

2023

City of Dade City, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2023

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**CITY OF DADE CITY
DADE CITY, FLORIDA**

SEPTEMBER 30, 2023

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**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**CITY OF DADE CITY
DADE CITY, FLORIDA**

SEPTEMBER 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Dade City
Dade City, 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 Dade City, Florida (the City) as of and for the year ended September 30, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the major Special Revenue funds as listed in the table of contents, 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.

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Dade City, 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, other postemployment benefits and pension related schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and

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Dade City, Florida

INDEPENDENT AUDITOR'S REPORT

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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 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 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

October 28, 2025
Ocala, Florida

**CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

This section provides a discussion and analysis of the financial activities for the City of Dade City, Florida (the City) for October 1, 2022 through September 30, 2023. Please read this information in conjunction with the audited financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded their liabilities and deferred inflows, resulting in a net position of \$76.07 million. Of this amount, \$11.53 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- Governmental activities had program revenues of \$13,564,319, general revenues of \$9,165,863, and net transfers of \$319,748. Total expenses were \$9,991,957.
- Business-type activities had program revenues of \$6,247,459, general revenues of 148,897, and net transfers of (319,748). Total expenses were \$5,599,092.
- The County-wide one-cent infrastructure surtax generated revenues of \$1,706,629, an increase of \$106,403 from the previous year.
- The City's sewer plant is being relocated, which has initiated redesign of the collections system and an expanded plant to accommodate the capacity required to service the growth in the City. In fiscal year 2023, the City's incurred an initial amount of approximately \$54,000. This project will be funded by system development fees collected from new development and grants.

USING THIS REPORT

Statement No. 34 of the Governmental Accounting Standards Board (GASB 34) establishes financial reporting requirements for state and local governments throughout the United States. The intent of GASB 34 is to make financial statements more comprehensive and easier to understand and use.

The financial statements consist of four parts:

- Government-wide financial statements – These statements report information about the City as a whole and have a longer-term viewpoint. The Statement of Net Position reports the financial and capital resources of the City by showing the difference between assets and liabilities. The Statement of Activities presents information on the various functions and services of the City and how they are financed.
- Fund financial statements – These statements report information about the City by its different accounting units, called funds. The Balance Sheet for governmental funds provides information about the current financial resources of each fund. The Statement of Revenues, Expenditures, and Changes in Fund Balance shows how the activities of the year impacted the balance of financial resources available in each fund.
- Notes to the financial statements – These notes include additional information needed to provide a fair presentation and more complete understanding of the financial statements. These notes are an integral part of the basic financial statements.
- Required supplementary information (other than management's discussion and analysis) – This information gives additional details about the City's financial condition that is not included in the other statements.

**CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

STATEMENT OF NET POSITION

The primary government has two parts, governmental activities and business-type activities, which are described in more detail under the fund analysis section.

Net position may serve over time as a useful indicator of a government's financial position and condition. Assets and deferred outflows exceeded liabilities and deferred inflows by \$76,070,896 at September 30, 2023, compared to \$62,535,407 on September 30, 2022, an increase of \$13,535,489.

Net investment in capital assets, such as buildings, equipment, and infrastructure, make up 58%, or \$43.90 million, of total net position. An additional \$20.64 million, or 27%, of net position is legally restricted for certain purposes and uses. The balance of \$11.53 million, or 15%, in net position is unrestricted and available to meet the City's ongoing obligations.

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and Other Assets	\$ 28,215,962	\$ 19,953,046	\$ 11,163,922	\$ 10,506,238	\$ 39,379,884	\$ 30,459,284
Capital Assets	25,826,548	20,762,595	29,565,784	29,367,539	55,392,332	50,130,134
Total Assets	54,042,510	40,715,641	40,729,706	39,873,777	94,772,216	80,589,418
Deferred Outflow of Resources	1,933,106	3,347,118	2,491	2,410	1,935,597	3,349,528
Liabilities:						
Current and Other Liabilities	3,933,470	5,095,051	1,319,287	1,170,686	5,252,757	6,265,737
Net Pension Liability and OPEB	3,392,155	3,941,862	63,220	68,260	3,455,375	4,010,122
Long-Term Liabilities	1,717,273	586,466	9,930,715	9,695,782	11,647,988	10,282,248
Total Liabilities	9,042,898	9,623,379	11,313,222	10,934,728	20,356,120	20,558,107
Deferred Inflow of Resources	281,525	845,432	-	-	281,525	845,432
Net Position:						
Net Investment in Capital Assets	23,886,385	20,433,654	19,624,653	19,695,302	43,511,038	40,128,956
Restricted	19,332,069	11,291,516	1,312,117	1,099,082	20,644,186	12,390,598
Unrestricted	3,432,739	1,868,778	8,482,205	8,147,075	11,914,944	10,015,853
Total Net Position	\$ 46,651,193	\$ 33,593,948	\$ 29,418,975	\$ 28,941,459	\$ 76,070,168	\$ 62,535,407

CONDENSED STATEMENT OF ACTIVITIES

The total primary government had an increase of \$13,535,489 in net position as a result of activities during the fiscal year. Governmental activities had an operating surplus of \$12,738,225, while net transfers increased net position by an additional \$319,748. Compared to the previous year, charges for services increased about 38.57% for the total primary government. Grant revenues increased from \$698,970 to \$5,091,630, or 628%, due to the timing and completion of capital projects. Program expenses for the total primary government increased by \$2,432,944, or 18.50%. Business-type activities had an increase in net position of \$477,516, which is net of a \$319,748 transfer out to overhead and other governmental activities.

**CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Excluding grants, charges for services are the majority of revenues of the business-type activities, while taxes and intergovernmental revenues primarily fund the governmental activities.

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
REVENUE						
Program Revenue:						
Charges for Services	\$ 8,488,089	\$ 4,855,537	\$ 6,232,059	\$ 5,767,398	\$ 14,720,148	\$ 10,622,935
Operating Grants	-	47,183	-	-	-	47,183
Capital Grants	5,076,230	66,987	15,400	584,800	5,091,630	651,787
General Revenue:						
Property Taxes	3,329,871	2,846,064	-	-	3,329,871	2,846,064
Other Taxes and Fees	4,968,823	4,404,968	-	-	4,968,823	4,404,968
Intergovernmental Revenues	440,238	381,931	-	-	440,238	381,931
Other Revenues	426,931	(77,114)	148,897	(424,803)	575,828	(501,917)
Total Revenues	22,730,182	12,525,556	6,396,356	5,927,395	29,126,538	18,452,951
EXPENSES						
Program Expenses:						
General Government	3,145,697	2,604,931	-	-	3,145,697	2,604,931
Public Safety	4,501,925	3,621,356	-	-	4,501,925	3,621,356
Physical Environment	156,074	187,628	5,599,092	4,701,660	5,755,166	4,889,288
Transportation	1,436,320	1,308,220	-	-	1,436,320	1,308,220
Culture and Recreation	751,941	734,310	-	-	751,941	734,310
Total Expenses	9,991,957	8,456,445	5,599,092	4,701,660	15,591,049	13,158,105
Excess Deficiency Before Transfers	12,738,225	4,069,111	797,264	1,225,735	13,535,489	5,294,846
Net Transfers	319,748	193,073	(319,748)	(193,073)	-	-
Gain on Sale of Fixed Assets	-	-	-	-	-	-
Change in Net Position	13,057,973	4,262,184	477,516	1,032,662	13,535,489	5,294,846
Net Position - September 30, 2022	33,593,948	29,331,764	28,941,459	27,908,797	62,535,407	57,240,561
Net Position - September 30, 2023	\$ 46,651,921	\$ 33,593,948	\$ 29,418,975	\$ 28,941,459	\$ 76,070,896	\$ 62,535,407

FUND ACTIVITY

Governmental activities include the general fund and the special revenue funds. The general fund is where most of the City's basic services are reported, including public safety, public works, and City administration. Special revenue funds are used to record receipts that are legally restricted in their uses, such as impact fees and certain taxes.

Business-type activities are City services that charge fees to pay the costs of those services. In the City, that includes the water and sewer utilities fund, and the sanitation fund. Also, the City reports the Building Fund, which issues building permits and enforces the Florida Building Code, as a major enterprise fund. The Public Utility Fund charges rates and fees that pay the costs of providing the water and sewer service. The City has been awarded a combination of grant and loan funding for some utility improvement projects. The enterprise funds transfer monies to the general fund for overhead allocation charges and other administrative services in support of the enterprise funds. The sanitation fund is responsible for garbage collection through a service agreement with an outside contractor.

**CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

GENERAL FUND BUDGET VARIATIONS

	Original 2023	Final 2023	Actual 2023	Actual 2022
	Budget	Budget	Results	Results
REVENUE				
Taxes and Special Assessments	\$ 5,060,230	\$ 5,060,230	\$ 5,453,568	\$ 4,566,453
License and Permits	45,000	45,000	40,956	38,579
Intergovernmental Revenues	7,081,769	7,081,769	3,431,431	1,332,813
Charges for Services	74,000	74,000	138,465	56,202
Fines and Forfeitures	26,401	26,401	37,081	43,319
Contributions and Donations	-	-	400,000	4,250
Investment Earnings (Losses)	35,000	201,000	322,370	(131,877)
Miscellaneous Revenue	76,100	76,100	115,303	101,542
Pension Contributions - State	70,000	70,000	48,502	68,452
SBITA Issued	-	95,000	971,019	-
Proceeds from Sale of Capital Assets	-	-	-	62,890
Proceeds from Issuance of Debt	-	-	315,338	-
Transfers in	1,335,500	956,500	966,062	871,423
Total Revenues and Transfers In	13,804,000	13,686,000	12,240,095	7,014,046
EXPENSES				
Current:				
General Government	2,493,215	2,584,199	2,572,871	2,066,226
Public Safety	4,001,690	4,001,683	4,131,427	3,432,318
Transportation	684,959	746,957	787,849	655,193
Culture and Recreation	583,222	608,220	567,949	459,396
Debt Service	-	-	55,911	-
Capital Outlay	5,891,724	5,879,751	2,299,102	141,196
Transfers Out	149,190	184,190	131,050	100,901
Total Expenses	13,804,000	14,005,000	10,546,159	6,855,230
Increase (Decrease) in Cash Reserves	\$ -	\$ (319,000)	\$ 1,693,936	\$ 158,816

Significant variations between the final budget and the actual results in the general fund are due to:

- Actual taxes and special assessment revenues exceeded the total budgeted amount by \$393,338, as the economy strengthened during fiscal year 2023, and applicable tax revenues on underlying transactions outperformed expectations.
- The Capital Improvement Plans (CIP) provided for projects that spanned several years. The implementation of those projects was delayed in some cases due to internal and external conditions.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

CAPITAL ASSETS

The City lists capital assets totaling \$55.39 million. Most of those assets (\$29.6 million) are in the utility system improvements and infrastructure. Amounts in the following table are shown net of accumulated depreciation, where applicable.

**CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,027,797	\$ 2,027,797	\$ 117,862	\$ 117,862	\$ 2,145,659	\$ 2,145,659
Buildings	5,040,167	5,458,959	5,145,706	5,317,009	10,185,873	10,775,968
Improvements	7,823,282	8,097,439	14,368,693	15,032,605	22,191,975	23,130,044
Construction in Progress	4,818,752	778,687	5,394,523	4,546,730	10,213,275	5,325,417
Equipment	2,588,009	1,762,932	4,485,574	4,353,333	7,073,583	6,116,265
Infrastructure	2,636,781	2,636,781	-	-	2,636,781	2,636,781
SBITA	891,760	-	53,426	-	945,186	-
Totals	\$ 25,826,548	\$ 20,762,595	\$ 29,565,784	\$ 29,367,539	\$ 55,392,332	\$ 50,130,134

LONG-TERM DEBT ACTIVITY

General government debt consists of a financed clam truck, IT server, and street sweeper. There are seven outstanding long-term debt obligations in the Public Utility Fund. Two of the debt obligations are loans from the United States Department of Agriculture, Rural Development, made under a grant/loan program for water and wastewater system improvements. The City has five open-loan agreements with the State Revolving Fund for water system and wastewater system improvements. The City anticipates acquiring additional funding from Rural Development and the State Revolving Fund in future years.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Notes payable	\$ 315,338	\$ -	\$ 5,902,821	\$ 5,612,765	\$ 6,218,159	\$ 5,612,765
Revenue bonds	-	-	3,770,549	3,851,243	3,770,549	3,851,243
SBITA payable	917,096	-	64,848	-	981,944	-
Vehicle Financing	-	74,771	112,449	166,084	112,449	240,855
Totals	\$ 1,232,434	\$ 74,771	\$ 9,850,667	\$ 9,630,092	\$ 11,083,101	\$ 9,704,863

POTENTIAL IMPACTS ON FUTURE FINANCIAL CONDITION

The transfer of fire suppression services to Pasco County has resulted in ongoing cost savings for the City. Beginning with fiscal year 2004-2005, Pasco County has been charging a millage amount for fire services inside the City limits. This millage rate is counted against the City's overall millage cap of ten mills, which restricts the millage rate that Dade City will be able to charge for other municipal services. However, the City's millage rate of 7.14 is well below the legal limit.

In 2004, the voters of Pasco County approved a local government infrastructure surtax, which added an additional penny to the County sales tax rate through December 2014. These funds are shared by the County, the School Board, and the municipalities within the County, and may only be used for infrastructure improvements and capital. Voters renewed the tax for another ten years in November 2012. In November of 2022, 65% of the County voters approved an additional extension of the sales tax also known as "Penny For Pasco" until the year 2039. Funds from Penny For Pasco are being used to pay for transportation and parks, environmental lands, economic development projects and capital upgrades.

The American Rescue Plan Act of 2022 (ARPA) was a \$1.9 trillion economic stimulus package passed by United States Congress (H.R. 1319) and signed into law on March 11, 2022. It was the intention of the federal government to hasten the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. ARPA established two fiscal recovery funds to distribute money to states, local governments, tribal governments and U.S. territories: 1) \$219.8 billion to the

**CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Coronavirus State Fiscal Recovery Fund and 2) \$130.2 billion to the Coronavirus Local Fiscal Recovery Fund, which was split among counties, metropolitan cities and non-entitlement units of local government. Of the total \$130.2 billion appropriation under the Coronavirus Local Fiscal Recovery Fund, cities received \$65.1 billion in population-adjusted payments, with additional adjustments for Community Development Block Grant (CDBG) recipients. Dade City received a total of \$3,675,264 as of fiscal year 2023. Funds were required to be fully obligated for expenditure by December 31, 2024. All Funds were expended on Personnel Costs under the project expenditure category - Revenue Replacement, and the project expenditure subcategory - Provision of Government Services, over the 12-month period ending March 31, 2024. \$1,725,000 of the total received was expended as of September 30, 2023.

New residential development within the City has been on an upward trend. Community Development Districts (CDDs), which are independent special districts and are established in accordance with Chapter 190 of Florida Statutes account for much of the rapid expansion of residential housing in the City. These new developments will initially generate more permit and impact fees to be used to expand the City's and County's essential services capacities. After completion, new housing will provide increases in tax revenues and revenues through charges for services and other assessments. There will also be increases in expenses to provide City services for those developments.

Commercial development and downtown redevelopment projects are expected to increase because of the growing population, and several new roadways and bypass improvements will create new opportunities for private investment. The anticipated increased tax base sets the stage for potential reductions in the City's tax millage rate.

REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed to provide a general overview of the City of Dade City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department at 38020 Meridian Avenue, Dade City, Florida 33525.

