLIC

Print Name Tracy Fair Jeannene Mironack

Personally known ✓ or produced identification _____

Type of identification produced: Personally Known

My Commission Expires:

October 30, 2026

STATE OF FLORIDA, COUNTY OF ALACHUA

Sworn to (or affirmed) before me by means of
☒ physical presence or ☐ online notarization, this 3rd day of
April, 2025

by Amanda Hagan

[Signature] Signature of Notary Public - State of Florida

Personally Known OR Produced Identification, Type of Identification Produced:

Print, Type, or Stamp Commissioned Name of Notary Public:

Personally Known

¹ Pursuant to Section 163.31801(8), Florida Statutes, if there is no chief financial officer, the executive officer must sign the affidavit.