

City of New Port Richey, Florida

# Comprehensive Annual Financial Report

Fiscal Year Ended  
September 30, 2015



City of New Port Richey, Florida

Council-Manager Form of Government

# Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2015

## City Council

Robert Marlowe, Mayor

Bill Phillips  
Judy deBella Thomas  
Chopper Davis  
Jeff Starkey

## City Manager

Debbie L. Manns

Prepared By:  
Finance Department

Crystal S. Feast, Finance Director

# City of New Port Richey, Florida

## Listing of City Officials

As of September 30, 2015

### Elected Officials

Mayor-Councilmember  
Deputy Mayor-Councilmember  
Councilmember  
Councilmember  
Councilmember

Robert Marlowe  
Bill Phillips  
Judy deBella Thomas  
Chopper Davis

### Appointed Officials

City Manager  
City Attorney  
Finance Director  
Public Works Director  
Police Chief  
Fire Chief  
Development Director  
Economic Director  
City Clerk  
Parks & Recreation Director  
Library Director

Debbie L. Manns  
Joseph Poblick  
Crystal S. Feast  
Robert Rivera  
Kim Bogart  
Christopher Fitch  
Lisa Fierce  
Mario Iezioni  
Judy Meyers  
Elaine Smith  
Susan D. Dillinger

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# NEW PORT RICHEY

5919 MAIN STREET • NEWPORTRICHEY, FL 34652 • 727.853.1016

November 30, 2016

To the Honorable Mayor, Members of the City Council, City Manager and Citizens of the City of New Port Richey, Florida:

## **INTRODUCTION**

The Finance Department respectfully transmits the City's FY 2015 Comprehensive Annual Financial Report (CAFR).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Clifton Larson Allen LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2015. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements.

MD&A complements this letter of transmittal and should be read in conjunction with it.

## **CITY OF NEW PORT RICHEY PROFILE**

The City of New Port Richey, incorporated in 1924, is located in Pasco County on Florida's central Gulf Coast, approximately thirty miles northwest of Tampa. The Gulf of Mexico coastline borders the west side and the Pithlachascotee River runs through the City. The City has a total area of 4.6 square miles and 16,000 residents, which makes the City of New Port Richey the largest city in Pasco County. The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City has operated under the Council-Manager form of government. The City Council is comprised of the Mayor and four City Council Members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing members to various statutory and advisory boards, the City Manager, and the City Attorney. As chief administrative officer, the City Manager is responsible for implementing the City's policies and manages daily operations through an executive management staff.

The City provides a full range of municipal services, including police and fire protection, potable water, wastewater collection and treatment, reclaimed water, community planning, street repair and maintenance, stormwater repair and maintenance, recreation, parks, arts and library services.

The Council is required to adopt an initial budget for the fiscal year no later than September 30 preceding the beginning of the fiscal year on October 1. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund and department (e.g., police). The City Manager may transfer resources within a department as needed. Transfers between departments, however, need special approval from the governing council.

## **LOCAL ECONOMY**

The City of New Port Richey is the largest city in Pasco County, but is considered a small city by population standards. It is both a beautiful waterfront community with access to the Gulf of Mexico with an unmatched system of parks and recreation facilities and a City with an aging housing stock and challenges with employment opportunities for its residents.

The local economy has traditionally been centered on the medical community, hospitality and service industries. Historically a retirement community, the City's economy is in a transitional stage. The nursing homes, winter residences and empty nest retirees are still prominent, but many of the associated medical, legal, real estate and other elder service providers have followed the eastward movement to areas with new housing. The City was fortunate to be chosen by Pasco County as the location for several development projects during FY 2015 and was identified by those experts as a prime location for a younger demographic. National demographic predictors have identified that Baby Boomers are integrating with emerging Millennials exceptionally well and at a rapid pace, which may bode well for the City.

There are many areas in the City that will qualify for Community Development Block Funds and other incentives and Pasco County has targeted the Commercial Highway Corridor of US Highway 19 for economic investment. The City is the host of a business incubator and was recently cited as eighth out of the top ten cities in the region for successful start-up companies and small business development.

## **LONG-TERM FINANCIAL PLANNING**

By charter, the City prepares and maintains a five-year Capital Improvement Program (CIP), which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. This process gives the City the ability to plan for its capital needs and allocate short- and long-term resources appropriately. As part of this process, the City identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly. The fiscal year 2014-2015 Capital Improvement Program anticipates approximately \$36.3 million in capital projects, which included \$3.1 million for stormwater utility projects, \$16.4 million in water & sewer improvement projects, \$4.8 million in street improvement projects, \$4.8 million in public safety projects, \$5.7 million for environmental projects, \$900,000 for transportation projects, and \$1.4 million for various economic development projects.

The City Council must adopt a Capital Improvement Program in accordance with requirements of the City Charter and the State of Florida. The CIP is an integral component of the City's financial management system, but does not appropriate funds. Projections are updated and the first year's projects are incorporated into the operating budget.

The City of New Port Richey is projected to remain in relatively stable but fair financial condition over the next several years. The City's responsible fiscal policies have placed the City in a better financial condition than it was several years ago.

Ending fund balances are deemed adequate, with the exception of the Community Redevelopment Fund. Overall, Governmental fund balances have inched up slightly in the past five years, primarily due to postponing capital projects. Great strides have been made and continue to get the City back to break-even.

### RELEVANT FINANCIAL POLICIES

The City Council has adopted sound accounting policies to guide the City's financial activities. Policy descriptions are included in the Financial Statements section of the CAFR. Policies cover the following areas:

- ❖ Operating Budget
- ❖ Purchasing
- ❖ Revenues
- ❖ Reserves
- ❖ Debt
- ❖ Investment Management
- ❖ Accounting, Auditing & Financial Reporting
- ❖ Long-term Financial Planning
- ❖ Capital Improvements

Additional financial management policies are included in the Adopted Budget document each year.

### AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. This was the thirty-first consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

The City also received the GFOA's Distinguished Budget Presentation Award for its FY 2015 annual budget. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications medium.

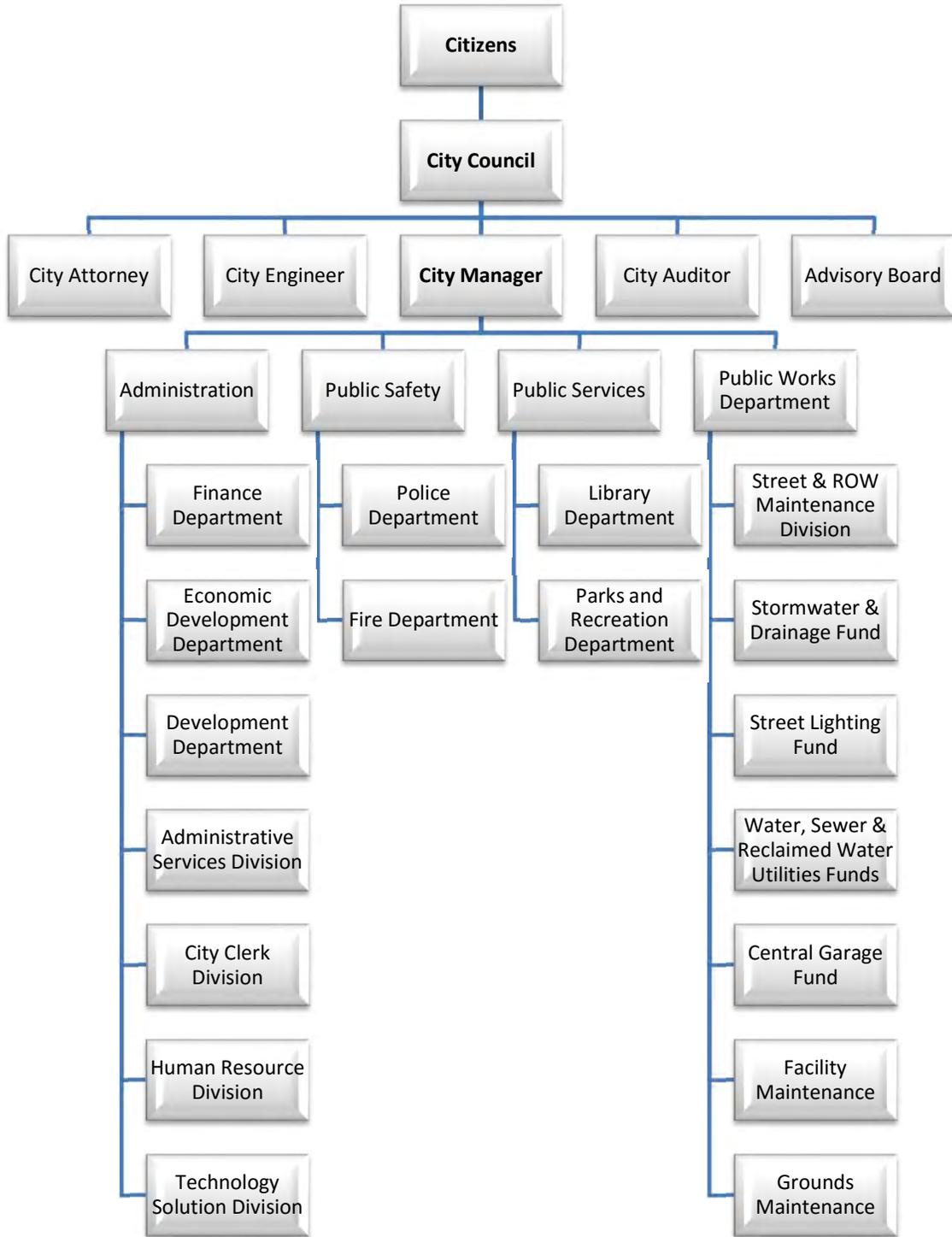
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Crystal S. Feast  
Finance Director