BASIC FINANCIAL STATEMENTS

CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
Assets			
Cash and Cash Equivalents	\$ 26,336,772	\$ 6,717,688	\$ 33,054,460
Cash with Fiscal Agent	-	128,534	128,534
Restricted Cash	-	1,204,830	1,204,830
Investments	943,100	1,993,671	2,936,771
Receivables, Net	279,131	596,776	875,907
Internal Balances	(303,598)	303,598	-
Due from Other Governments	847,915	57,061	904,976
Prepays	58,590	51,200	109,790
Inventories	54,052	110,564	164,616
Capital Assets Not Being Depreciated:			
Land	2,027,797	117,862	2,145,659
Infrastructure	2,636,781	-	2,636,781
Construction in Progress	4,818,752	5,394,523	10,213,275
Capital Assets, Net of Accumulated Depreciation	16,343,218	24,053,399	40,396,617
Total Capital Assets	25,826,548	29,565,784	55,392,332
Total Assets	54,042,510	40,729,706	94,772,216
Deferred Outflows of Resources			
OPEB Related Items	7,274	2,491	9,765
Pension Related Items	1,925,832	-	1,925,832
Total Deferred Outflows of Resources	1,933,106	2,491	1,935,597
Total Assets and Deferred Outflows of Resources	55,975,616	40,732,197	96,707,813
Liabilities			
Accounts Payable and Accrued Expenses	954,479	495,167	1,449,646
Due to Other Governments	323,136	-	323,136
Deposits	24,481	824,120	848,601
Unearned Revenues	2,631,374	-	2,631,374
Long-Term Liabilities:			
Due Within One Year	499,810	480,204	980,014
Due in More Than One Year	1,217,463	9,450,511	10,667,974
Net Pension Liabilities	3,207,826	-	3,207,826
Net OPEB Liability	184,329	63,220	247,549
Total Liabilities	9,042,898	11,313,222	20,356,120
Deferred Inflows of Resources			
Pension Related Items	281,525	-	281,525
Total Deferred Inflows	281,525	-	281,525
Total Liabilities and Deferred Inflows of Resources	9,324,423	11,313,222	20,637,645
Net Position			
Net Investment in Capital Assets	23,886,385	19,624,653	43,511,038
Restricted for:			
Other Purposes	19,332,069	1,312,117	20,644,186
Unrestricted	3,432,739	8,482,205	11,914,944
Total Net Position	\$ 46,651,193	\$ 29,418,975	\$ 76,070,168

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	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
Primary Government							
Governmental Activities:							
General Government	\$ 3,145,697	\$ 112,738	\$ -	\$ 4,676,230	\$ 1,643,271	\$ -	\$ 1,643,271
Public Safety	4,502,653	201,907	-	-	(4,300,746)	-	(4,300,746)
Physical Environment	156,074	6,743,763	-	-	6,587,689	-	6,587,689
Transportation	1,436,320	1,390,771	-	-	(45,549)	-	(45,549)
Culture and Recreation	751,941	38,910	-	400,000	(313,031)	-	(313,031)
Total Governmental Activities	<u>9,992,685</u>	<u>8,488,089</u>	<u>-</u>	<u>5,076,230</u>	<u>3,571,634</u>	<u>-</u>	<u>3,571,634</u>
Business-Type Activities:							
Sanitation	491,778	460,894	-	-	-	(30,884)	(30,884)
Building	460,123	765,357	-	-	-	305,234	305,234
Public Utility	4,647,191	5,005,808	-	15,400	-	374,017	374,017
Total Business-Type Activities	<u>5,599,092</u>	<u>6,232,059</u>	<u>-</u>	<u>15,400</u>	<u>-</u>	<u>648,367</u>	<u>648,367</u>
Total Primary Government	<u>\$ 15,591,777</u>	<u>\$ 14,720,148</u>	<u>\$ -</u>	<u>\$ 5,091,630</u>	<u>3,571,634</u>	<u>648,367</u>	<u>4,220,001</u>
General Revenues							
Taxes:							
Property Taxes					3,329,871	-	3,329,871
Sales Taxes					650,477	-	650,477
Franchise Fees					778,655	-	778,655
Communication Tax					278,871	-	278,871
State Shared Revenues (Undesignated)					429,183	-	429,183
Fuel Tax					189,175	-	189,175
Discretionary Tax					1,706,629	-	1,706,629
Utility Tax					935,833	-	935,833
Intergovernmental Revenues					440,238	-	440,238
Net Investment Earnings (Losses)					378,495	-	378,495
Miscellaneous					48,436	148,897	197,333
Transfers (Net)					319,748	(319,748)	-
Total General Revenues and Transfers					<u>9,485,611</u>	<u>(170,851)</u>	<u>9,314,760</u>
Change in Net Position					13,057,245	477,516	13,534,761
Net Position, Beginning of Year					33,593,948	28,941,459	62,535,407
Net Position, End of Year					<u>\$ 46,651,193</u>	<u>\$ 29,418,975</u>	<u>\$ 76,070,168</u>

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

CITY OF DADE CITY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General	Community	Water and		Non-Major	Total
	Fund	Redevelopment	Sewer	Stormwater	Governmental	Governmental
		Agency	Impact Fee	Fund	Funds	Funds
Assets						
Cash and Cash Equivalents	\$ 7,117,594	\$ 302,846	\$ 13,174,704	\$ 14,824	\$ 5,726,804	\$ 26,336,772
Investments	943,100	-	-	-	-	943,100
Accounts Receivable	259,170	-	-	-	19,961	279,131
Due from Other Funds	120,000	-	-	-	-	120,000
Due from Other Governments	433,889	-	-	312,328	101,698	847,915
Prepays	55,130	-	-	3,460	-	58,590
Inventory	54,052	-	-	-	-	54,052
Total Assets	8,982,935	302,846	13,174,704	330,612	5,848,463	28,639,560
Liabilities and Fund Balances						
Liabilities						
Accounts Payable and						
Accrued Expenses	579,177	5,001	-	450,545	25,267	1,059,990
Due to Other Funds	-	-	-	423,598	-	423,598
Due to Other Governments	323,136	-	-	-	-	323,136
Deposits	24,481	-	-	-	-	24,481
Unearned Revenues	2,319,046	-	-	312,328	-	2,631,374
Total Liabilities	3,245,840	5,001	-	1,186,471	25,267	4,462,579
Deferred Inflows of Resources						
Grants	-	-	-	-	5,500	5,500
Total Deferred Inflows of Resources	-	-	-	-	5,500	5,500
Fund Balances						
Non-Spendable	109,182	-	-	3,460	-	112,642
Restricted for:						
Police Education	18,669	-	-	-	-	18,669
Forfeiture Fund	17,655	-	-	-	-	17,655
Special Revenue	-	297,845	13,174,704	-	5,823,196	19,295,745
Committed to:						
Reserve Policy	3,117,125	-	-	-	-	3,117,125
Tree Fund	11,360	-	-	-	-	11,360
Park and Recreation	13,900	-	-	-	-	13,900
Mausoleum Care	14,140	-	-	-	-	14,140
Market Place	1,981	-	-	-	-	1,981
Assigned to:						
Dog Park	4,354	-	-	-	-	4,354
Retirement Reserve	85,000	-	-	-	-	85,000
Wellness Reserve	740	-	-	-	-	740
Unassigned	2,342,989	-	-	(859,319)	(5,500)	1,478,170
Total Fund Balances (Deficit)	5,737,095	297,845	13,174,704	(855,859)	5,817,696	24,171,481
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 8,982,935	\$ 302,846	\$ 13,174,704	\$ 330,612	\$ 5,848,463	\$ 28,639,560

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

CITY OF DADE CITY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total Fund Balance for Governmental Funds	\$ 24,171,481
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Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The costs of the assets are \$36,533,819, and the accumulated depreciation is \$10,707,271.	25,826,548
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Deferred inflows and outflows of resources related to pensions and OPEB are not recognized in the governmental funds; however, they are recorded in the statement of net position as follows:

Deferred Inflow of Resources:	
Pension Related	(281,525)
Deferred Outflow of Resources:	
OPEB Related	7,274
Pension Related	1,925,832

Amount for earned but unavailable revenues recognized as revenue of the current period.	5,500
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Accounts payable related to SBITA unpaid as of fiscal year-end are reported in long-term liabilities in the Statement of Net Position.	105,511
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Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

Notes Payable	(315,338)
OPEB Liability	(184,329)
Net Pension Liability	(3,207,826)
SBITA Payable	(917,096)
Landfill Post-Closure Costs	(27,960)
Compensated Absences	(456,879)

Net Position of Governmental Activities	\$ 46,651,193
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The accompanying notes to financial statements are an integral part of this statement.

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Community Redevelopment Agency	Water and Sewer Impact Fee Fund	Stormwater Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes, Impact Fees, and						
Special Assessments	\$ 5,453,568	\$ 138,162	\$ 6,716,482	\$ 229,205	\$ 2,992,793	\$ 15,530,210
Licenses and Permits	40,956	-	-	-	-	40,956
Intergovernmental Revenue	3,431,431	-	-	2,583,238	-	6,014,669
Charges for Services	138,465	-	-	21,000	-	159,465
Fine and Forfeitures	37,081	-	-	-	-	37,081
Pension Contributions - State	48,502	-	-	-	-	48,502
Donations and Contributions	400,000	-	-	-	-	400,000
Investments Earnings (Losses)	322,370	-	-	-	56,126	378,496
Miscellaneous Revenue	115,303	-	-	-	-	115,303
Total Revenues	9,987,676	138,162	6,716,482	2,833,443	3,048,919	22,724,682
Expenditures						
Current:						
General Government	2,572,871	-	-	-	-	2,572,871
Public Safety	4,131,427	-	-	-	38,713	4,170,140
Physical Environment	-	119,975	-	-	-	119,975
Transportation	787,849	-	-	220,303	-	1,008,152
Culture and Recreation	567,949	-	-	-	-	567,949
Capital Outlay	2,299,102	-	-	3,012,385	1,114,206	6,425,693
Debt Service:						
Principal Payments	53,924	-	-	-	74,770	128,694
Interest	1,987	-	-	-	1,325	3,312
(Total Expenditures)	(10,415,109)	(119,975)	-	(3,232,688)	(1,229,014)	(14,996,786)
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(427,433)	18,187	6,716,482	(399,245)	1,819,905	7,727,896
Other Financing Sources (Uses)						
SBITA Issued	971,019	-	-	-	-	971,019
Proceeds from Issuance of Debt	315,338	-	-	-	-	315,338
Transfers in	966,062	131,050	-	-	-	1,097,112
Transfers (out)	(131,050)	(85,800)	(245,752)	-	(314,762)	(777,364)
Total Other Financing						
Sources (Uses)	2,121,369	45,250	(245,752)	-	(314,762)	1,606,105
Net Change in Fund Balances	1,693,936	63,437	6,470,730	(399,245)	1,505,143	9,334,001
Fund Balances (Deficit),						
Beginning of Year	4,043,159	234,408	6,703,974	(456,614)	4,312,553	14,837,480
Fund Balances (Deficit), End of Year	\$ 5,737,095	\$ 297,845	\$ 13,174,704	\$ (855,859)	\$ 5,817,696	\$ 24,171,481

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

CITY OF DADE CITY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

Net Change in Fund Balances - Total Governmental Funds	\$ 9,334,001
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital asset additions recorded in the current year.	6,425,693
Under the modified accrual basis of accounting, governmental revenues are recognized when both the measureable and available criteria have been met. Those revenues earned in the current year were not recognized since the availability criteria was not met. Under full accrual accounting, all revenues would be recognized.	5,500
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(1,361,740)
Cash Pension and OPEB contributions and related deferred inflows and outflows changed as follows:	
Change in Deferred Inflows of Resources:	
Pension Related	543,392
Change in Outflows of Resources:	
OPEB Related	311
Pension Related	(1,414,323)
SBITA liability unpaid as of fiscal year-end is recorded in long-term debt activity.	105,511
The issuance of long-term debt (e.g., bonds, leases, SBITAs) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	
Issuance of Long Term Debt:	
SBITA Issued	(971,019)
Notes Payable	(315,338)
The following principal repayments of long-term debt occurred during the year:	
Principal Repayments:	
Note Payable & SBITA Liability	128,694
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 the governmental funds. The amounts comprising the difference in the treatment of expenses are:	
Increase in Compensated Absences	26,856
Increase in Net Pension Liabilities	536,826
Decrease in OPEB Liabilities	12,881

Change in Net Position of Governmental Activities	\$ 13,057,245
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The accompanying notes to financial statements are an integral part of this statement.

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and Special Assessments	\$ 5,060,230	\$ 5,060,230	\$ 5,453,568	\$ 393,338
Licenses and Permits	45,000	45,000	40,956	(4,044)
Intergovernmental Revenue	7,081,769	7,081,769	3,431,431	(3,650,338)
Charges for Services	74,000	74,000	138,465	64,465
Fine and Forfeitures	26,401	26,401	37,081	10,680
Pension Contributions - State	70,000	70,000	48,502	(21,498)
Contributions and Donations	-	-	400,000	400,000
Investment Earnings (Losses)	35,000	201,000	322,370	121,370
Miscellaneous Revenue	76,100	76,100	115,303	39,203
Total Revenues	12,468,500	12,634,500	9,987,676	(2,646,824)
Expenditures				
Current:				
General Government	2,493,215	2,584,199	2,572,871	11,328
Public Safety	4,001,690	4,001,683	4,131,427	(129,744)
Transportation	684,959	746,957	787,849	(40,892)
Culture and Recreation	583,222	608,220	567,949	40,271
Capital Outlay	5,891,724	5,879,751	2,299,102	3,580,649
Debt Service	-	-	55,911	(55,911)
(Total Expenditures)	(13,654,810)	(13,820,810)	(10,415,109)	3,405,701
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,186,310)	(1,186,310)	(427,433)	758,877
Other Financing Sources (Uses)				
SBITA Issued	-	95,000	971,019	876,019
Proceeds from Issuance of Debt	-	-	315,338	315,338
Transfers in	1,335,500	956,500	966,062	9,562
Transfers (out)	(149,190)	(184,190)	(131,050)	53,140
Total Other Financing Sources (Uses)	1,186,310	867,310	2,121,369	1,254,059
Net Change in Fund Balances	-	(319,000)	1,693,936	2,012,936
Fund Balances, Beginning of Year	3,884,343	3,884,343	4,043,159	158,816
Fund Balances, End of Year	\$ 3,884,343	\$ 3,565,343	\$ 5,737,095	\$ 2,171,752

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - COMMUNITY REDEVELOPMENT AGENCY
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and Special Assessment	\$ 158,950	\$ 158,950	\$ 138,162	\$ (20,788)
Total Revenues	<u>158,950</u>	<u>158,950</u>	<u>138,162</u>	<u>(20,788)</u>
Expenditures				
Current:				
Physical Environment	203,150	203,150	119,975	83,175
Capital Outlay	105,000	105,000	-	105,000
(Total Expenditures)	<u>(308,150)</u>	<u>(308,150)</u>	<u>(119,975)</u>	<u>188,175</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(149,200)</u>	<u>(149,200)</u>	<u>18,187</u>	<u>167,387</u>
Other Financing Sources (Uses)				
Transfers in	131,050	131,050	131,050	-
Transfers (out)	(100,000)	(100,000)	(85,800)	14,200
Total Other Financing Sources (Uses)	<u>31,050</u>	<u>31,050</u>	<u>45,250</u>	<u>14,200</u>
Net Change in Fund Balances	<u>(118,150)</u>	<u>(118,150)</u>	<u>63,437</u>	<u>181,587</u>
Fund Balances, Beginning of Year	<u>234,408</u>	<u>234,408</u>	<u>234,408</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 116,258</u>	<u>\$ 116,258</u>	<u>\$ 297,845</u>	<u>\$ 181,587</u>

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - WATER AND SEWER IMPACT FEE FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and Special Assessment	\$ 3,400,000	\$ 3,400,000	\$ 6,716,482	\$ 3,316,482
Total Revenues	<u>3,400,000</u>	<u>3,400,000</u>	<u>6,716,482</u>	<u>3,316,482</u>
Expenditures				
Current:				
Capital Outlay	150,000	150,000	-	150,000
(Total Expenditures)	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>3,250,000</u>	<u>3,250,000</u>	<u>6,716,482</u>	<u>3,466,482</u>
Other Financing Sources (Uses)				
Transfers (out)	(4,400,000)	(4,400,000)	(245,752)	4,154,248
Total Other Financing Sources (Uses)	<u>(4,400,000)</u>	<u>(4,400,000)</u>	<u>(245,752)</u>	<u>4,154,248</u>
Net Change in Fund Balances	(1,150,000)	(1,150,000)	6,470,730	7,620,730
Fund Balances, Beginning of Year	<u>6,703,974</u>	<u>6,703,974</u>	<u>6,703,974</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 5,553,974</u>	<u>\$ 5,553,974</u>	<u>\$ 13,174,704</u>	<u>\$ 7,620,730</u>

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - STORMWATER FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and Special Assessment	\$ 277,000	\$ 277,000	\$ 229,205	\$ (47,795)
Intergovernmental Revenues	2,805,000	2,805,000	2,583,238	(221,762)
Charge for Services	-	-	21,000	21,000
Total Revenues	3,082,000	3,082,000	2,833,443	(248,557)
Expenditures				
Current:				
Transportation	217,000	217,000	220,303	(3,303)
Capital Outlay	2,805,000	2,805,000	3,012,385	(207,385)
(Total Expenditures)	(3,022,000)	(3,022,000)	(3,232,688)	(210,688)
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	60,000	60,000	(399,245)	(459,245)
Other Financing Sources (Uses)				
Transfers (out)	(60,000)	(60,000)	-	60,000
Total Other Financing Sources (Uses)	(60,000)	(60,000)	-	60,000
Net Change in Fund Balances	-	-	(399,245)	(399,245)
Fund Balances (Deficit), Beginning of Year	(456,614)	(456,614)	(456,614)	-
Fund Balances (Deficit), End of Year	\$ (456,614)	\$ (456,614)	\$ (855,859)	\$ (399,245)

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities			
	Public Utility Fund	Sanitation Fund	Building Fund	Totals
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 5,144,845	\$ 547,587	\$ 1,025,256	\$ 6,717,688
Cash with Fiscal Agent	128,534	-	-	128,534
Investments	1,993,671	-	-	1,993,671
Accounts and Interest Receivable, Net	587,586	9,190	-	596,776
Due from Other Governments	57,061	-	-	57,061
Due from other funds	303,598	-	-	303,598
Prepaid Items	49,050	-	2,150	51,200
Inventory	110,564	-	-	110,564
Total Current Assets	8,374,909	556,777	1,027,406	9,959,092
Restricted Assets:				
Cash and Cash Equivalents	1,204,830	-	-	1,204,830
Total Restricted Assets	1,204,830	-	-	1,204,830
Non-Current Assets:				
Capital Assets:				
Land	117,862	-	-	117,862
Buildings	9,131,773	-	-	9,131,773
Improvements Other Than Buildings	23,095,388	-	-	23,095,388
Machinery Equipment and Vehicles	10,403,006	-	74,266	10,477,272
Right to Use Asset - SBITA	53,426	-	-	53,426
Construction in Process	5,394,523	-	-	5,394,523
Less Accumulated Depreciation	(18,681,442)	-	(23,018)	(18,704,460)
Total Non-Current Assets	29,514,536	-	51,248	29,565,784
Total Assets	39,094,275	556,777	1,078,654	40,729,706
Deferred Outflows of Resources				
Other Postemployment Benefit Related Items	1,930	-	561	2,491
Total Deferred Outflows of Resources	1,930	-	561	2,491
Total Assets and Deferred Outflows	<u>\$ 39,096,205</u>	<u>\$ 556,777</u>	<u>\$ 1,079,215</u>	<u>\$ 40,732,197</u>

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities			
	Public Utility Fund	Sanitation Fund	Building Fund	Totals
Liabilities and Net Position				
Current Liabilities (Payable from Current Assets):				
Accounts Payable	\$ 360,579	\$ 44,925	\$ 7,377	\$ 412,881
Accrued Salary Related Expenses	46,240	-	14,786	61,026
Interest Payable	21,260	-	-	21,260
Compensated Absences, Current Portion	10,286	-	9,726	20,012
SBITA Liability, Current Portion	21,671	-	-	21,671
Financed Purchase, Current Portion	55,343	-	-	55,343
Notes Payable, Current Portion	298,546	-	-	298,546
Revenue Bonds Payable, Current Portion	84,632	-	-	84,632
Total Current Liabilities	898,557	44,925	31,889	975,371
Long-Term Liabilities:				
Payable from Restricted Assets -				
Customer Deposits	824,120	-	-	824,120
Compensated Absences	30,858	-	29,178	60,036
OPEB Liability	48,987	-	14,233	63,220
SBITA Liability	43,177	-	-	43,177
Financed Purchase	57,106	-	-	57,106
Notes Payable	5,604,275	-	-	5,604,275
Revenue Refunding Bonds	3,685,917	-	-	3,685,917
Total Long-Term Liabilities	10,294,440	-	43,411	10,337,851
Total Liabilities	11,192,997	44,925	75,300	11,313,222
Total Liabilities	11,192,997	44,925	75,300	11,313,222
Net Position				
Net Investment in Capital Assets	19,573,405	-	51,248	19,624,653
Restricted for:				
Debt Service	359,450	-	-	359,450
Building Department	-	-	952,667	952,667
Unrestricted	7,970,353	511,852	-	8,482,205
Total Net Position	\$ 27,903,208	\$ 511,852	\$ 1,003,915	\$ 29,418,975

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities Enterprise Funds			
	Public Utility Fund	Sanitation Fund	Building Fund	Total
Operating Revenues				
Charges for Services	\$ 5,005,808	\$ 460,894	\$ 765,357	\$ 6,232,059
Total Operating Revenues	<u>5,005,808</u>	<u>460,894</u>	<u>765,357</u>	<u>6,232,059</u>
Operating Expenses				
Personal Services	1,469,168	-	393,811	1,862,979
Contractual Services	265,838	-	-	265,838
General Operating	1,635,358	491,778	59,567	2,186,703
Depreciation and Amortization	1,088,314	-	6,745	1,095,059
Total Operating Expenses	<u>(4,458,678)</u>	<u>(491,778)</u>	<u>(460,123)</u>	<u>(5,410,579)</u>
Operating Income	<u>547,130</u>	<u>(30,884)</u>	<u>305,234</u>	<u>821,480</u>
Non-Operating Revenues (Expenses)				
Capital Contribution - Grant Proceeds	15,400	-	-	15,400
Investment Earnings	35,927	-	-	35,927
Miscellaneous Revenue	112,970	-	-	112,970
Interest Expense	(188,513)	-	-	(188,513)
Total Non-Operating Revenues (Expenses)	<u>(24,216)</u>	<u>-</u>	<u>-</u>	<u>(24,216)</u>
Income (Loss) Before Transfers	<u>522,914</u>	<u>(30,884)</u>	<u>305,234</u>	<u>797,264</u>
Transfers in	245,752	-	-	245,752
Transfers (out)	(430,500)	(50,000)	(85,000)	(565,500)
Total Transfers	<u>(184,748)</u>	<u>(50,000)</u>	<u>(85,000)</u>	<u>(319,748)</u>
Change in Net Position	<u>338,166</u>	<u>(80,884)</u>	<u>220,234</u>	<u>477,516</u>
Net Position, Beginning of Year	<u>27,565,042</u>	<u>592,736</u>	<u>783,681</u>	<u>28,941,459</u>
Net Position, End of Year	<u>\$ 27,903,208</u>	<u>\$ 511,852</u>	<u>\$ 1,003,915</u>	<u>\$ 29,418,975</u>

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities Enterprise Funds			
	Public Utility Fund	Sanitation Fund	Building Fund	Total
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 5,072,470	\$ 467,922	\$ 765,357	\$ 6,305,749
Cash Payments to Suppliers and Service Providers	(1,774,073)	(478,602)	(48,971)	(2,301,646)
Cash Payments to Employees for Salaries and Benefits	(1,464,548)	-	(404,187)	(1,868,735)
Net Cash Provided by (Used in) Operating Activities	1,833,849	(10,680)	312,199	2,135,368
Cash Flows from Non-Capital Financing Activities				
Transfers in from Other Funds	245,752	-	-	245,752
Transfers to Other Funds	(430,500)	(50,000)	(85,000)	(565,500)
Net Cash (Used in) Non-Capital Financing Activities	(184,748)	(50,000)	(85,000)	(319,748)
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(1,299,178)	-	(40,124)	(1,339,302)
Sale of Surplus Capital Assets	112,970	-	-	112,970
Debt Proceeds	590,144	-	-	590,144
Principal Paid on Debt	(411,230)	-	-	(411,230)
Interest Paid on Debt	(211,028)	-	-	(211,028)
Net Cash (Used in) Capital and Related Financing Activities	(1,218,322)	-	(40,124)	(1,258,446)
Cash Flows from Investing Activities				
Proceeds from Sale of Investments	168,390	-	-	168,390
Interest on Investments	35,927	-	-	35,927
Net Cash Provided by Investing Activities	204,317	-	-	204,317
Net Increase (Decrease) in Cash and Cash Equivalents	635,096	(60,680)	187,075	761,491
Cash and Cash Equivalents, Beginning of Year	5,843,113	608,267	838,181	7,289,561
Cash and Cash Equivalents, End of Year	\$ 6,478,209	\$ 547,587	\$ 1,025,256	\$ 8,051,052
Cash and Cash Equivalents	\$ 5,144,845	\$ 547,587	\$ 1,025,256	\$ 6,717,688
Restricted Cash and Cash Equivalents	1,204,830	-	-	1,204,830
Cash with Fiscal Agent	128,534	-	-	128,534
Total	\$ 6,478,209	\$ 547,587	\$ 1,025,256	\$ 8,051,052

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities			
	Enterprise Funds			
	Public Utility Fund	Sanitation Fund	Building Fund	Total
<u>Reconciliation of Operating Income to Net Cash</u>				
<u>Provided by Operating Activities</u>				
Operating Income	\$ 547,130	\$ (30,884)	\$ 305,234	\$ 821,480
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,088,314	-	6,745	1,095,059
(Increase) Decrease in Accounts Receivable	(28,645)	7,028	-	(21,617)
(Increase) Decrease in Deferred Outflows	42	-	-	42
(Increase) Decrease in Prepaids	(7,346)	-	(2,150)	(9,496)
(Increase) Decrease in Inventory	23,589	-	-	23,589
Increase (Decrease) in Customer Deposits	95,307	-	-	95,307
Increase (Decrease) in Accounts Payable and Accrued Expenses	110,880	13,176	12,746	136,802
Increase (Decrease) in Compensated Absences	11,456	-	(12,091)	(635)
Increase (Decrease) in OPEB Liability	(6,878)	-	1,715	(5,163)
Total Adjustments	1,286,719	20,204	6,965	1,313,888
Net Cash Provided by (Used in) Operating Activities	\$ 1,833,849	\$ (10,680)	\$ 312,199	\$ 2,135,368
Non-Cash Activities				
Issuance of SBITAs	\$ 66,784	\$ -	\$ -	

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

**CITY OF DADE CITY, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS - PENSION TRUST FUNDS
SEPTEMBER 30, 2023**

	Total
Assets	
Cash and Cash Equivalents	\$ 168,650
Investments	17,734,078
Contributions Receivable	171,520
Interest and Dividends Receivable	3,634
Total Assets	18,077,882
 Net Position - Held in Trust for Pension Benefits	 \$ 18,077,882

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

CITY OF DADE CITY, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS - PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Total</u>
Additions	
Contributions:	
Employer	\$ 553,955
Insurance Premium Tax - State	153,676
Employee	<u>23,878</u>
Total Contributions	731,509
Net Investment Earnings	<u>2,049,449</u>
Total Additions	<u><u>2,780,958</u></u>
Deductions	
Benefits Paid	705,034
Administrative Expenses	<u>132,771</u>
Total Deductions	<u><u>837,805</u></u>
Change in Net Position	1,943,153
Net Position - Beginning of Year	<u>16,134,729</u>
Net Position - End of Year	<u><u>\$ 18,077,882</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Note 1 - Description and Summary of Significant Accounting Policies

Reporting Entity

The City of Dade City (the City) was incorporated June 5, 1889, under the laws of the State of Florida, Chapter 3957 (No. 111).

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

The accompanying financial statements present the City and its blended component unit, an entity for which the City is considered financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations.

The City's financial statements should allow users to distinguish between the primary government and its component unit. However, some component units, because of the closeness of their relationships with the City should be blended as though they were part of the City. Otherwise, component units should be discretely presented.

Blended Component Unit Governmental Type—the Dade City Community Redevelopment Agency (the Agency) was created by City Resolution No. 538 as authorized by Part III of Chapter 163 of the Florida State Statutes for the purpose of rehabilitation, conservation, and redevelopment of certain slum and blighted areas in order to serve the interest of public health, safety, morals, and welfare of the community residents. The members of the Agency Board are the City Commission. The Agency is fiscally dependent on the City and the City Commission approves the Agency's annual budget. The Agency is presented as a special revenue fund in the accompanying financial statements.

The City's municipal Firefighters' Pension Trust Fund and the City's municipal Police Officers' Pension Trust Fund were created under Chapters 175 and 185, respectively, of Florida State Statutes. These trust funds are administered by five-member Board who have limited duties. Because these funds are not legally separable from the City, they are reported as part of the primary government.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental Activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *Business-Type Activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

NOTES TO FINANCIAL STATEMENTS CITY OF DADE CITY, FLORIDA

Indirect expenses are allocated automatically, and certain indirect costs are included in program expenses reported for individual function and activities. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Basis of Presentation

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The following are reported as major governmental funds:

- **General Fund**—This fund is the general operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Community Redevelopment Agency Fund**—Accounts for the governmental community redevelopment activities for the purpose of eliminating and preventing the development of slum and blighted areas.
- **Water and Sewer Impact Fee Fund**—Accounts for impact fees collected for extensions of water and sewer lines.
- **Stormwater Fund**—This fund is for the operations of the stormwater fees and related operational activities.

The following are reported as major enterprise funds:

- **Public Utility Fund**—Accounts for the operation of water and wastewater facilities.
- **Sanitation Fund**—Accounts for the collection of fees for solid waste pickup and disposal activities.
- **Building Fund**—Accounts for the collection of building permit revenues and payment of expenditures associated with providing inspection related services.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

The City also reports the following fund:

- **Fiduciary Funds**—These are trust funds used to account for assets held by the City in a trustee capacity. The City maintains two Fiduciary Funds: 1) the municipal Firefighters' Pension Trust Fund and 2) the municipal Police Officers' Pension Trust Fund.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resource measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and financed purchases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund such as user fees. Non-operating revenues are not related to the operations of the proprietary fund and include interest income and grants.

Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses are not related to operations, such as interest expense.

NOTES TO FINANCIAL STATEMENTS CITY OF DADE CITY, FLORIDA

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

Budgetary Information

The annual budget formally adopted by the City Commission serves as the legal authorization for expenditures. Legal budgetary authority and control is established on a fund basis in accordance with Florida Statutes 129.03. The adopted budget can only be changed by a budget amendment or a budget supplement. Management can transfer appropriations within a department without the City Commission approval unless the transfer affects a budgeted reserve. Pursuant to Florida Statutes 129.06, budget amendments require the approval of the City Commission whenever the effect of the amendment is to increase the total appropriations of the fund, to transfer monies between the lower of the department or fund level, or to transfer budgeted reserve funds.

The City's annual budgetary process is governed by Florida Statutes, Chapters 129 and 200. The total of the estimated receipts, including balances brought forward, must equal the total of the appropriations and reserves, therefore, enabling a balanced budget. During the budgeting process, budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at year-end.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized executive changes applicable to the fiscal year, whenever legally authorized.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general and special revenue funds. Encumbrances outstanding at year-end are reported in the fund financial statements as assigned fund balances since they do not constitute expenditures of liabilities.

Cash and Cash Equivalents

The City considers cash and cash equivalents to be cash on hand, certificates of deposits, demand deposits, and highly liquid investments, including those held as restricted assets, with original maturities of three months or less when purchased except for non-traded certificates of deposits with a maturity of less than one year.

Investments

Investments, including pension funds, are stated at fair value-quoted market price or the best available estimate thereof.

Inventories and Prepaid Items

Inventories are determined by physical count and are valued at cost using the first-in, first-out method. The cost is recorded as an expenditure using the consumption method at the time the individual inventory items are used.

NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Subscription-Based Information Technology Arrangements (SBITAs)

The City is a user of subscription-based software throughout its operations. To account for these types of subscription arrangements, a right-to-use intangible asset is recognized along with a corresponding SBITA liability. Right-to-use SBITA intangible assets are reported with capital assets and SBITA liabilities are reported with long-term liabilities on the government-wide and proprietary fund financial statements. At commencement of a subscription, the City initially measures the SBITA liability at present value of total payments over the subscription term. The SBITA asset is measured as the value of the SBITA liability, adjusted for any prepayments, plus certain initial direct development costs.