# Citywide Organization Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

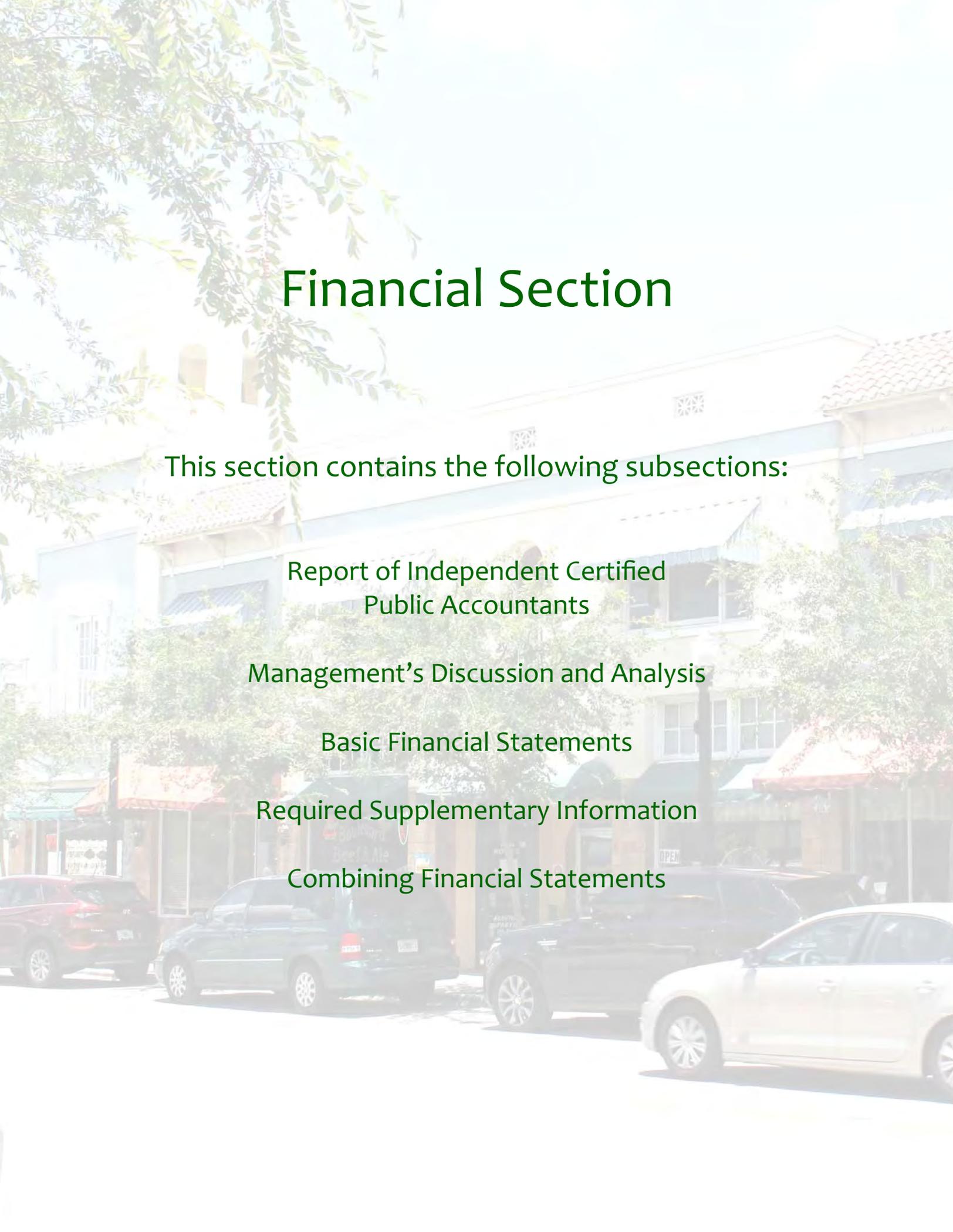
Presented to

**City of New Port Richey  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

  
Executive Director/CEO



# Financial Section

This section contains the following subsections:

Report of Independent Certified  
Public Accountants

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining Financial Statements

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Members of City Council,  
and City Manager  
City of New Port Richey, Florida

### **Report on the Financial Statements**

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 New Port Richey, Florida (the City), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Officers' Retirement System and the Firefighters' Pension Plan, which represent 100% of the total assets, total revenues, and total net position of these pension trust funds and represent 88% of the total assets, 55% of the total revenues, and 90% of the total net position of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it related to the amounts included for those components, is based solely on the reports of other auditors. 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. The financial statements of the Pension Trust Funds were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mayor, Members of City Council,  
and City Manager  
City of New Port Richey, Florida

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, 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, 2015, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

As described in Note P, the City adopted the provisions of Governmental Accounting Standards Board Statement (GASBS) No 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* and the related GASBS No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*. As a result of the implementation of GASBS No. 68 and No. 71, the City reported a restatement for the change in accounting principle. Our opinion was not modified with respect to this matter.

As described in Note Q, the financial statements for the year ended September 30, 2015, reflect certain adjustments impacting prior periods. Our opinion was not modified with respect to these restatements.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (MD&A), budgetary comparison schedules for the general fund and community redevelopment agency fund, and pension and other postemployment benefit schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other 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 introductory section, combining and individual nonmajor fund financial statements, and budget and actual schedules and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budget and actual schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Mayor, Members of City Council,  
and City Manager  
City of New Port Richey, Florida

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Tampa, Florida  
November 30, 2016

## **Management's Discussion and Analysis**

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2015**

**INTRODUCTION**

The City of New Port Richey's (the City's) Comprehensive Annual Financial Report (CAFR) was prepared in accordance with generally accepted accounting principles (GAAP) applicable to government entities. This Management's Discussion and Analysis report (MD&A) is required supplementary information (RSI), which must be presented to remain in compliance with GAAP. Additional RSI is also included throughout the CAFR. The CAFR and MD&A are published and hereby distributed to inform all interested parties of the activities undertaken and the financial resources committed over the fiscal year which began on October 1, 2014 and ended on September 30, 2015. While some interested parties may require more details of the City's operations, this MD&A has been prepared to provide most readers with enough analysis to inform them of the City's general financial condition at the conclusion of the stated fiscal year.

The MD&A presents an overview of financial information included in the CAFR. Readers are encouraged to consider MD&A information in conjunction with information provided in the financial statements, the Letter of Transmittal, and the notes to the financial statements.

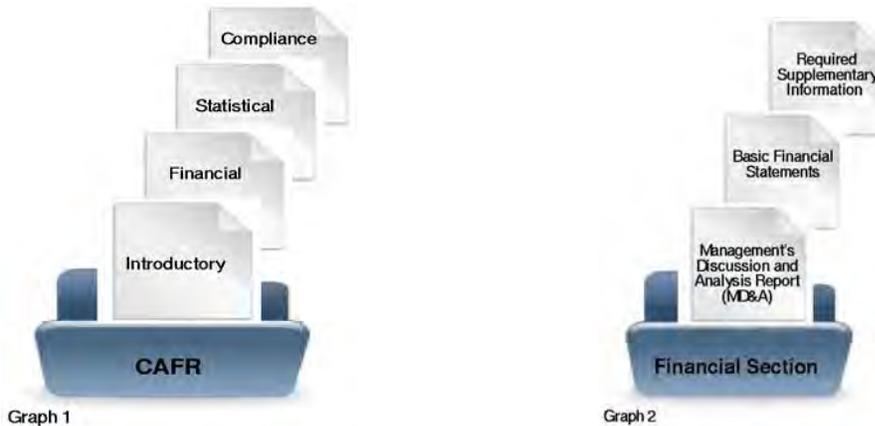
**FINANCIAL HIGHLIGHTS**

- ◇ The City's total assets and deferred outflows of resources (\$122 million) exceeded total liabilities and deferred inflows of resources (\$34 million) by \$88 million at year-end (net position). Of this amount, \$12 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- ◇ The City's total net position increased over prior period by \$4 million or 5%.
- ◇ The City's governmental funds reported a combined ending fund balance of \$16,172,464, a decrease of \$1,807,051 in comparison to prior year's restated fund balance.
- ◇ The City's total debt for revenue bonds and notes decreased by a net amount of \$1,527,150 or 8.3% during the fiscal year. This decrease is due to the repayment of principal.