Lease Receivable

The City is the lessor for one non-cancelable lease. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted to lease payment 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.

Key estimates and judgements include how the City determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

Capital Assets

Capital assets, which include property, plant and 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 as well as the proprietary fund financial statements.

The City has established the following thresholds for additions to capital assets and estimated useful lives for depreciation purposes:

<u>Assets</u>	<u>Threshold</u>	<u>Years</u>
Land	\$ 5,000	N/A
Buildings	5,000	10-50
Infrastructure	50,000	10-50
Equipment	5,000	5-20

NOTES TO FINANCIAL STATEMENTS CITY OF DADE CITY, FLORIDA

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost on the date of donation. Interest incurred during the construction phase of capital assets in business-type activities is expensed.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Depreciation is charged as an expense against the operations of the governmental and business-type activities in the government-wide financial statements. Depreciation of assets in the proprietary funds is also charged as an expense at the fund level. Since the purpose of the governmental fund level statements is to show the sources and uses of current assets, capital assets, and depreciation are not shown.

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation were reported in the financial statements prior to the implementation of GASB Statement No. 34. The retroactive reporting of infrastructure is not required for the City. The City has elected to implement the general provisions of GASB Statement No. 34 prospectively and has elected not to implement any infrastructure retroactively.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balances). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Governmental Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either: (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The City has the following minimum reserve requirements:

- Minimum balances for restricted reserve funds will be 100% of the unexpended balance of the restricted reserve funds.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

- Minimum balances for limited reserve funds will be 25% of the original budget of a fund for the current fiscal year. If an authorized use causes limited reserve funds to fall below the minimum balance, the amount below the minimum should be repaid, within one calendar year of its use, unless specific funding for that use has not been received within that time.
- Minimum balances for assigned reserve funds will be the amount currently assigned for each specific purpose.
- The cost basis will be used to determine minimum balance requirements for reserve funds that have been invested.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- *Restricted Fund Balance*—This classification reflects the constraints imposed on resources either: (a) externally by creditors, grantors, contributors, by laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance*—These amounts can be used only for specific purposes determined by a formal action of City Commissioners, the City's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Commissioners.
- *Assigned Fund Balance*—This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes. Under the City's adopted policy, only City Commissioners may assign amounts for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.
- *Unassigned Fund Balance*—This fund balance is the residual classification for the general fund and includes deficit fund balances.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Commissioners have provided otherwise in their commitment or assignment actions.

Compensated Absences

The City incurs a liability for employees' rights to receive compensation for future absences when certain conditions are met. Both the current and long-term portion of compensated absences are accrued and reported in the government-wide and proprietary fund financial statements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, material discount, and premiums related to long-term debt are deferred and amortized over the life of the bonds using the straight-line method of accounting. Discount, premium, and issuance costs related to debt in the governmental fund financial statements are recorded as expenditures when paid and, therefore, are not accounted for in subsequent periods.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

State and federal laws and regulations require the Sanitary Landfill to place a final cover on the landfill cells when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the landfill reports an estimated portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

Property Taxes

Property tax collections, sales, and liens are governed by Chapter 197 of the Florida Statutes. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due and payable on November 1, or as soon as the assessment rolls are available to the county tax collector. Discounts, ranging from 4% to 1%, are given for payments prior to March 1 of the following calendar year. Taxes become delinquent April 1. Taxes are collected by the Pasco County Tax Collector and remitted to the City. The tax collector sells tax certificates on all delinquent property on or before June 1 of each year and such proceeds are remitted to the City. Under this system, there remain no uncollectible delinquent taxes at year-end.

Receivables

Receivables consist utility billings, interest and other miscellaneous receivables. Receivables are reported net of allowance for uncollectable accounts. At September 30, 2023, the allowance for uncollectable accounts in the Utility Fund was \$111,713.

Due from Other Governments

Receivables from other governments include amounts due for entitlements for state revenue sharing, gas taxes, sales taxes, and other amounts collected by the state on behalf of the City and various grants.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. In the statement of net position, the deferred outflow for pensions is an aggregate of items related to pensions and the deferred outflow for OPEB is an aggregate of items related to OPEB. The deferred outflows related to pensions and OPEB will be recognized as either expense or a reduction in the related liability in future reporting years. Details on the composition of the deferred outflows related to pensions and OPEB are further discussed in the notes. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. In the statement of net position, the deferred inflow for pensions is an aggregate of items related to pensions. The composition of the deferred inflows related to pensions are further discussed in the notes. The deferred inflows for grants is related to timing of receipt of grant funds.

Government-Wide and Proprietary Fund Net Position

As of September 30, 2023, net position is classified as follows:

Net Investment in Capital Assets—Consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Restricted Net Position—Consists of net position that is restricted by the City’s creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted—All other net position is reported in this category.

On-Behalf Payments for Fringe Benefits

The City receives on-behalf payments from the State of Florida to be used for Police Officers’ and Firefighters’ Retirement Plan Contributions. On-behalf payments to the City totaled \$153,676 for the year ended September 30, 2023.

Note 2 - Deposits and Investments

Type	Fair Value	Risk WAM	Level	Credit Ratings
Cash and Cash Equivalents - Non-Pension:				
Cash and Cash Equivalents	\$ 24,086,601	N/A	N/A	N/A
Certificates of Deposits	10,300,180	.085 years	N/A	N/A
Petty Cash	1,045	N/A	N/A	N/A
Total Cash and Cash Equivalents	<u>\$ 34,387,826</u>			
Type				
Investments - Non-Pension:				
Corporate Backed Securities	\$ 9,765	11.41 Years	2	A
Government Backed Securities	2,927,006	19.55 Years	2	AAA/AA+
Total Investments	<u>\$ 2,936,771</u>			
Type				
Pension Cash and Investments:				
Cash and Cash Equivalents	\$ 168,650	N/A	N/A	N/A
Investments:				
Equity Mutual Funds	11,556,766	0.01-4.04 Years	1	not rated
Fixed Income Mutual Funds	6,177,312	0.01-4.04 Years	1	AA-
Total Investments	<u>17,734,078</u>			
Total Pension Cash and Investments	<u>17,902,728</u>			
Total	<u>\$ 55,227,325</u>			
Entity-Wide Cash and Cash Equivalents	\$ 33,054,460			
Entity-Wide Non-Pension Investments	2,936,771			
Entity-Wide Restricted Cash	1,204,832			
Cash with Fiscal Agent	128,534			
Pension Cash	168,650			
Pension Investments	17,734,078			
Total	<u>\$ 55,227,325</u>			

Fair Value Hierarchy

The City holds assets that are defined as short-term investments. The City’s investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1—Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Level 2—Inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3—Inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Custodial Credit Risk—Cash Deposits

At September 30, 2023, the City's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. Authorized investments per the City's policy are: local government surplus trust fund, or any intergovernmental investment pool authorized pursuant to the *Florida Inter-Local Cooperation Act*, SEC registered money market funds with highest credit quality ratings from a national recognized rating agency, interest bearing time deposits or savings accounts in qualified public depositories, direct obligations of the United States Treasury, Federal agencies and instrumentalities, securities of, or other interest in, any open-end or closed-end management type investment company or investment trust registered under the *Investment Company Act of 1940*, as amended, and overnight repurchase agreements that are collateralized by approved investments - maintaining liquidity.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy is structured so that securities mature to meet anticipated cash requirements for ongoing operations.

Credit Risk

Statute 218.415 of the State of Florida allows municipalities to invest in the following:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Inter-Local Cooperation Act*, as provided in the Florida Statute 163.01.
- Securities and Exchange Commission-registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Savings accounts in state-certified qualified public depositories, as defined in Florida Statute 280.02.
- Certificates of deposit in state-certified qualified public depositories, as defined in Florida Statute 280.02.
- Direct obligations of the U.S. Treasury.
- Federal agencies and instrumentalities.
- Other investments authorized by a written policy adopted under Florida Statute 218.415.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Statutes 175 and 185 of the State of Florida permit investments by the Police and Firefighter Pension funds as follows:

- Time or savings accounts of a national bank, a state bank insured by the Bank Insurance fund, or a savings, building, and loan association insured by the Savings Association Insurance fund, which is administered by the Federal Deposit Insurance Corporation (FDIC), or state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance fund.
- Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.
- Bonds issued by the State of Israel.
- Bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided:
 - The Corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and, in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service.
 - The Board of Trustees shall not invest more than 5% of its assets in the common stock or capital stock of any one issuing corporation, nor shall the aggregate investment in any one issuing corporation exceed 5% of the outstanding capital stock of that corporation, or the aggregate of its investments under this subparagraph at cost 50% of the assets of the fund.

Foreign Currency Risk

The City does not have a formal investment policy that limits its investment in foreign currency. The City has no investments which are exposed to foreign currency risk at September 30, 2023.

Note 3 - Interfund Transactions and Due to/Due From

Interfund Transfers

Individual interfund transfers were as follows:

	<u>Transfers in</u>	<u>Transfers (out)</u>
General Fund	\$ 966,062	\$ 131,050
Non-Major Governmental Funds	-	314,762
Community Redevelopment District	131,050	85,800
Impact Fee Funds	-	245,752
Business-Type Activities:		
Public Utility	245,752	430,500
Sanitation	-	50,000
Building	-	85,000
Total Transfers in/(out)	<u><u>\$ 1,342,864</u></u>	<u><u>\$ 1,342,864</u></u>

Transfers between funds are primarily to move unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations, as well as payments from proprietary funds and the Community Redevelopment Agency fund, to the general fund relating to each fund's respective share of administrative overhead allocation.

NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA

Due to/Due From

Individual due to/due from were as follows:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ -	\$ 120,000
Stormwater Fund	423,598	-
Business-Type Activities:		
Public Utility	-	303,598
Total Due To/Due From	<u>\$ 423,598</u>	<u>\$ 423,598</u>

Due to/due from between funds are primarily to provide short-term liquidity for funds in a near cash deficit position.

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Ending Balance</u>
Governmental-Type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 2,027,797	\$ -	\$ -	\$ -	\$ 2,027,797
Construction in Process	778,687	4,478,840	-	(438,775)	4,818,752
Infrastructure	2,636,781	-	-	-	2,636,781
Total Capital Assets, Not Depreciated	<u>5,443,265</u>	<u>4,478,840</u>	<u>-</u>	<u>(438,775)</u>	<u>9,483,330</u>
Capital Assets Being Depreciated/Amortized:					
Buildings	8,224,035	-	-	-	8,224,035
Infrastructure	11,102,766	-	-	438,775	11,541,541
Machinery and Equipment	5,446,340	975,834	(108,280)	-	6,313,894
Intangible Right-to-Use Software Subscription	-	971,019	-	-	971,019
Total Capital Assets, Depreciated	<u>24,773,141</u>	<u>1,946,853</u>	<u>(108,280)</u>	<u>438,775</u>	<u>27,050,489</u>
Less Accumulated Depreciation for:					
Buildings	(2,765,076)	(418,792)	-	-	(3,183,868)
Infrastructure	(3,005,327)	(712,932)	-	-	(3,718,259)
Machinery and Equipment	(3,683,408)	(150,757)	108,280	-	(3,725,885)
Intangible Right-to-Use Software Subscription	-	(79,259)	-	-	(79,259)
Total Accumulated Depreciation	<u>(9,453,811)</u>	<u>(1,361,740)</u>	<u>108,280</u>	<u>-</u>	<u>(10,707,271)</u>
Total Capital Assets, Depreciated	<u>15,319,330</u>	<u>585,113</u>	<u>-</u>	<u>438,775</u>	<u>16,343,218</u>
Total Governmental-Type Activities, Capital Assets, Net	<u>\$ 20,762,595</u>	<u>\$ 5,063,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,826,548</u>
Business-Type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 117,862	\$ -	\$ -	\$ -	\$ 117,862
Construction in Process	4,546,730	847,793	-	-	5,394,523
Total Capital Assets, Not Depreciated	<u>4,664,592</u>	<u>847,793</u>	<u>-</u>	<u>-</u>	<u>5,512,385</u>
Capital Assets Being Depreciated/Amortized:					
Buildings	9,131,773	-	-	-	9,131,773
Infrastructure	23,095,388	-	-	-	23,095,388
Machinery and Equipment	10,098,546	378,728	-	-	10,477,274
Intangible Right-to-Use Software Subscription	-	66,783	-	-	66,783
Total Capital Assets, Depreciated/Amortized	<u>42,325,707</u>	<u>445,511</u>	<u>-</u>	<u>-</u>	<u>42,771,218</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	(3,814,764)	(171,303)	-	-	(3,986,067)
Infrastructure	(8,062,783)	(663,912)	-	-	(8,726,695)
Machinery and Equipment	(5,745,213)	(246,487)	-	-	(5,991,700)
Intangible Right-to-Use Software Subscription	-	(13,357)	-	-	(13,357)
Total Accumulated Depreciation/Amortization	<u>(17,622,760)</u>	<u>(1,095,059)</u>	<u>-</u>	<u>-</u>	<u>(18,717,819)</u>
Total Capital Assets, Depreciated/Amortized	<u>24,702,947</u>	<u>(649,548)</u>	<u>-</u>	<u>-</u>	<u>24,053,399</u>
Total Business-Type Activities, Capital Assets	<u>\$ 29,367,539</u>	<u>\$ 198,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,565,784</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 567,301
Public Safety	150,151
Transportation	432,952
Culture and Recreation	174,668
Community Redevelopment Agency - Physical Environment	36,668
Total Depreciation Expense	
Governmental Activities	<u>\$ 1,361,740</u>
Business-Type Activities	
Public Utility Fund	\$ 1,088,314
Building Fund	6,745
Total Depreciation Expense	
Business-Type Activities	<u>\$ 1,095,059</u>

Note 5 - Pledged Revenues

The City has pledged certain revenues to repay certain bond, notes, and financed purchases outstanding as of September 30, 2023. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in 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 bonds and notes at September 30, 2023:

Type	Revenue Pledged	Revenues (Net)	Principal and Interest Paid	Estimated Revenue Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Business-Type Activities	Net Utility System					
Revenue Bonds - 2003 - Utility System	Revenues - plus Franchise Fees (1)	\$ 4,117,488	\$ 70,238	1.62%	\$ 1,335,762	2042
State Revolving Funds - DW510400 - Utility System	Net Utility System Revenues (2)	3,083,847	14,359	0.39%	107,694	2031
State Revolving Funds - WW67005P - Utility System	Net Utility System Revenues (2)	3,083,847	37,874	1.13%	244,290	2029
State Revolving Funds - WW67006P - Utility System	Net Utility System Revenues (2)	3,083,847	16,845	0.52%	128,383	2030
Revenue Bonds - 2013 - Utility System	Net Utility System Revenues - plus Franchise Fees (2)	3,268,595	161,751	4.78%	4,844,518	2053
State Revolving Funds - DW510420 - Utility System	Net Utility System Revenues (2)	2,922,096	222,983	7.81%	3,195,584	2036
State Revolving Funds - DW510411 - Utility System	Net Utility System Revenues (2)	2,922,096	12,219	0.33%	67,151	2029
State Revolving Funds - DW510412 - Utility System	Net Utility System Revenues (2)	2,922,096	-	3.66%	2,994,700	2050

(1) Net System Revenues are defined as gross revenues less operating expenses, not including depreciation.