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) OVERVIEW**

As shown in Graph 1, the CAFR is organized into four main sections. The Financial Section is the CAFR's main section and is organized into three subsections, as shown in Graph 2.



The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water & sewer utilities and stormwater utilities.

The government-wide financial statements include not only the City itself, but also a legally separate community redevelopment agency for which the City is financially accountable. Financial information for this component unit is blended into the financial statements of the primary government as a special revenue fund.

The government-wide financial statements can be found on pages 18-21 of this report.

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

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

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

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

The City maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the community redevelopment fund, debt service fund, and capital projects fund, which are considered to be major funds. Data from the other two governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

**Proprietary Funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprises funds to account for its water & sewer utility operations and stormwater utility operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the repair and maintenance of its vehicle fleet. Because this service predominantly benefits governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water & sewer operations and the stormwater operations, both of which are considered to be major funds of the City. The internal service fund is also presented separately in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 26-29 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements include the pension plans of the City.

The fiduciary fund financial statements can be found on pages 30-31 of this report.

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-75 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees and budgetary comparison schedules for the major governmental funds. Required supplementary information can be found on pages 78-89 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 92-95 of this report.

**GOVERNMENT WIDE FINANCIAL ANALYSIS**

**Summary Statement of Net Position.** Net position over time may serve as a useful indicator of a government's financial position. For the current year, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$32.2 million. The following table reflects the condensed Statement of Net Position compared to the prior year. Throughout this report, increases and decreases are reflected based on current year impacts.

**Summary - Statement of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 19,233,293	\$ 15,846,879	\$ 9,078,128	\$ 12,026,870	\$ 28,311,421	\$ 27,873,749
Capital assets	33,020,790	32,581,327	50,545,632	48,828,446	83,566,422	81,409,773
Other non-current assets	-	3,241,550	7,500,884	7,979,064	7,500,884	11,220,614
Total assets	<u>52,254,083</u>	<u>51,669,756</u>	<u>67,124,644</u>	<u>68,834,380</u>	<u>119,378,727</u>	<u>120,504,136</u>
Deferred Outflows	2,235,402	-	471,013	-	2,706,415	-
Current liabilities	3,890,552	2,828,015	2,662,447	3,990,425	6,552,999	6,818,440
Non-current liabilities	16,536,728	12,395,333	8,528,038	7,682,343	25,064,766	20,077,676
Total liabilities	<u>20,427,280</u>	<u>15,223,348</u>	<u>11,672,768</u>	<u>11,672,768</u>	<u>32,100,048</u>	<u>26,896,116</u>
Deferred Inflows	1,858,510	-	194,056	-	2,052,566	-
Net position:						
Net investment in						
capital assets	21,994,422	20,724,327	43,049,853	40,710,853	65,044,275	61,435,180
Restricted	8,704,016	5,215,107	3,151,358	2,785,560	11,855,374	8,000,667
Unrestricted	1,505,257	10,506,974	10,009,905	13,665,199	11,515,162	24,172,173
Total net position	<u>\$ 32,203,695</u>	<u>\$ 36,446,408</u>	<u>\$ 56,211,116</u>	<u>\$ 57,161,612</u>	<u>\$ 88,414,811</u>	<u>\$ 93,608,020</u>

By far, the largest portion of the City's net position (73.6%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

An additional portion of the City's net position (13.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$11,515,162 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities, except in the Community Redevelopment Agency Fund. The same situation held true for the prior fiscal year.

**Summary Statement of Activities.** The following schedule compares the revenues, expenses and other sources/uses of funds for the current and previous fiscal year. These items are responsible for any changes in net position discussed above.

**Government Wide Summary – Statement of Activities**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Primary Government Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Revenues:						
Program Revenues:						
Charges for services	\$ 3,025,114	\$ 4,949,697	\$ 12,826,469	\$ 12,257,381	\$ 15,851,583	\$ 17,207,078
Operating grants and contributions	371,365	407,632	-	-	371,365	407,632
Capital grants and contributions	331,170	71,034	-	-	331,170	71,034
General Revenues:						
Taxes	11,314,220	12,030,434	-	-	11,314,220	12,030,434
State revenue sharing	1,700,932	723,724	-	-	1,700,932	723,724
Investment income	64,671	24,713	437,135	465,495	501,806	490,208
Gain on sale of capital assets	16,072	(208,393)	-	-	16,072	(208,393)
Miscellaneous	197,829	198,599	114,515	222,172	312,344	420,771
<b>Total revenues</b>	<b>17,021,373</b>	<b>18,197,440</b>	<b>13,378,119</b>	<b>12,945,048</b>	<b>30,399,492</b>	<b>31,142,488</b>
Expenses:						
General government	3,948,776	3,857,622	-	-	3,948,776	3,857,622
Public Safety	6,604,799	8,211,768	-	-	6,604,799	8,211,768
Public works	2,525,824	2,752,689	-	-	2,525,824	2,752,689
Culture and recreation	3,472,055	3,487,705	-	-	3,472,055	3,487,705
Interest on long-term debt	416,559	710,587	-	-	416,559	710,587
Water, reclaimed water, and sewer	-	-	8,767,031	10,848,377	8,767,031	10,848,377
Stormwater utility	-	-	653,911	837,742	653,911	837,742
<b>Total expenses</b>	<b>16,968,013</b>	<b>19,020,371</b>	<b>9,420,942</b>	<b>11,686,119</b>	<b>26,388,955</b>	<b>30,706,490</b>
Transfers	4,173,980	8,597,517	(4,173,980)	(8,597,517)	-	-
<b>NET INCREASE(DECREASE) IN NET POSITION</b>	<b>4,227,340</b>	<b>7,774,586</b>	<b>(216,803)</b>	<b>(7,338,588)</b>	<b>4,010,537</b>	<b>435,998</b>
Net position - beginning of year, as previously reported	36,446,408	32,222,073	57,161,612	64,732,953	93,608,020	96,955,026
Prior period adjustment	(8,470,053)	(3,550,251)	(733,693)	(232,753)	(9,203,746)	(3,783,004)
<b>Net position - end of year</b>	<b>\$ 32,203,695</b>	<b>\$ 36,446,408</b>	<b>\$ 56,211,116</b>	<b>\$ 57,161,612</b>	<b>\$ 88,414,811</b>	<b>\$ 93,608,020</b>

The City's overall net position increased \$4,010,537 from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$4,227,340 from the prior fiscal year for an ending balance of \$32,203,695.

Total revenues for the City's governmental activities decreased by \$1,176,067 over prior year. Key elements are as follows:

- ◇ Program Revenues decreased by \$1,700,714 or 31.3%.
  - Charges for Services decreased by \$1,924,583, mainly due to the change in reporting of contributions from other funds. In prior year, these contributions were treated as a charge from the General Fund. In the current fiscal year, these funds were appropriately treated as a transfer.
- ◇ General Revenues increased by \$300,952 or 2.4%.
  - Taxes decreased by \$716,214.
  - State Revenue Sharing increased by \$977,208.
  - Investment Income increased by \$39,958, mainly due to the fair market adjustment of the City's investments at September 30, 2015.

Expenses for the City's governmental activities decreased by \$2,052,358 or 10.79%. The key element of this net decrease is related to Public Safety, which decreased by \$1,606,969. This decrease can be attributed to pension expense reporting for the police pension and firefighters' pension plans.

**Business-type activities.** Business-type activities resulted in a decrease in the City's net position by \$216,803.

Revenues for the City's business-type activities increased by \$433,071. The key element of the increase relates to the City's annual 4% increase in water and sewer rates.

### **FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

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

**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At September 30, 2015, the City's governmental funds reported combined fund balances of \$16,172,464, a decrease of \$1,807,051 in comparison to prior year's restated fund balance. This balance represents *nonspendable, restricted, committed, assigned, or unassigned*, which indicate that the funds are 1) not in spendable form, 2) restricted for particular purposes, 3) committed for particular purposes, 4) assigned for particular purposes, or 5) available for spending at the City's discretion.

The City is reporting three major governmental funds: General, Redevelopment and Street Improvement, which comprise the majority of the City's governmental activities. To be classified as a major fund, a fund must report at least 10% of the City's total governmental funds' assets, liabilities, revenues or expenses, and must report at least 5% of the City's total governmental funds' plus enterprise funds' total assets, liabilities, revenues or expenses. The 10% and 5% tests must be passed for the same element (e.g., for assets) and the tests need only be passed for one of the four elements.

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**General Fund.** The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unrestricted fund balance of the general fund was \$3,285,991, inclusive of committed fund balance for emergency reserve and assigned fund balance for future expenditures. As a measure of the general fund's liquidity, it may be useful to compare both non-spendable and restricted fund balance as well as unrestricted fund balance to total general fund expenditures. Fund balance that is either non-spendable (advances, inventories, and prepaids) or restricted for a specific purpose is 49.5% of total general fund expenditures, while unrestricted fund balance is 17.7% of total general fund expenditures.

General Fund balance decreased by \$997,443 during the current year. Key elements of the decrease are as follows:

- ◇ Revenues of \$11,657,437 and transfers in of \$6,650,288 represent a net decrease of \$4,230,937 from prior year.
  - Ad valorem revenue decreased by \$89,561, due to a decrease in the City's millage rate from 9.5799 to 9.2500.
  - Charges for Services decreased by \$2,393,879, mainly due to the change in reporting of contributions from other funds. In prior year, these contributions were treated as a charge from the General Fund. In the current fiscal year, these funds were appropriately treated as a transfer
  - Fines and Forfeitures increased by \$1,355,348, mainly due to the change in reporting of the Red Light Camera Program. In the prior year, the revenue from this program was reported net of program expenses.
  
- ◇ Expenditures of \$18,601,828 and transfers out of \$719,554 reflect a net increase of \$3,112,377 over prior year.
  - Capital outlay increased by \$813,638 over prior year. This can be attributed to City Hall and Library Roof renovations that took place during 2015, along with the implementation of new software.
  - Transfers out included a \$719,554 transfer to the Community Redevelopment Fund.

The following table presents the General Fund's largest revenues components for the past five years, excluding transfers and extraordinary revenues. These revenues comprise 80% - 90% of General Fund revenues, which means any changes can significantly impact the General Fund.

As indicated in the table below, most major sources of funds declined or reported low or no growth this year.