(2) Net System Revenues are defined as gross revenues less operating expenses, not including depreciation minus previous issuances.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Note 6 - Long-Term Liabilities

The following is a summary of changes in long-term liabilities:

Type	Balance Beginning	Additions	Deletions	Ending Balance	Due Within One Year
Governmental-Type Activities					
Landfill Closure/Post-Closure	\$ 27,960	\$ -	\$ -	\$ 27,960	\$ -
Note Payable - Clam Truck					
- Direct Borrowing	74,771	-	(74,771)	-	-
Note Payable - IT Server	-	165,338	-	165,338	82,699
Note Payable - Street Sweeper	-	150,000	-	150,000	75,323
SBITA Payable	-	971,019	(53,923)	917,096	227,568
Compensated Absences	483,735	-	(26,856)	456,879	114,220
Total	<u>\$ 586,466</u>	<u>\$ 1,286,357</u>	<u>\$ (155,550)</u>	<u>\$ 1,717,273</u>	<u>\$ 499,810</u>
Business-Type Activities					
Financed Purchase - Vector Truck					
- Direct Borrowing	\$ 166,084	\$ -	\$ (53,635)	\$ 112,449	\$ 55,343
Notes Payable - Direct Placement	5,612,765	565,021	(274,965)	5,902,821	298,546
Bonds Payable - Direct Placement	3,851,243	-	(80,694)	3,770,549	84,632
SBITA Payable	-	66,783	(1,935)	64,848	21,671
Compensated Absences	65,690	14,358	-	80,048	20,012
Total	<u>\$ 9,695,782</u>	<u>\$ 646,162</u>	<u>\$ (411,229)</u>	<u>\$ 9,930,715</u>	<u>\$ 480,204</u>

Business-Type Activities

The following is a schedule of debt outstanding at September 30, 2023:

	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rates
				1.12/1.155/ 2.71/1.85/
State Revolving Funds - Direct Placement	Utility System	\$ 9,654,818	\$ 5,902,821	.66/.74/1.02%
Series 2003 - Direct Placement	Utility System	1,275,400	887,400	3.59%
Series 2013 - Direct Placement	Utility System	3,248,000	2,883,149	3.75%
Total Business-Type Activities			<u>\$ 9,673,370</u>	

Year Ending September 30,	Business-Type Activities			Governmental-Type Activities		
	Direct Placements			Direct Placements		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2024	\$ 383,178	\$ 214,111	\$ 597,289	\$ 157,992	\$ 9,837	\$ 167,829
2025	413,668	218,427	632,095	157,346	3,480	160,826
2026	422,996	209,657	632,653	-	-	-
2027	431,493	200,630	632,123	-	-	-
2028	441,164	191,386	632,550	-	-	-
2029-2033	2,032,228	820,363	2,852,591	-	-	-
2034-2038	1,670,326	602,105	2,272,431	-	-	-
2039-2043	1,117,459	419,782	1,537,241	-	-	-
2044-2048	1,237,980	263,893	1,501,873	-	-	-
2049-2053	1,390,839	103,039	1,493,878	-	-	-
2054-2057	132,039	1,319	133,358	-	-	-
Totals	<u>\$ 9,673,370</u>	<u>\$ 3,244,712</u>	<u>\$ 12,918,082</u>	<u>\$ 315,338</u>	<u>\$ 13,317</u>	<u>\$ 328,655</u>

The City's business-type activities incurred interest costs of \$188,513, all of which were charged to operations. The schedule above includes estimated portion of current principal payments.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Note 7 - Lease Receivable and SBITA Liability

Lease Receivable

The City is the lessor of a City-owned building with Sunrise of Pasco County.

<u>Description</u>	<u>Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Incremental Borrowing Rate</u>	<u>Total Lease Receivable</u>	<u>Balance 9/30/2023</u>
Building Lease – Sunrise of Pasco	11/1/2021	23 Months	\$ 1,220	.79%	\$ -	\$ -

The City recognized revenue associated with this lease during the fiscal year of \$14,534.

SBITA Liability

The City is the user of SBITAs throughout its operations. The subscriptions range from 36-120 months in length, with fixed monthly and annual payments, and interest rate ranges from 3.75%. At September 30, 2023, the SBITA liability for governmental activities is \$917,096 and for business-type activities is \$64,849. Debt service requirements to maturity for the City's SBITA payable are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>		<u>Governmental-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 21,371	\$ 1,635	\$ 227,568	\$ 31,622
2025	21,615	817	97,899	24,804
2026	21,862	-	94,301	21,724
2027	-	-	90,836	18,528
2028	-	-	87,497	15,209
2029-2032	-	-	318,995	25,473
Totals	<u>\$ 64,848</u>	<u>\$ 2,452</u>	<u>\$ 917,096</u>	<u>\$ 137,360</u>

Note 8 - State of Florida Retirement System

City employees hired prior to January 1, 1996, except for participants in the separate firefighters' and police officers' pension funds (see Note 9), participate in the State of Florida Retirement System (the System), a multiple-employer public employee retirement system. However, as discussed in Note 10, the City has elected to opt out of the System beginning with employees hired after January 1, 1996. The payroll for employees covered by the System for the year ended September 30, 2023, was \$280,825; the City's total payroll was \$5,287,278.

All City employees, other than those described above, participate in the System. Employees who retire at or after age 62 with 10 years of credited service, or 30 years of credited service regardless of age, are entitled to a retirement benefit equal to 1.60% to 1.68% (dependent upon age and years of service) of their average final compensation. The average final compensation is the average of the five highest fiscal years of earnings. Benefits are adjusted annually for a cost-of-living increase in the Consumer Price Index up to a maximum of 3%.

Benefits are payable monthly under one of four options elected by the participant upon retirement. The options range from a full benefit during life of the member to reduced benefits paid to survivors upon the death of the member. Benefits fully vest on reaching 6 years of service. Vested employees may retire at any time after vesting and receive a 5% benefit reduction for each year prior to normal retirement age or date. The System also provides death and disability benefits.

NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA

Contribution rates are established statewide for all participating governmental units by acts of the state legislature. These acts provide that if the accumulated funds are insufficient to pay the benefits due, future contributions to the plan will be adjusted upward accordingly. From October 1, 2022 to June 30, 2023, the City contributed 11.91% and from July 1, 2023 to September 30, 2023, the City contributed 13.57% of covered salaries. Employees are required to contribute 3% of their salary. The total contribution for the year ended September 30, 2023, and the preceding three years is as follows:

<u>Years Ending September 30,</u>	<u>Total Contribution</u>
2021	\$ 25,315
2022	31,826
2023	37,546

The System's Annual Comprehensive Financial Report may be obtained from the State of Florida, Department of Management Services, and Division of Retirement.

Pension Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2023, the City reported a net pension liability of \$273,174 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportionate share of the net pension liability was based on projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the City's proportionate share was .000685561%, which was a increase of .000099069 from the prior year.

Deferred Outflow of Resources and Deferred Inflow of Resources—On September 30, 2023, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflow Funds</u>	<u>Deferred Inflow Funds</u>
Differences Between Expected and Actual Experience	\$ 25,649	\$ -
Change in Assumptions	17,808	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	11,408	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	38,085	2,764
City Contributions Subsequent to Measurement Date	<u>7,731</u>	<u>-</u>
Total	<u>\$ 100,681</u>	<u>\$ 2,764</u>

The Deferred Outflows of Resources related to pensions totaling \$7,731 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA

<u>Year</u>	<u>Total Inflows/Outflows</u>
2024	\$ 15,266
2025	6,909
2026	54,312
2027	10,886
2028	2,813
Total	<u>\$ 90,186</u>

Actuarial Assumptions

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%	
Salary Increases	3.25%	Including Inflation
Investment Rate of Return	6.70%	Net Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation report.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	2.90%	2.90%	1.10%
Fixed Income	19.80%	4.50%	4.40%	3.40%
Global Equity	54.00%	8.70%	7.10%	18.10%
Real Estate	10.30%	7.60%	6.60%	14.80%
Private Equity	11.10%	11.90%	8.80%	26.30%
Strategic Investments	3.80%	6.30%	6.10%	7.70%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.40%

Discount Rate—The discount rate used to measure the total pension liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate— The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	<u>1% Decrease 5.70%</u>	<u>Current Discount Rate – 6.70%</u>	<u>1% Increase 7.70%</u>
City's Proportionate Share of the Net Pension Liability	\$ 466,637	\$ 273,174	\$ 111,319

*Florida Retirement System (FRS) Pension Plan Fiduciary Net Position—*Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Annual Comprehensive Financial Report.

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

*Plan Description—*The HIS Pension Plan (HIS Plan) is a defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for health insurance subsidy payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system, except those individuals who are pension recipients under Sections 121.40, 237.08(18)(a), and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the FRS and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

Any person retiring on or after July 1, 2001, as a member of the FRS, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes. Additionally, participants in the Senior Management Service Optional Annuity Program and the State City System Optional Retirement Program are not eligible to receive benefits from the HIS Plan.

*Benefits Provided—*The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement.

For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA

Contributions—The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2023, the contribution rate was 1.60% of payroll pursuant to Section 112.363, Florida Statutes. The state contributed 100% of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City's contributions to the HIS defined-benefit pension plan are reported as a total with the pension plan contributions listed above.

Pension Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2023, the City reported a net pension liability of \$117,792 for its proportionate share of the net pension liability for HIS. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportionate share of the net pension liability was based on projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the City's proportionate share was .00074169%, which was a decrease of .00000157 from its proportionate share measured as of June 30, 2023.

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow Funds	Deferred Inflow Funds
Differences Between Expected and Actual Experience	\$ 1,724	\$ 276
Change in Assumptions	3,097	10,207
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	61	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	4,008	2,634
City Contributions Subsequent to Measurement Date	<u>1,205</u>	<u>-</u>
Total	<u>\$ 10,095</u>	<u>\$ 13,117</u>

The deferred outflows of resources related to pensions totaling \$1,205, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30,	Inflows/Outflow
2024	\$ (1,848)
2025	(286)
2026	(235)
2027	(1,121)
2028	(667)
Thereafter	<u>(70)</u>
Total	<u>\$ (4,227)</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA

Actuarial Assumptions—The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%	
Salary Increases	3.25%	Average, Including Inflation
Investment Rate of Return	N/A	Net Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The discount rate changed from 3.54% to 3.65%.

Discount Rate—The discount rate used to measure the total pension liability was 3.65%. 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.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.65% or 1-percentage-point higher 4.65% than the current rate:

	<u>1% Decrease</u> <u>2.65%</u>	<u>Current Discount</u> <u>Rate – 3.65%</u>	<u>1% Increase</u> <u>4.65%</u>
City's Proportionate Share of the Net Pension Liability	\$ 134,382	\$ 117,792	\$ 104,039

Pension Plan Fiduciary Net Position—Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Annual Comprehensive Financial Report.

Note 9 - Firefighters' and Police Officers' Pension Funds

Plan Descriptions

The City contributes to two pension trust funds, which are single-employer, defined benefit pension plans administered by the plans' Board of Trustees.

The pension plans do not issue stand-alone financial statements.

All of the City's full-time certified police and fire employees are eligible to participate in the plans. The current membership in the plans as of October 1, 2022, is comprised of the following:

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

<u>Group</u>	<u>Firefighters</u>	<u>Police Officers</u>
Inactive Plan Members or Beneficiaries		
Currently Receiving Benefits	21	14
Inactive Plan Members Entitled to but		
Not Yet Receiving Benefits	1	12
Active Plan Members	1	26
Total Participants	<u>23</u>	<u>52</u>

Summary of Plan Provisions - Firefighters and Police Officers

Eligibility	Full-time or part-time employees who are classified as Firefighters or full-time sworn Police Officers shall participate in the System as a condition of employment.
Board of Trustees	a. Two Commission Appointees. b. Two Members of the Department elected by the membership, and Fifth Member elected by other four and appointed by Commission. c. Fifth Member elected by other four and appointed by Commission.
Credited Service	Total years and fractional parts of years of employment with the City as a Firefighter or Police Officer (Credited Service is calculated separately for periods of full-time and part-time service).
Salary - Firefighters	Fixed compensation reportable on form W-2, plus tax deferred, tax sheltered, and tax exempt items.
Salary - Police Officers	Total W-2 earnings plus all tax deferred, tax sheltered, or tax exempt items of income. For Service after October 1, 2011, salary shall only include up to 300 hours of overtime per year and include lump sum sick and vacation time.
Average Final Compensation	Average salary for the highest 5 years during the 10 years immediately preceding retirement or termination (Average is determined separately for full-time and part-time service).
City and State Contributions	Remaining amount necessary to pay current costs and amortize past service cost, if any, as provided in Part VII of Chapter 112, Florida Statutes.

Normal Retirement

Date	Earlier of age 55 and 10 years of Credited Service, or age 52 and 25 years of Credited Service.
Benefit-Firefighters	3.25% of Average Final Compensation times Credited Service.
Benefit-Police Officers	3.50% of Average Final Compensation times Credited Service.

Early Retirement

Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3.0% per year.
Cost of Living Adjustment - Police Officers	Normal Retirees after June 24, 2003, receive 2% annual benefit increases each October 1, beginning on the October 1st following 1 full year of retirement.

Vesting

Schedule	100% after 10 years of Credited Service.
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**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise normal retirement date.
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Death Benefits

Pre-Retirement:	
Vested	Monthly accrued benefit payable to designated beneficiary for 10 years.
Non-Vested	Refund of accumulated contributions without interest.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

Disability

Eligibility	Service incurred: Covered from date of employment. Non-service incurred: 10 years of credited service. Benefit accrued to date of disability but not less than 42% of average final compensation (service incurred).
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Contributions

Police Officers	Member Contributions: 1.5% of Salary.
Firefighters	Member Contributions: 1.0% of Salary.

Deferred Retirement Option Plan (Police Officers)

Eligibility	Satisfaction of normal retirement requirements.
Participation	Not to exceed 60 months.
Rate of Returns	Participants' Election: a. Interest at 6.5% per year, or b. Actual net rate of investment return (total return net of fees) credited each fiscal quarter. Members may change option once during the DROP period. The DROP balance at September 30, 2023, is \$78,800.
Form of Distribution	Cash lump sum (options available) at termination of employment.

Deferred Retirement Option Plan (Firefighters)

Eligibility	Satisfaction of normal retirement requirements. Earlier of: 1) Age 55 and 10 years of credited service, or 2) Age 52 and 25 years of credited service.
Participation	Not to exceed 60 months.
Rate of Returns	Participants' Election: a. Interest at 6.5% per year, or b. Actual net rate of investment return (total return net of fees) credited each fiscal quarter. Members may change option once during the DROP period. The DROP balance at September 30, 2023, is \$326,888.

Summary of Significant Accounting Policies

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

Method Used to Value Investments—Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Investment Policy—The following was the Board’s adopted asset allocation policy as of September 30, 2023:

	FIREFIGHTERS	POLICE OFFICERS
Asset Class	Target Allocation	Target Allocation
Domestic	50%	50%
International Equity	15%	15%
Fixed Income (Core)	15%	15%
Private Real Estate	10%	10%
Alternative Investments	5%	5%
Global Fixed Income	5%	5%
Totals	100%	100%

Concentrations—The Plans did not hold investments in any one organization that represent 5% or more of the Pension Plans’ fiduciary net position.

Rate of Return—The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of September 30, 2023, is summarized in the following table:

	FIREFIGHTERS	POLICE OFFICERS
Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Domestic	7.50%	7.50%
International Equity	8.50%	8.50%
Fixed Income (Core)	2.50%	2.50%
Global Fixed Income	3.50%	3.50%
Private Real Estate	4.50%	4.50%
Alternative	6.34%	6.34%

Discount Rate—The discount rate used to measure the total pension liability was 7.00% for the Firefighters Pension and 7.00% for the Police Officers Pension.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Plans’ fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

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

Sensitivity of the net pension liability to changes in the discount rate:

	1% Decrease 6.00%	Current Discount Rate – 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability - Firefighters	\$ 2,204,472	\$ 1,496,333	\$ 899,205
	1% Decrease 6.00%	Current Discount Rate – 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability (Asset) - Police Officers	\$ 3,037,278	\$ 1,320,527	\$ (94,108)

Actuarial Assumptions and Methods

The total pension liability was determined by an actuarial valuation as of October 1, 2022, updated to September 30, 2023, using the following actuarial assumptions:

Mortality Rate:

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

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

Mortality Rate Disabled Lives:

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

Inflation Rate:

2.50% per year for Fire.

Retirement Age:

Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.

Early Retirement:

Commencing with the earliest Early Retirement Age (age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. For Firefighters, the accrued benefit is reduced by 3.0% per year.

Discount Rate:

Firefighter's Pension Plan - 7.00%

Police Pension Plan - 7.00%

Investment Rate of
Return:

Firefighter's Pension Plan - 7.00%

Police Pension Plan - 7.00%

Termination Rate:

See Table in Required Supplementary Information.

Salary Increases:

Firefighters

5.75% per year until the assumed retirement age.

Police Officers

Included in the Required Supplementary Information (Service Based)

Payroll Growth:

N/A

Amortization Method:

Firefighters

Level Dollar

Funding Method:

Firefighters

Entry Age Normal Actuarial Cost Method.