**General Fund - Largest Revenues Components**

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Property Tax	\$ 4,730,981	\$ 4,538,889	\$ 4,661,075	\$ 4,482,608	\$ 4,510,864
Utility Tax/Franchise Fees	1,323,242	1,270,726	1,196,176	1,317,052	1,247,460
Communications Tax	881,055	895,727	854,510	704,995	656,780
State Shared	1,892,266	1,798,824	1,923,084	2,004,171	2,000,972
Grants & Contributions	267,410	198,656	276,191	261,314	336,758
Service Charges	2,973,472	3,209,383	3,581,044	3,033,884	2,904,603
Transfers from Other Funds	2,025,522	1,261,605	1,943,305	7,567,877	6,650,288
Total	<u>\$ 14,093,948</u>	<u>\$ 13,173,810</u>	<u>\$ 14,435,385</u>	<u>\$ 19,371,901</u>	<u>\$ 18,307,725</u>

Of the sources presented in the graph, only property taxes and service charges can be increased by the City. All other revenues presented are uncontrollable by the City, because: rates are set at the maximum amount allowed by law; the tax base cannot be expanded by the City; revenue is based on a predetermined fixed formula; or, revenue is determined by contract.

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**Capital Improvement Fund.** The One-Cent *Penny for Pasco* local option government infrastructure surtax was originally approved for a ten year period beginning in January 2005 and ending December 31, 2014. A voter referendum in November, 2012 approved a second ten year term for this surtax which will effective until December 31, 2024.

The “Penny for Pasco” revenue may be expended to: finance, plan and construct infrastructure; acquire land; and purchase public safety vehicles and equipment with a life expectancy of at least five years. Revenue cannot be used for operating costs, such as salaries, utilities or repairs, including the operating costs related to the projects constructed or purchased with P4P revenue.

The following table presents *Penny for Pasco* revenue for the past five years.

Penny for Pasco Revenues	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
	\$1,311,649	\$1,430,997	\$1,566,812	\$1,673,113	\$2,003,421

FY 2013 *Penny for Pasco* revenue has rebounded to the levels received by the City before the impact of the general economic recession of 2008. Projections from Pasco County indicate that the City’s share of *Penny for Pasco* will continue to grow in 2016 and beyond.

The Capital Improvement Program (CIP) Fund’s total fund balance decreased by \$635,930 in comparison to prior year’s restated fund balance. This is mainly due to the start up or completion of several construction projects that were postponed in the previous year. Fund balance in the CIP Fund can vary widely, due to the variability of capital projects between years. The increase in available fund balance increases the City’s flexibility to consider future major capital projects.

**CAPITAL ASSETS, INFRASTRUCTURE AND DEBT**

**Capital assets.** The City's investment in capital assets is summarized below for the past two fiscal years, including additions and deletions during the year. Additional information on all capital assets can be found in Note G. of the CAFR. No major changes in capital assets are reported from the prior year.

	Governmental Activities		Business Type Activities		Primary Government	
	2015	2014	2015	2014	2015	2014
Land, land rights and improvements	\$ 3,708,212	\$ 4,297,373	\$ 1,137,501	\$ 1,137,501	\$ 4,845,713	\$ 5,434,874
Building and improvements	10,998,603	10,705,470	26,824,089	26,808,784	37,822,692	37,514,254
Improvements other than buildings	20,446,522	20,281,117	46,223,207	46,223,207	66,669,729	66,504,324
Equipment	10,592,635	9,936,997	4,355,037	3,906,380	14,947,672	13,843,377
Infrastructure	18,185,445	18,185,445	-	-	18,185,445	18,185,445
Less: Accumulated Depreciation	(33,482,469)	(31,228,591)	(32,498,322)	(30,571,170)	(65,980,791)	(61,799,761)
Sub-total	30,448,948	32,177,811	46,041,512	47,504,702	76,490,460	79,682,513
Work in progress	2,571,842	403,516	4,504,120	1,323,744	7,075,962	1,727,260
Total	<u>\$ 33,020,790</u>	<u>\$ 32,581,327</u>	<u>\$ 50,545,632</u>	<u>\$ 48,828,446</u>	<u>\$ 83,566,422</u>	<u>\$ 81,409,773</u>

**Long-term liabilities.** The cornerstone of a City's good financial condition is a conservative debt policy. At year-end, the City reported total loans outstanding of approximately \$18 million compared to \$20 million at the end of the prior year. The City also has other long-term liabilities such as Compensated Absences payable (unused vacation leave), Other Postemployment Benefits payable (implicit “subsidized” retiree healthcare premiums) and other items as listed in Note I in the CAFR.

The following table presents the City's loans outstanding for Governmental Activities and Business-type Activities (Water-Sewer Fund). Total loans outstanding decreased approximately \$602,000. The Redevelopment bond, Series 2012 along with the W&S Revenue bond, Series 2012 were refinanced in July 2012. Details on all long-term loans are included in Note G in the CAFR.

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

	Totals	
	2015	2014
<b>Governmental:</b>		
Redevelopment note, Series 2005A	\$ 5,497,000	\$ 5,934,000
Redevelopment note, Series 2005B	5,487,000	5,923,000
Sub-total	10,984,000	11,857,000
<b>Business Type:</b>		
W&S Revenue bond, Series 2007A	-	654,150
W&S Revenue bond, Series 2012	7,463,443	7,463,443
Sub-total	7,463,443	8,117,593
<b>Total</b>	\$ 18,447,443	\$ 19,974,593

The City now maintains a “pay-as-you-go” policy for most capital purchases. Borrowing is only used for large, infrequent capital projects after considering many factors, including the City’s ability to repay the debt, prioritization of needs versus wants and the related asset’s useful life. A measure of a City’s debt levels is the amount of debt outstanding compared to the cost of the City’s capital assets.

**ECONOMIC CONDITIONS, NEXT YEAR'S BUDGET AND NEXT YEAR'S RATES**

**Economic Conditions.** City staff monitors economic conditions on a continual basis. The national, state and local economies reported some economic improvement, although most improvement was due to artificial economic stimulus, which may not be sustainable. Continued weakness continued in the housing market and in unemployment, neither of which reflect levels near levels reported in 2008.

The weakened economy continued to affect General Fund revenues. The only significant improvement was seen in service charges as property values and other revenue continued to decline.

As a mature City, New Port Richey has a well-established base of quality services. The City’s future challenge will be to maintain its service quality with continued declining revenues.

**Next Year’s Budget and Rates.** The 2016 property tax rate has been reduced to 9.1500 mills, from 9.2500 mills in the previous year.

Most major revenues are projected to exhibit low or no growth, while many costs are projected to increase, including fuel, health insurance and pension expenses. However, pension expenses are heavily dependent on investment returns, which can be volatile.

The FY 2016 budget includes cost of living raises for non-represented employees and as allowable for firefighters and police officers for the first time in five years.

Fund balance is projected to remain steady in the General Fund and in most Government funds. The Redevelopment fund will see declines due to the levels of assigned debt. The Utility funds will continue to see increase in net position.

**Long-term Projections.** Most of the City’s major tax rates are set at the maximum amounts allowed by law; therefore, growth is dependent on the growth in the tax base, which is projected to be negligible for most revenues. Competitive pressures have limited growth in the communications services tax base.

The most critical element on the horizon is the restructuring and early pay off of most of the long term debt that has been previously assigned to the Redevelopment fund. In addition the City is committed to exploring all viable alternative to enhance the commercial infrastructure within the city limits, to encourage future economic growth and future economic opportunities.

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**Budget Efficiency.** City has committed to a major capital investment in computer hardware and software systems to improve the City's Administrations, Utility Billing and other operating departments. The long term goal of the City's Administrative staff and other operational comments is to become paperless and to have all relevant City documents electronically stored for efficient and cost effective retrieval. This goal of electronic storage of data will greatly increase productivity and provide better access to information by the citizens of New Port Richey.

**Economic Condition Summary.** The City of New Port Richey has addressed the continuation of the prolonged period of economic weakness with numerous budget reductions and currently remains in a strong financial condition. The City maintains adequate fund balances and decreasing debt levels. The City has also maintained City facilities and infrastructure and the City's workforce is highly trained and productive.

The City maintains a diversified revenue base, which helps mitigate revenue reductions in a single source and has significant operating flexibility to reduce most costs, because most general government costs are variable. However, additional cost reductions cannot be made as easily as over the past few years, due to several years of budget reductions.

**REQUESTS FOR INFORMATION**

This CAFR provides an overview of the City of New Port Richey's financial position, financial condition and results of operations as of and for the year ended September 30, 2015. More financial information, including a copy of the City's Annual Operating Budget and the City's Long-term Financial Plan and Capital Improvements Program can be obtained from the City's website, at: [www.citynpr.org](http://www.citynpr.org). Telephone inquiries may be directed to the Finance Director at (727) 853-1053. Written questions requests for information may be addressed to the Finance Director, 5919 Main Street, New Port Richey, FL 34652 or may be emailed to the Finance Director at: [nprfinance@cityofnewportrichey.org](mailto:nprfinance@cityofnewportrichey.org)

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## **Basic Financial Statements**

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

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**CITY OF NEW PORT RICHEY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

<b>ASSETS</b>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>CURRENT ASSETS</b>			
Cash, cash equivalents and investments	\$ 13,424,199	\$ 5,474,957	\$ 18,899,156
Restricted assets:			
Cash, cash equivalents and investments			
Customer deposits	-	989,988	989,988
Receivables (net of allowance):			
Accounts, billed	234,658	1,664,190	1,898,848
Taxes	229,662	-	229,662
Special assessments	196,268	7,056	203,324
Note receivable - current portion	-	449,276	449,276
Due from other governments	1,252,663	482,030	1,734,693
Redevelopment properties held for resale	3,241,550	-	3,241,550
Internal balances	348,947	(348,947)	-
Inventories - at cost	107,582	348,705	456,287
Prepaid items	197,764	10,873	208,637
Total current assets	<u>19,233,293</u>	<u>9,078,128</u>	<u>28,311,421</u>
<b>NONCURRENT ASSETS</b>			
Land, land rights and improvements	3,708,212	1,137,501	4,845,713
Building and improvements	10,998,603	26,824,089	37,822,692
Improvements other than buildings	20,446,522	46,223,207	66,669,729
Machinery and Equipment	10,592,635	4,355,038	14,947,673
Infrastructure	18,185,445	-	18,185,445
Construction in progress	2,571,842	4,504,120	7,075,962
Accumulated depreciation	(33,482,469)	(32,498,323)	(65,980,792)
Note receivable - long-term portion	-	7,500,884	7,500,884
Total noncurrent assets	<u>33,020,790</u>	<u>58,046,516</u>	<u>91,067,306</u>
Total assets	<u>52,254,083</u>	<u>67,124,644</u>	<u>119,378,727</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	2,235,402	471,013	2,706,415
Total deferred outflows of resources	<u>2,235,402</u>	<u>471,013</u>	<u>2,706,415</u>

See accompanying Notes to Financial Statements.