Police Officers

Aggregate Actuarial Cost Method.

Actuarial Asset Method:

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Contributions and Reserves

The Plans are established and operate under Florida State Statutes and City Ordinances. Chapter 175 of the Florida Statutes provides for a system of retirement plans for firefighters. Each incorporated municipality with fire-fighting equipment with a value exceeding \$5,000 is permitted to establish a firefighters' pension fund. Chapter 175 sets forth benefits and administrative arrangements. It also provides that a tax of 1.85% of fire and windstorm premiums written in the various cities is to be collected by the state and remitted to the pension funds to partially finance the benefits. Firefighters contribute 1% of their earnings to the fund and the City, authorized by City ordinance. The City and County contributed \$228,588 for the year ended September 30, 2023. The County's portion is based on the terms of the interlocal agreement.

Chapter 185 of the Florida Statutes provides for a system of retirement plans for police officers. Each incorporated municipality with police equipment with a value exceeding \$500 is permitted to establish a police officers' retirement fund. Chapter 185 sets forth benefits and administrative arrangements. It also provides that certain casualty premium taxes collected by the state will be remitted to these pension funds to partially finance the benefits. Police officers contribute 1.5% of their earnings to the fund by City Ordinance. The City contributed from general revenues at the rate of 28.75% of covered earnings. The City was required to contribute \$325,367 for the year ended September 30, 2023.

The contribution rates for members and the City are established by the state statutes and City Ordinances through actuarial valuations. The costs of administration are paid by the plans from investment earnings. The plans do not have any contracts for contributions. There are no legal or designated reserves other than the entire net position of the plans are available only for retirement benefits. At September 30, 2023, the plans held no investments of a single issuer greater than 5% or more of the plan net positions.

The payroll covered by the two pension trusts for the year ended September 30, 2023, was \$2,921,082.

Net Pension Liability

The components of the net pension liability of the sponsor on September 30, 2023, were as follows:

	Police Officers' Pension	Firefighters' Pension
Total Pension Liability	\$ 13,401,070	\$ 7,454,944
Plan Fiduciary Net Position*	<u>(12,080,543)</u>	<u>(5,958,611)</u>
Sponsor's Net Pension Liability	<u>\$ 1,320,527</u>	<u>\$ 1,496,333</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.15%	79.93%

* The differences between the actuarial financial statements and the pension financial statements were due to the recording of investment expense as a direct reduction of investment income and timing differences related to broker sold investments.

Deferred Outflow of Resources and Deferred Inflow of Resources—On September 30, 2023, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to Police Officers pensions from the following sources:

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

	Deferred Outflow Funds	Deferred Inflow Funds
Differences Between Expected and Actual Experience	\$ 229,392	\$ 265,643
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>1,076,321</u>	<u>-</u>
Total	<u><u>\$ 1,305,713</u></u>	<u><u>\$ 265,643</u></u>

On September 30, 2023, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to Firefighter's pensions from the following sources:

	Deferred Outflow Funds	Deferred Inflow Funds
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 518,279	\$ -
Total	<u><u>\$ 518,279</u></u>	<u><u>\$ -</u></u>

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

<u>Year</u>	Police Total Inflows/Outflows	Firefighters' Total Inflows/Outflows
2024	\$ 152,296	\$ 138,148
2025	419,348	153,712
2026	584,265	290,305
2027	<u>(115,839)</u>	<u>(63,886)</u>
Total	<u><u>\$ 1,040,070</u></u>	<u><u>\$ 518,279</u></u>

Combining Statement of Net Position			
	Police Officers' Pension	Firefighters' Pension	Total
Assets			
Cash and Cash Equivalents	\$ 103,778	\$ 64,872	\$ 168,650
Investments	11,844,681	5,889,397	17,734,078
Interest and Dividends Receivable	327	3,307	3,634
Due from Other Governments	126,454	45,066	171,520
Total Assets	<u>12,075,240</u>	<u>6,002,642</u>	<u>18,077,882</u>
Net Position - Held in Trust for Pension Benefits	<u><u>\$ 12,075,240</u></u>	<u><u>\$ 6,002,642</u></u>	<u><u>\$ 18,077,882</u></u>

Combining Statement of Changes in Net Position			
	Police Officers' Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 325,367	\$ 228,588	\$ 553,955
State	114,646	39,030	153,676
Employee	23,056	822	23,878
Total Contributions	<u>463,069</u>	<u>268,440</u>	<u>731,509</u>
Net Investment Earnings	1,335,853	713,596	2,049,449
Total Additions	<u>1,798,922</u>	<u>982,036</u>	<u>2,780,958</u>
Deductions			
Benefits Paid	293,341	411,693	705,034
Administrative Expenses	69,637	63,134	132,771
Total Deductions	<u>362,978</u>	<u>474,827</u>	<u>837,805</u>
Change in Net Position	1,435,944	507,209	1,943,153
Net Position, Beginning of Year	<u>10,639,296</u>	<u>5,495,433</u>	<u>16,134,729</u>
Net Position, End of Year	<u><u>\$ 12,075,240</u></u>	<u><u>\$ 6,002,642</u></u>	<u><u>\$ 18,077,882</u></u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Combining Schedule – Florida Retirement System, Health Insurance Subsidy, Police Officers, and Fire Fighters Pension Plans

	Pension Expense	Deferred Inflows	Deferred Outflows	Net Pension Liability (Asset)
Florida Retirement System	\$ 28,305	\$ 2,764	\$ 92,950	\$ 273,174
Health Insurance Subsidy	38,813	13,118	8,890	117,792
Police Officers' Pension Plan	34,151	265,643	1,305,713	1,320,527
Firefighters' Pension Plan	(223,173)	-	518,279	1,495,605
Total	\$ (121,904)	\$ 281,525	\$ 1,925,832	\$ 3,207,098

Schedule of Changes in Employer's Net Pension Liability

	Firefighters' 2023	Police Officers' 2023
Total Pension Liability		
Service Cost	\$ 17,035	\$ 352,447
Interest on the Total Pension Liability	498,330	875,698
Differences Between Expected and Actual Experience	64,748	175,671
Benefit Payments, Including Refunds of Employee Contributions	(454,265)	(320,547)
Net Change in Total Pension Liability	125,848	1,083,269
Total Pension Liability, Beginning of Year	7,329,096	12,317,801
Total Pension Liability, End of Year (a)	\$ 7,454,944	\$ 13,401,070
Plan Fiduciary Net Position		
Contributions - Employer	\$ 212,489	\$ 441,921
Contributions - Employee	819	23,056
Net Investment Income	696,781	1,328,513
Benefit Payments, Including Refunds of Employee Contributions	(454,265)	(320,547)
Administrative Expense	(39,054)	(49,417)
Net Change in Plan Fiduciary Net Position	416,770	1,423,526
Plan Fiduciary Net Position, Beginning of Year	5,541,841	10,657,017
Plan Fiduciary Net Position, End of Year (b)	\$ 5,958,611	\$ 12,080,543
Net Pension Liability (Asset) - Ending (a) - (b)	\$ 1,496,333	\$ 1,320,527
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.93%	90.15%
Covered Payroll	\$ 59,154	\$ 1,537,043
Net Pension Liability as a Percentage of Covered Payroll	2529.56%	85.91%

Note 10 - Defined Contribution Plan

During 1995, the Florida Legislature approved a bill allowing local governments the option of withdrawing from the Florida Retirement System. In December 1995, the City passed a resolution to adopt a defined contribution plan under Section 401(a) of the Internal Revenue Code, effective for employees hired after January 1, 1996, except those covered by the Police Officers' or Firefighters' Pension Plans.

The City of Dade City Money Purchase Plan adopted the Nationwide Life Insurance Company Prototype Money Purchase Plan and appointed Public Employees Benefit Services Corporation (PEBSCO) as the Plan administrators. Changes to the Plan can be made via City Commission resolution.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

The City adopted Resolution No. 2017-29, which established the City's contribution rate at 8% of all eligible employee wages. The City's contribution was \$215,478 for the fiscal year ended September 30, 2023.

Note 11 - Deferred Compensation Plan

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

The plan assets are held in trust for the employees by a third-party administrator and investments are directed by the participating employees. Therefore, the assets, liabilities, fund equity, and operations of this plan are not presented on the City's financial statements.

Note 12 - Other Disclosures

Allowances for Doubtful Accounts

Allowances for doubtful accounts at September 30, 2023, are as follows:

Utility Funds	\$ 111,713
Total Allowances for Doubtful Accounts	<u>\$ 111,713</u>

Note 13 - Risk Management

The City has purchased commercial insurance to cover its risk of loss on the following categories:

<u>Type of Coverage</u>	<u>Limits</u>
General/Professional Liability	\$ 2,000,000
Law Enforcement Liability	3,000,000
Automobile Liability	2,000,000
Property Damage	Blanket/Replacement Cost
Worker's Compensation	Statutory
Employee Dishonesty	1,000,000

There have been no significant reductions in insurance coverage for the past three years and the City does not participate in a risk sharing pool. No settlements exceeded insurance over the past three years.

Note 14 - Contract for Solid Waste Collection

The City has an agreement with a private contractor to collect solid waste. The total expense recorded by the City under this contract for the year ended September 30, 2023, was \$471,535.

Note 15 - Landfill Post-Closure Costs

Regulations of the U.S. Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (FDEP) required the City to place a final cover on its internally used debris landfill when it was closed in 1991 and perform certain maintenance and monitoring functions at the landfill site for 20 years after its closure. All amounts recognized are based on what it would cost to perform the post-closure functions in current dollars. Actual costs may be different due to inflation, changes in technology, or changes in laws and regulations.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

The landfill has ceased operations and the required closure work was completed. However, in 2011, the EPA notified the City that continued monitoring and maintenance of the Landfill was required to be fulfilled by the City. The estimated future cost for post-closure maintenance is reported in the Government-wide statement of net position.

Note 16 - Commitments

The City has the following commitments outstanding for future projects as of September 30, 2023:

<u>Projects</u>	<u>Contract Amount</u>	<u>Amount Expended To-Date</u>
Tankhill and Well Booster Station	\$ 4,018,859	\$ 3,784,871
Howard Ave/Dade Oaks	3,418,599	2,390,155
Morningside Drive Extension	2,000,000	487,355
Central Transmission Force Main	598,800	236,894
Splash Pad and Restrooms	1,344,720	246,148
Touchton Park	1,211,079	-
10 th St Drainage	271,606	7,878

Note 17 - Postemployment Benefits Other Than Pension (OPEB)

Plan Description

The OPEB Plan is a single employer benefit plan administered by the City. Pursuant to the provision of Section 112.0801, Florida Statutes, former employees who retire from the City are eligible to participate in the City administered single-employer defined benefit healthcare plan (the Retiree Health Plan). The Retiree Health Plan provides healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. The City subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The benefits provided under this defined benefit plan are provided until the retiree's attainment of age 65 or until such time at which the retiree discontinues coverage under the City sponsored plans, whichever is earlier. The Retiree Health Plan does not issue a stand-alone report and is not included in the report of another entity.

For the OPEB Plan, contribution requirements of the City are established and may be amended through action from the City's Commissioners. Currently, the City's OPEB benefits are unfunded, no assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. The actual contributions are based on a pay-as-you-go financing requirement.

The actuarial valuation, dated September 30, 2021, involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend.

Amounts determined regarding the OPEB Plan are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future.

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Employee Contribution Information

Retirees participating in the group insurance plans offered by the City are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums.

Employees Covered by Benefit Terms

Note that the projected employee contributions for the Dental and Vision benefits are assumed to cover the entire cost of the program.

The following employees were covered by benefit terms as of September 30, 2022, the latest actuarial measurement date:

Retirees and Beneficiaries	1
Inactive, Non-Retired Members	-
Active Members	<u>80</u>
Total	<u><u>81</u></u>

Actuarial Assumptions

Calculations are based upon the types of benefits provided under the terms of the substantive OPEB Plan at the time of the valuation and on the pattern of sharing of costs between the employer and OPEB Plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. As authorized by GASB Statement No. 75, the City utilizes the Alternative Measurement Method, which allows the employer to use simplifications of certain assumptions in measuring the costs and liabilities.

Actuarial Assumptions:

Valuation Measurement Date	September 30, 2021
Measurement Date	September 30, 2022
Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	4.40%
Salary Increases	3.00%
Retirement Age	Varies based on several factors, including plan-specific retirement eligibility provisions and experience. If employees had already attained their normal retirement age as of the valuation date, they were assumed to retire one year after the valuation date.
Mortality Rate	Mortality tables used in the July 1, 2021 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class members. These rates were taken from adjusted PUB-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Health Care Cost Trend Rates	6.00% for FY beginning 2022, 5.75% for FY beginning 2023 and then gradually decreasing to an ultimate trend rate of 3.75%

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Other Information:

Notes Changes in assumptions and other inputs reflected the change in Total OPEB Liability include:

- Discount rate changed to 4.40% (from 2.19%).

There were no benefit changes during the year.

The following simplifying assumptions were made:

Retirement Age Age 62 for general employees and age 60 for police officers; participants who have attained such age as of the valuation date are assumed to retire one year after the valuation date.

Active Member Marital Status Assumption of marital status for active employees has been incorporated in the acceptance probability for spousal coverage. Using this approach, the percentage of future retired plan members taking spousal coverage was assumed at 25%. For active employees, spouses' genders were assumed to be opposite to the members' genders and females were assumed 3 years younger than their spouses. Covered spouse dates were collected for current retired plan members as of the valuation date and were assumed to remain unchanged until the assumed death of the spouses.

Turnover Non-group specific age-based turnover rates derived from the withdrawal assumption used in the July 1, 2018, actuarial valuation of the Florida Retirement System for Regular Class members were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to the periods the present value of total benefits to be paid.

Health Insurance Premiums Health insurance premiums for retirees in effect June 1, 2019, were used as the basis for the calculation of the present value of total benefits to be paid. *(Age-adjusted premium for retirees were estimated using the method provided in paragraph 226c GASB Statement No. 75, as appropriate.)*

Total OPEB Liability

The measurement date for the City's total/net OPEB liability is September 30, 2022. The measurement period for OPEB cost was October 1, 2021 to September 30, 2022. The components of the City's net OPEB liability at September 30, 2023, are as follows:

Total OPEB Liability	\$ 247,549
OPEB Plan Fiduciary Net Position	-
City's Net OPEB Liability	<u>\$ 247,549</u>
OPEB Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Changes in the OPEB Liability	Fiscal Year 2023
Total OPEB Liability	
Service Cost	\$ 27,720
Interest on the OPEB Liability	6,318
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	
Of the Total OPEB Liability	-
Changes in the Assumptions and Other Inputs	(42,586)
Benefit Payments	(9,373)
Net Change in OPEB Liability	17,921
Total OPEB Liability - Beginning	265,470
Total OPEB Liability - Ending	\$ 247,549

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

The following table presents the total OPEB liability, calculated using the discount rate of 4.40%, 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 (3.40%) or one percentage-point higher (5.40%) than the current discount rate:

	1% Decrease 3.40%	Current Trend Rate 4.40%	1% Increase 5.40%
Total OPEB Liability	\$ 266,279	\$ 247,549	\$ 230,136

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 a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	\$ 223,751	\$ 247,549	\$ 275,247

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

For the fiscal year ended September 30, 2023, the City recognized OPEB expense of \$(17,921). At September 30, 2023, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions After the Measurement Date	\$ 9,766	\$ -

**NOTES TO FINANCIAL STATEMENTS
CITY OF DADE CITY, FLORIDA**

Note 18 - American Rescue Plan Act (ARPA)

During the fiscal year, the City was awarded funding through the Coronavirus State and Local Fiscal Recover Funds program of the *American Rescue Plan Act* (ARPA) in the amount of \$3,675,264. As of September 30, 2023, the City had received \$3,675,264 and \$1,950,264 was considered unearned revenues. ARPA was signed into law on March 11, 2021, to provide \$350 billion in additional funding for state and local governments. The City recognized \$1,725,000 as of September 30, 2023.

Note 19 - Stormwater Fund - Overexpenditure of Budget

For the year ended September 30, 2023, the final budget was exceeded by actual expenditures by \$210,688 due to the time of the capital outlay projects.

REQUIRED SUPPLEMENTARY INFORMATION

The following supplementary schedules present trend information regarding the retirement plans for the City's Firefighters and Police Officers, Florida Retirement System Pension Funds, and Other Postemployment Benefits. This information is necessary for a fair presentation in conformity with generally accepted accounting principles.

CITY OF DADE CITY, FLORIDA
SCHEDULE OF NET CHANGES IN THE CITY'S TOTAL OPEB
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

Reporting Period Ending	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018
Valuation Date	September 30, 2021	September 30, 2021	September 30, 2019	September 30, 2019	September 30, 2017	September 30, 2017
Measurement Date	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017
Total OPEB Liability						
Service Costs	\$ 27,720	\$ 23,991	\$ 21,933	\$ 20,954	\$ 21,355	\$ 21,801
Interest	6,318	5,941	6,254	9,887	8,703	7,640
Changes in Benefit Terms	-	-	-	-	-	-
Difference Between Expected and Actual Experience	-	10,696	-	(45,458)	-	-
Changes in Assumptions	(42,586)	11,190	5,374	1,164	(6,207)	(7,438)
Benefit Payments	(9,373)	(17,712)	(15,372)	(21,106)	(6,831)	(31,860)
Net Change in Total OPEB Liability	(17,921)	34,106	18,189	(34,559)	17,020	(9,857)
Total OPEB Liability - Beginning	265,470	231,364	213,175	247,734	230,714	240,571
Total OPEB Liability - Ending	\$ 247,549	\$ 265,470	\$ 231,364	\$ 213,175	\$ 247,734	\$ 230,714
Covered-Employee Payroll	\$ 4,527,044	\$ 3,779,671	\$ 3,648,556	\$ 3,661,784	\$ 3,529,100	\$ 3,421,000
Total OPEB Liability as a Percentage of Covered-Employee Payroll	5.47%	7.02%	6.34%	5.82%	7.02%	6.74%

Notes to Schedule:

Note 1: GASB Statement No. 75 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

Note 2: No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Note 3: Changes in assumptions and other inputs reflected in the schedule of changes in the Total OPEB Liability include:

- discount rate changed to 4.40% (from 2.19%)

CITY OF DADE CITY, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

FIREFIGHTERS' PENSION PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 17,035	\$ 33,320	\$ 42,946	\$ 56,814	\$ 53,670	\$ 50,182	\$ 62,305	\$ 57,109	\$ 73,291	\$ 69,178
Interest on the Total Pension Liability	498,330	508,352	529,176	547,203	566,394	547,748	521,734	479,195	465,906	444,362
Change in Excess State Money	-	-	-	-	-	-	-	(236,880)	-	-
Share Plan Allocation	-	-	-	-	-	-	-	118,440	-	-
Changes in Benefit Terms	-	-	-	-	(127)	-	-	-	-	-
Changes of Assumption	-	-	192,897	(137,261)	-	69,430	-	253,846	-	62,185
Differences Between Expected and Actual Experience	64,748	44,354	(33,933)	(29,754)	(288,677)	(32,479)	45,129	14,274	(96,908)	-
Benefit Payments, Including Refunds of Employee Contributions	(454,265)	(971,572)	(444,979)	(895,170)	(299,665)	(263,194)	(267,801)	(265,932)	(231,915)	(197,332)
Net Change in Total Pension Liability	125,848	(385,546)	286,107	(458,168)	31,595	371,687	361,367	420,052	210,374	378,393
Total Pension Liability, Beginning of Year	7,329,096	7,714,642	7,428,535	7,886,703	7,855,108	7,483,421	7,122,054	6,702,002	6,491,628	6,113,235
Total Pension Liability, End of Year (a)	\$ 7,454,944	\$ 7,329,096	\$ 7,714,642	\$ 7,428,535	\$ 7,886,703	\$ 7,855,108	\$ 7,483,421	\$ 7,122,054	\$ 6,702,002	\$ 6,491,628
Plan Fiduciary Net Position										
Contributions - Employer	\$ 212,489	\$ 216,232	\$ 222,033	\$ 220,041	\$ 241,308	\$ 197,648	\$ 186,045	\$ 165,798	\$ 176,552	\$ 173,000
Contributions - State	-	29,848	42,820	40,473	37,681	38,180	39,355	42,598	46,272	50,496
Contributions - Employee	819	1,307	1,598	2,739	2,868	2,706	2,948	3,215	3,817	3,756
Net Investment Income	696,781	(1,266,908)	1,159,299	546,857	194,876	499,603	511,409	457,863	(181,834)	503,118
Benefit Payments, Including Refunds of Employee Contributions	(454,265)	(971,572)	(444,979)	(895,170)	(299,665)	(263,194)	(267,801)	(265,932)	(231,915)	(197,332)
Administrative Expense	(39,054)	(38,868)	(46,671)	(36,665)	(33,948)	(35,748)	(33,164)	(31,008)	(37,380)	(16,578)
Net Change in Plan Fiduciary Net Position	416,770	(2,029,961)	934,100	(121,725)	143,120	439,195	438,792	372,534	(224,488)	516,460
Plan Fiduciary Net Position, Beginning of Year	5,541,841	7,571,802	6,637,702	6,759,427	6,616,307	6,177,112	5,738,320	5,365,786	5,590,274	5,073,814
Plan Fiduciary Net Position, End of Year (b)	\$ 5,958,611	\$ 5,541,841	\$ 7,571,802	\$ 6,637,702	\$ 6,759,427	\$ 6,616,307	\$ 6,177,112	\$ 5,738,320	\$ 5,365,786	\$ 5,590,274
Net Pension Liability - Ending (a) - (b)	\$ 1,496,333	\$ 1,787,255	\$ 142,840	\$ 790,833	\$ 1,127,276	\$ 1,238,801	\$ 1,306,309	\$ 1,383,734	\$ 1,336,216	\$ 901,354
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.93%	75.60%	98.15%	89.35%	85.71%	84.23%	82.54%	80.57%	80.06%	86.12%
Covered Payroll**	\$ 59,154	\$ 130,679	\$ 159,817	\$ 273,867	\$ 286,806	\$ 270,632	\$ 294,798	\$ 321,518	\$ 395,515	\$ 375,625
Net Pension Liability as a Percentage of Covered Payroll	2529.56%	1368.23%	89.39%	288.77%	393.04%	457.74%	443.12%	430.38%	337.84%	239.96%

Changes of Assumptions:

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees.

For measurement date September 30, 2018, amounts reported as changes of assumptions were related to lowering the investment rates of return from 7.4% to 7.3% per year, net of investment related expenses.

For measurement date September 30, 2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

Additionally, the investment return assumption was reduced from 7.50% to 7.40% at September 30, 2016, and remained that amount for September 30, 2017 and 2018.

Finally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant at September 30, 2016, and remained that amount for September 30, 2017.

For measurement date September 30, 2021, the investment rate of return was lowered from 7.30% to 7.00% per year, net of investment related expenses.

Changes in Benefit Terms:

For measurement date September 30, 2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

** The Covered Payroll numbers shown are in compliance with GASB Statement No. 82.

Effective for the City's fiscal year ended September 30, 2020, the GASB 68 measurement date of the Pension Expense has been approved and changed from September 30, 2019 to September 30, 2020.

CITY OF DADE CITY, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

POLICE OFFICERS' PENSION PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 352,447	\$ 293,700	\$ 296,403	\$ 305,413	\$ 299,081	\$ 275,150	\$ 274,006	\$ 232,694	\$ 231,742	\$ 222,220
Interest on the Total Pension Liability	875,698	803,716	821,468	836,652	786,576	750,739	723,973	642,677	614,062	570,466
Change of Benefit Terms	-	-	-	-	-	55,986	-	-	-	-
Differences Between Expected and Actual Experience	175,671	195,275	(1,062,571)	(756,065)	58,762	(27,183)	(238,832)	61,548	(238,374)	-
Changes of Assumption	-	-	-	(316,749)	348,585	136,407	-	461,939	-	99,655
Benefit Payments, Including Refunds of Employee Contributions	(320,547)	(325,689)	(286,723)	(267,562)	(376,821)	(681,481)	(227,666)	(223,887)	(229,801)	(211,201)
Net Change in Total Pension Liability	1,083,269	967,002	(231,423)	(198,311)	1,116,183	509,618	531,481	1,174,971	377,629	681,140
Total Pension Liability, Beginning of Year	12,317,801	11,350,799	11,582,222	11,780,533	10,664,350	10,154,732	9,623,251	8,448,280	8,070,651	7,389,511
Total Pension Liability, End of Year (a)	\$ 13,401,070	\$ 12,317,801	\$ 11,350,799	\$ 11,582,222	\$ 11,780,533	\$ 10,664,350	\$ 10,154,732	\$ 9,623,251	\$ 8,448,280	\$ 8,070,651
Plan Fiduciary Net Position										
Contributions - Employer	\$ 441,921	\$ 283,747	\$ 456,762	\$ 481,488	\$ 367,785	\$ 268,685	\$ 206,524	\$ 200,903	\$ 202,014	\$ 180,861
Contributions - State	-	103,497	107,538	107,783	89,739	86,523	81,333	76,053	71,372	72,789
Contributions - Employee	23,056	20,761	19,291	18,335	17,463	14,538	10,520	10,303	9,893	9,394
Net Investment Income	1,328,513	(2,370,422)	1,840,189	709,669	266,304	690,619	766,558	664,654	(262,685)	736,583
Benefit Payments, Including Refunds of Employee Contributions	(320,547)	(325,689)	(286,723)	(267,562)	(376,821)	(681,481)	(227,666)	(223,887)	(229,801)	(211,201)
Administrative Expense	(49,417)	(41,959)	(46,169)	(41,920)	(39,225)	(48,459)	(37,908)	(32,953)	(35,483)	(17,925)
Net Change in Plan Fiduciary Net Position	1,423,526	(2,330,065)	2,090,888	1,007,793	325,245	330,425	799,361	695,073	(244,690)	770,501
Plan Fiduciary Net Position, Beginning of Year	10,657,017	12,987,082	10,896,194	9,888,401	9,563,156	9,232,731	8,433,370	7,738,297	7,982,987	7,212,486
Plan Fiduciary Net Position, End of Year (b)	\$ 12,080,543	\$ 10,657,017	\$ 12,987,082	\$ 10,896,194	\$ 9,888,401	\$ 9,563,156	\$ 9,232,731	\$ 8,433,370	\$ 7,738,297	\$ 7,982,987
Net Pension Liability - Ending (a) - (b)	\$ 1,320,527	\$ 1,660,784	\$ (1,636,283)	\$ 686,028	\$ 1,892,132	\$ 1,101,194	\$ 922,001	\$ 1,189,881	\$ 709,983	\$ 87,664
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.15%	86.52%	114.42%	94.08%	83.94%	89.67%	90.92%	87.64%	91.60%	98.91%
Covered Payroll**	\$ 1,537,043	\$ 1,384,039	\$ 1,286,087	\$ 1,222,327	\$ 1,164,183	\$ 1,105,629	\$ 1,051,978	\$ 1,030,263	\$ 1,051,778	\$ 939,443
Net Pension Liability as a Percentage of Covered Payroll	85.91%	120.00%	-127.23%	56.12%	162.53%	99.60%	87.64%	115.49%	67.50%	9.33%

Changes in Benefit Terms:

For measurement date September 30, 2018, amounts reported as changes of benefit terms resulting from the pre-retirement death were amended and the Member Contribution Rate was increased by 0.50% of payroll.

Changes of Assumptions:

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

For measurement date September 30, 2019, as a result of an Actuarial Experience Study dated September 5, 2019, the Board approved the following changes:

The Investment Return Assumption was reduced from 7.3% to 7.0% per year, net of investment related expenses.

The assumed rate of individual salary increases was changed from a flat 5.5% per year to 10.0% in the first year of employment and 5.0% for all future years of service.

The assumed rates of pre-retirement withdrawal have been changed from an age-based table to an assumption of 15.0% per year during the first 5 years of employment and 2.5% per year after 5 years of employment.

The assumption that a member eligible for normal retirement on the valuation date will work one more year was eliminated.

For measurement date September 30, 2018, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

Additionally, the investment return assumption was reduced to 7.30% at September 30, 2017, and remained at that amount for September 30, 2018.

Finally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant at September 30, 2016, and remained that amount for September 30, 2017.

** The Covered Employee Payroll numbers shown are in compliance with GASB Statement No. 82, except for the September 30, 2015, measurement period, which includes DROP payroll.

Effective for the City's fiscal year ending September 30, 2020, the GASB 68 measurement date of the Pension Expense has been approved and changed from September 30, 2021 to September 30, 2020.

**CITY OF DADE CITY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' PENSION PLAN
LAST 10 FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 205,845	\$ 246,080	\$ 264,853	\$ 271,870	\$ 285,464	\$ 276,323	\$ 211,370	\$ 173,941	\$ 212,983	\$ 223,496
Contributions in Relation to the										
Actuarially Determined Contribution	212,489	246,080	264,853	260,514	278,989	235,828	225,400	208,396	222,824	223,496
Contribution Deficiency (Excess)	\$ (6,644)	\$ -	\$ -	\$ 11,356	\$ 6,475	\$ 40,495	\$ (14,030)	\$ (34,455)	\$ (9,841)	\$ -
Covered Payroll	\$ 59,154	\$ 139,679	\$ 159,817	\$ 276,867	\$ 286,806	\$ 270,632	\$ 294,798	\$ 321,518	\$ 395,515	\$ 375,625
Contributions as a Percentage of										
Covered Payroll	359.21%	188.31%	167.72%	94.09%	97.27%	87.14%	76.46%	64.82%	56.34%	59.50%

Notes to Schedule

Valuation Date

October 1, 2021

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

Methods and Assumptions Used to Determine Contribution Rates

Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level Dollar
Asset Valuation Method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.
Inflation	2.5% per year.
Salary Increases	5.75% per year until the assumed retirement age - see table below. This assumption is based on an experience study issued April 25, 2011.
Interest Rate	7.0% per year compounded annually, net of investment related expenses. This assumption is supported by the target asset class allocation of the trust and the expected long-term return by asset class.
Payroll Growth	N/A
Retirement Age	Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. These rates are deemed reasonable based on plan provisions.
Early Retirement	Commencing with the earliest Early Retirement Age (age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. These rates are deemed reasonable based on plan provisions.
Termination Rates	See Table Below. It is assumed that 75% of disablements and active Member deaths are service related. These rates are consistent with rates used in other fire plans.
Disability Rates	See Table Below. It is assumed that 75% of disablements and active member deaths are service related.
Mortality	Mortality Rate Healthy Active Lives: Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Mortality Rate Healthy Retiree Lives: Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. Mortality Rate Beneficiary Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. Mortality Rate Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

CITY OF DADE CITY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' PENSION PLAN
LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 465,724	\$ 420,748	\$ 514,435	\$ 581,828	\$ 457,524	\$ 379,231	\$ 291,398	\$ 259,626	\$ 263,151	\$ 253,650
Contributions in Relation to the										
Actuarially Determined Contribution	441,921	387,244	564,300	589,271	457,524	355,208	287,857	276,956	273,386	253,650
Contribution Deficiency (Excess)	\$ 23,803	\$ 33,504	\$ (49,865)	\$ (7,443)	\$ -	\$ 24,023	\$ 3,541	\$ (17,330)	\$ (10,235)	\$ -
Covered Payroll	\$1,537,043	\$1,384,039	\$1,286,087	\$1,222,327	\$1,164,183	\$1,105,629	\$1,051,978	\$1,030,263	\$1,051,778	\$ 939,443
Contributions as a Percentage of										
Covered Payroll	28.75%	27.98%	43.88%	48.21%	39.30%	32.13%	27.36%	26.88%	25.99%	27.00%

Notes to Schedule

Valuation Date

October 1, 2021

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

Methods and Assumptions Used to Determine Contribution Rates

Funding Method

Aggregate Actuarial Cost Method

Asset Valuation Method

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Inflation

2.50% per year.

Salary Increases

Service Based

Interest Rate

7.0% per year compounded annually, net of investment related expenses.

Payroll Growth

N/A

Retirement Age

Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited services. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.

Actuarial Asset Method

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Early Retirement

Commencing with the earliest Early Retirement Age (50 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Termination Rates

See Table Below.

Disability Rates

See Table Below.

Mortality

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

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

Mortality Rate Disabled Lives:

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

**CITY OF DADE CITY, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION PLAN
LAST 10 FISCAL YEARS**

	September 2023	September 2022	September 2021	September 2020	September 2019	September 2018	September 2017	September 2016	September 2015	September 2014
Annual Money-Weighted Rate of Return Net of Investment Expense	13.06%	-17.81%	17.73%	8.17%	2.95%	8.14%	9.01%	8.62%	-3.28%	9.98%

**CITY OF DADE CITY, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
POLICE OFFICERS' PENSION PLAN
LAST 10 FISCAL YEARS**

	September 2023	September 2022	September 2021	September 2020	September 2019	September 2018	September 2017	September 2016	September 2015	September 2014
Annual Money-Weighted Rate of Return Net of Investment Expense	12.50%	-18.32%	16.75%	7.14%	2.79%	7.66%	9.10%	8.61%	-3.30%	10.24%

CITY OF DADE CITY, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.000685561%	0.000586492%	0.000533799%	0.000494568%	0.000491573%	0.000518104%	0.000661177%	0.000666503%	0.0011699814%	0.0014725377%
City's Proportionate Share of the Net Pension Liability	\$ 273,174	\$ 218,222	\$ 40,322	\$ 214,353	\$ 169,291	\$ 156,056	\$ 195,572	\$ 168,293	\$ 151,119	\$ 89,846
City's Covered-Payroll	\$ 293,842	\$ 269,524	\$ 246,574	\$ 243,407	\$ 234,803	\$ 231,851	\$ 259,595	\$ 261,769	\$ 354,060	\$ 344,846
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll	92.97%	80.97%	16.35%	88.06%	72.10%	67.31%	75.34%	64.29%	42.68%	26.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.97%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	87.00%

SCHEDULE OF THE CITY'S CONTRIBUTIONS - FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 37,546	\$ 31,826	\$ 25,315	\$ 21,212	\$ 19,829	\$ 17,930	\$ 21,602	\$ 21,094	\$ 28,525	\$ 32,255
Contributions in Relation to the Contractually Required Contribution	37,546	31,826	25,315	21,212	19,829	17,930	21,602	21,094	28,525	32,255
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered-Payroll	\$ 280,825	\$ 276,070	\$ 248,634	\$ 244,731	\$ 237,766	\$ 231,851	\$ 259,258	\$ 261,769	\$ 354,060	\$ 344,846
Contributions as a Percentage of Covered-Payroll	13.37%	11.53%	10.18%	8.67%	8.34%	7.73%	8.33%	8.06%	8.06%	9.35%

CITY OF DADE CITY, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA HEALTH INSURANCE SUBSIDY PENSION PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.000741698%	0.000740128%	0.000693628%	0.000701324%	0.000696765%	0.000709849%	0.000814424%	0.000814007%	0.001155987%	0.0013817262%
City's Proportionate Share of the Net Pension Liability	\$ 117,792	\$ 78,391	\$ 85,084	\$ 85,631	\$ 77,961	\$ 75,131	\$ 87,082	\$ 94,869	\$ 117,892	\$ 129,195
City's Covered-Payroll	\$ 293,842	\$ 269,524	\$ 246,574	\$ 243,407	\$ 234,803	\$ 231,851	\$ 259,595	\$ 261,769	\$ 354,060	\$ 344,846
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll	40.09%	29.08%	34.51%	35.18%	33.20%	32.40%	33.55%	36.24%	33.30%	37.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

SCHEDULE OF THE CITY'S CONTRIBUTIONS - FLORIDA HEALTH INSURANCE SUBSIDY PENSION PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 37,546	\$ 31,826	\$ 25,315	\$ 21,212	\$ 19,829	\$ 17,930	\$ 21,602	\$ 21,094	\$ 28,525	\$ 32,255
Contributions in Relation to the Contractually Required Contribution	37,546	31,826	25,315	21,212	19,829	17,930	21,602	21,094	28,525	32,255
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered-Payroll	\$ 280,825	\$ 276,070	\$ 248,634	\$ 244,731	\$ 237,766	\$ 231,851	\$ 259,258	\$ 261,769	\$ 354,060	\$ 344,846
Contributions as a Percentage of Covered-Payroll	13.37%	11.53%	10.18%	8.67%	8.34%	7.73%	8.33%	8.06%	8.06%	9.35%

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

**CITY OF DADE CITY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Special Revenue				
	Local Government Infrastructure Surtax	Public Safety Impact Fee Fund	Transportation Impact Fee Fund	Community Redevelopment Block Grant	Total Non-Major Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 2,145,999	\$ 134,814	\$ 3,445,991	\$ -	\$ 5,726,804
Accounts Receivable	17,461	-	-	2,500	19,961
Due from Other Governments	98,698	-	-	3,000	101,698
Total Assets	<u>2,262,158</u>	<u>134,814</u>	<u>3,445,991</u>	<u>5,500</u>	<u>5,848,463</u>
Liabilities and Fund Balances					
Liabilities:					
Accrued Liabilities	19,767	-	-	5,500	25,267
Total Liabilities	<u>19,767</u>	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>25,267</u>
Deferred Inflows of Resources					
Grants	-	-	-	5,500	5,500
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>5,500</u>
Fund Balances:					
Restricted	2,242,391	134,814	3,445,991	-	5,823,196
Unassigned	-	-	-	(5,500)	(5,500)
Total Fund Balances (Deficit)	<u>2,242,391</u>	<u>134,814</u>	<u>3,445,991</u>	<u>(5,500)</u>	<u>5,817,696</u>
Total Liabilities and Fund Balances	<u>\$ 2,262,158</u>	<u>\$ 134,814</u>	<u>\$ 3,445,991</u>	<u>\$ 5,500</u>	<u>\$ 5,848,463</u>

CITY OF DADE CITY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue				
	Local Government Infrastructure Surtax	Public Safety Impact Fee Fund	Transportation Impact Fee Fund	Community Redevelopment Block Grant	Total Non-Major Governmental Funds
Revenues					
Impact Fees	\$ 1,706,629	\$ 151,531	\$ 1,114,446	\$ 20,187	\$ 2,992,793
Interest Earnings	56,126	-	-	-	56,126
Total Revenues	<u>1,762,755</u>	<u>151,531</u>	<u>1,114,446</u>	<u>20,187</u>	<u>3,048,919</u>
Expenditures					
Current:					
Physical Environment	38,713	-	-	-	38,713
Capital Outlay	1,097,206	-	-	17,000	1,114,206
Debt Service	76,095	-	-	-	76,095
Total Expenditures	<u>1,212,014</u>	<u>-</u>	<u>-</u>	<u>17,000</u>	<u>1,229,014</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>550,741</u>	<u>151,531</u>	<u>1,114,446</u>	<u>3,187</u>	<u>1,819,905</u>
Other Financing (Uses)					
Transfer (out)	(200,000)	(114,762)	-	-	(314,762)
Total Other Financing (Uses)	<u>(200,000)</u>	<u>(114,762)</u>	<u>-</u>	<u>-</u>	<u>(314,762)</u>
Net Change in Fund Balances	350,741	36,769	1,114,446	3,187	1,505,143
Fund Balances (Deficit), Beginning	<u>1,891,650</u>	<u>98,045</u>	<u>2,331,545</u>	<u>(8,687)</u>	<u>4,312,553</u>
Fund Balances (Deficit), Ending	<u>\$ 2,242,391</u>	<u>\$ 134,814</u>	<u>\$ 3,445,991</u>	<u>\$ (5,500)</u>	<u>\$ 5,817,696</u>

COMPLIANCE SECTION

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

Honorable Mayor and City Commissioners
City of Dade City, Florida
Dade City, 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 Dade City, Florida (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 28, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we consider item 2023-1 to be a material weakness.

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City of Dade City, Florida
Dade City, 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*.

The City's Response to Findings

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

Purpose of this Report

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

Purvis Gray

October 28, 2025
Ocala, Florida

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

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Dade City, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the each of the City's major federal program for the year ended September 30, 2023. The City's major federal program are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

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

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

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

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

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

Other Matters

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 federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Purvis Gray

October 28, 2025
Ocala, Florida

CITY OF DADE CITY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-Through Grantor/Project Title	Assistance Listing No.	Grantor's Contract Number	Project Award	Expenditures
U.S. Environmental Protection Agency				
Passed Through the Florida Department of Environmental Protection:				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW510412	\$ 3,768,859	\$ 275,975
Congressionally Mandated Project - Lead Inventory	66.202	02D70523		15,400
				<u>291,375</u>
U.S. Department of Housing and Urban Development				
Passed Through Florida Department of Economic Opportunity:				
CDBG - Entitlement Grant Cluster:				
Community Development Block Grant - DR	14.228	IR020	2,888,599	2,511,860
Community Development Block Grant	14.228	22-DB-OP-08-61-02-N10	700,000	17,000
				<u>2,528,860</u>
U.S. Department of the Treasury				
Passed Through Pasco County, Florida				
Coronavirus State and Local Fiscal Recovery Fund	21.027	2022	3,683,134	1,725,000
				<u>\$ 4,545,235</u>

Note 1 - Basis of Presentation

The Schedule of Federal Awards includes the federal grant activity of the City of Dade City, Florida (the City) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note 2 - Indirect Cost Rate

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

**CITY OF DADE CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal Control Over Major Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of Auditor's Report Issued on Compliance for Major Federal Programs:	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance with CFR 200.516(a)?	No
Identification of Major Programs:	

Federal Program or Cluster

U.S. Environmental Protection Agency

Passed Through the Florida Department of Environmental Protection:	
Community Development Block Grant	Assistance Listing No. 14.228

U.S. Office of the Treasury

Passed Through the Florida Department of State:	
Coronavirus State and Local Fiscal Recovery Funds	Assistance Listing No. 21.027

Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Awards	\$750,000
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Auditee Qualified as Low-Risk Auditee Pursuant to Uniform Guidance?	No
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**CITY OF DADE CITY, FLORIDA
PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

Reference Number 2023-01 (Updated from prior period # 2022-02): Period-End Financial Reporting (Material Weakness)

Criteria The City of Dade City, Florida (the City) is required by Chapter 10.550, *Rules of the Auditor General*, to have an annual examination (audit) of financial statements to determine whether they are presented fairly, in all material respects, in conformity with generally accepted accounting principles.

Condition For the year ended September 30, 2023, the audit of the City's basic financial statements was significantly delayed because the financial records were not timely reconciled and closed out in preparation of the audit. Several key events caused this delay:

- During the fiscal year ending September 2023, the City experienced significant changes with a failed software implementation, ending of a contract with a former outsourced Finance Director, and the hiring of a new Finance Director.
- As previously reported in the audit report for the year ending September 2022, due to the key events during the 2023 fiscal year the City became further behind in reconciling the account balances including the balancing of the monthly operating account.
- A trial balance was provided in preparation of the audit in June 2025; however, the information provided continued to have reconciling problems which required multiple accounting adjustments for the City's basic financial statements.
- The City does not have sufficient key operating staff in their accounting department to accurately keep the accounting records current which caused significant delays in financial reporting and analysis.

Effect The City's annual financial audit was not timely provided to the Mayor, City Commissioners, granting agencies, and the Auditor General of the State of Florida.



CITY OF DADE CITY

"Proud Heritage, Promising Future"

Scott Black, Mayor
Normita L. Woodard, Mayor Pro Tem
Kristin Church, Commissioner
Ann Cosentino, Commissioner
James D. Shive, Commissioner

Marieke vanErven, City Manager
Angelia Guy, City Clerk
Peter Altman, Finance Officer
Patrick Brackins, City Attorney

October 28, 2025

City of Dade City Commission
Dade City, Florida

RE: Corrective Action Plan - September 30, 2023, Audit Findings

Dade City Mayor and City Commissioners,

In accordance with the rules of the Auditor General, our Independent Auditor has provided the City with an Unmodified Opinion and informed the City that their tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, in their report on Internal Control Over Financial Reporting, a material weakness continues that was reported last year (Reference number 2023-01). The following Corrective Action Plan is herein provided as required to address that finding. Our corrective actions will be implemented as we work through the Fiscal Year ended September 30, 2024 (FY24), audit process. While the FY24 audit will also be late, as it is unavoidable given the date of this report, the City plans to move without any delay into the preparation for the Fiscal Year ended September 30, 2025, financial statements for completion of that audit.

During the 2023 fiscal year, transactions from the first six months of activity were not properly converted into legacy software and reconciliations could not be accurately performed as prior year balances had not been reconciled. The lateness of the 2022 audit report was the major obstacle to moving forward with the 2023 audit, as it was not possible to reconcile the accounts before the software closed out of processing 2023 Fiscal Year activity in December of 2024. A planned upgrade to our accounting ERP software occurred in the Spring of 2025, and while untimely, was a necessary step to allow for us to work in the system to complete the 2023 records recovery and reconcile the Pooled Cash accounts. The two back-to-back hurricanes that affected Dade City in 2024 along with significant staffing changes were also unavoidable factors affecting the City's operations.

Our Corrective Action Plan includes:

- Current and ongoing assistance from a CPA firm assisting the city on-site in bringing bank reconciliations and year end accruals current. An additional financial consultant with institutional knowledge of Dade City's finances is working closely with the Finance Department.
- The Finance Department has added a Utilities Billing manager and additional accounting support staff to handle the increased activity occurring and to address the need for additional key operating staff referenced in the finding.
- The city is utilizing the support of a CPA consultant to assist in audit workpaper and spreadsheet preparation to minimize auditor information request delays.
- Legacy Issues have been resolved and updated software functionality is now in place. Improved software has been installed, and training will occur throughout the organization to improve performance and accuracy efficiently and effectively
- Year-end accruals of receivables and payables will be made timely and invoices examined according to matching principles based on the delivery of product and services rendered.
- Work in Progress of multi-year contracts will be closely followed and Capital Assets kept current. Grant management will be improved by direct engagement between the Public Works and Finance Departments.
- Internal Controls will be reviewed and strengthened
- Timing of Corrective Action: Underway and Ongoing with Goal of being current with the 2025 Audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter Altman", with a stylized, flowing script.

Peter Altman, Finance Officer

MANAGEMENT LETTER
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Dade City, Florida (the City) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated October 28, 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated October 28, 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 made in the preceding financial audit report except as below:

Current Year Findings	2022 Report	2021 Report
2023-01	2022-02	2020-01

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 disclosed in Note 1 to the financial statements.

CERTIFIED PUBLIC ACCOUNTANTS

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Members of American and Florida Institutes of Certified Public Accountants

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

MANAGEMENT LETTER
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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. Please see No. 2023-1 in the Schedule of Findings and Questioned Costs.

Special District Component Units

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

Specific information as required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, for the Dade City Community Redevelopment Agency can be found in its separately issued report.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal, state, and other granting agencies, the Mayor and 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

October 28, 2025
Ocala, Florida

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and City Commissioners
City of Dade City
Dade City, Florida

We have examined the City of Dade City, Florida's (the City) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. City Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, 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 during the fiscal year ended September 30, 2023.

The purpose of this report is solely to comply with Chapter 10.550, *Rules of the Auditor General*, and is intended solely for the information and use of the Florida Auditor General, the 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

October 28, 2025
Ocala, Florida

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James D. Shive, Commissioner

Marieke vanErven, City Manager
Angelia Guy, City Clerk
Peter Altman, Finance Officer
Patrick Brackins, City Attorney

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

1. I am the Chief Financial Officer of the City of Dade City which is a municipality of the State of Florida.
2. The City of Dade City adopted Ordinance Numbers 2004-0851, 2016-01, 2021-10 and 2021-14 implementing impact fees; and
3. The City of Dade City has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Peter Altman

STATE OF FLORIDA
COUNTY OF PASCO

SWORN TO AND SUBSCRIBED before me this 23 day of October, 2025.

NOTARY PUBLIC

Print Name _____

Personally known X or produced identification _____

Type of identification produced: _____



ANGELIA K. GUY
Notary Public
State of Florida
Comm# HH576234
Expires 7/29/2028

My Commission Expires:

Established 1889

P.O. BOX 1355 • 38020 MERIDIAN AVENUE • DADE CITY, FL 33526-1355 • (352) 523-5050 FAX (352) 521-1422

PURVIS GRAY

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