**CITY OF NEW PORT RICHEY, FLORIDA  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2015**

<b>LIABILITIES</b>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 1,910,404	\$ 713,558	\$ 2,623,962
Accrued liabilities	703,814	66,813	770,627
Due to other governments	24,240	240,287	264,527
Customer deposits	-	989,988	989,988
Unearned revenue	259,323	43,730	303,053
Current portion of:			
Revenue bonds payable	-	537,953	537,953
Redevelopment revenue notes/bonds payable	909,000	-	909,000
Net pension liability	46,297	23,420	69,717
Compensated absences	37,474	46,698	84,172
Total current liabilities	<u>3,890,552</u>	<u>2,662,447</u>	<u>6,552,999</u>
<b>NONCURRENT LIABILITIES</b>			
Lawsuit settlement payable	150,000	-	150,000
Revenue bonds payable	-	6,925,490	6,925,490
Redevelopment revenue notes/bonds payable	10,075,000	-	10,075,000
Net pension liability	4,693,676	1,329,501	6,023,177
Net OPEB obligation	1,289,153	270,623	1,559,776
Compensated absences	328,899	2,424	331,323
Total noncurrent liabilities	<u>16,536,728</u>	<u>8,528,038</u>	<u>25,064,766</u>
 Total liabilities	 <u>20,427,280</u>	 <u>11,190,485</u>	 <u>31,617,765</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	1,858,510	194,056	2,052,566
Total deferred inflows of resources	<u>1,858,510</u>	<u>194,056</u>	<u>2,052,566</u>
<b>NET POSITION</b>			
Net Investment in capital assets	21,994,422	43,049,853	65,044,275
Restricted:			
Law enforcement programs	80,107	-	80,107
Donations received	22,048	-	22,048
Debt service	730,952	-	730,952
Impact fees	-	3,151,358	3,151,358
Infrastructure	4,494,563	-	4,494,563
Transportation	3,376,346	-	3,376,346
Unrestricted	<u>1,505,257</u>	<u>10,009,905</u>	<u>11,515,162</u>
 Total net position	 <u>\$ 32,203,695</u>	 <u>\$ 56,211,116</u>	 <u>\$ 88,414,811</u>

**CITY OF NEW PORT RICHEY, FLORIDA  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 3,948,776	\$ 2,055,286	\$ -	\$ -
Public safety	6,604,799	100,942	29,124	-
Public works	2,525,824	394,107	195,003	-
Culture and recreation	3,472,055	474,779	147,238	331,170
Interest and fiscal charges on long-term debt	416,559	-	-	-
Total governmental activities	<u>16,968,013</u>	<u>3,025,114</u>	<u>371,365</u>	<u>331,170</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water and Sewer	8,767,031	11,874,594	-	-
Stormwater utility	653,911	951,875	-	-
Total business-type activities	<u>9,420,942</u>	<u>12,826,469</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 26,388,955</u>	<u>\$ 15,851,583</u>	<u>\$ 371,365</u>	<u>\$ 331,170</u>

General Revenues:

Taxes:

- Ad valorem
- Franchise taxes
- Utility taxes
- Communication services tax
- Infrastructure tax
- Local option gas tax
- Insurance premium taxes

State revenue sharing

Investment income

Gain on sale of capital assets

Miscellaneous

Total general revenues

Transfers

Total General Revenue and Transfers

Change in net position

Net position - beginning of year, as previously reported

Prior period adjustment

Net position - beginning of year, as restated

Net position - end of year

See accompanying Notes to Financial Statements.

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,893,490)	\$ -	\$ (1,893,490)
(6,474,733)	-	(6,474,733)
(1,936,714)	-	(1,936,714)
(2,518,868)	-	(2,518,868)
(416,559)	-	(416,559)
<u>(13,240,364)</u>	<u>-</u>	<u>(13,240,364)</u>
-	3,107,563	3,107,563
-	297,964	297,964
<u>-</u>	<u>3,405,527</u>	<u>3,405,527</u>
(13,240,364)	3,405,527	(9,834,837)
5,067,125	-	5,067,125
1,247,460	-	1,247,460
1,352,119	-	1,352,119
656,780	-	656,780
2,036,452	-	2,036,452
654,244	-	654,244
300,040	-	300,040
1,700,932	-	1,700,932
64,671	437,135	501,806
16,072	-	16,072
197,829	114,515	312,344
<u>13,293,724</u>	<u>551,650</u>	<u>13,845,374</u>
<u>4,173,980</u>	<u>(4,173,980)</u>	<u>-</u>
<u>17,467,704</u>	<u>(3,622,330)</u>	<u>13,845,374</u>
4,227,340	(216,803)	4,010,537
36,446,408	57,161,612	93,608,020
<u>(8,470,053)</u>	<u>(733,693)</u>	<u>(9,203,746)</u>
<u>27,976,355</u>	<u>56,427,919</u>	<u>84,404,274</u>
<u>\$ 32,203,695</u>	<u>\$ 56,211,116</u>	<u>\$ 88,414,811</u>

**CITY OF NEW PORT RICHEY, FLORIDA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2015**

	General	Redevelopment	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and pooled cash, cash equivalents, and investments	\$ 3,417,494	\$ 670,407	\$ 682,435	\$ 4,939,444	\$ 3,510,702	\$ 13,220,482
Receivables (net of allowance):						
Accounts, billed	232,013	2,645	-	-	-	234,658
Taxes	105,630	-	124,032	-	-	229,662
Special assessments	-	-	-	-	196,268	196,268
Advances to other funds	8,866,530	-	-	-	-	8,866,530
Due from other funds	348,947	-	-	-	-	348,947
Due from other governments	647,126	-	-	488,045	117,492	1,252,663
Redevelopment properties held for resale	-	3,241,550	-	-	-	3,241,550
Inventories - at cost	33,066	-	-	-	-	33,066
Prepaid items	197,764	-	-	-	-	197,764
	<u>\$ 13,848,570</u>	<u>\$ 3,914,602</u>	<u>\$ 806,467</u>	<u>\$ 5,427,489</u>	<u>\$ 3,824,462</u>	<u>\$ 27,821,590</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 695,049	\$ 35,562	\$ -	\$ 932,926	\$ 213,098	\$ 1,876,635
Accrued liabilities	618,805	3,593	-	-	-	622,398
Advances from other funds	-	8,866,530	-	-	-	8,866,530
Due to other governments	24,240	-	-	-	-	24,240
Unearned revenues	24,970	(665)	-	-	235,018	259,323
Total Liabilities	<u>1,363,064</u>	<u>8,905,020</u>	<u>-</u>	<u>932,926</u>	<u>448,116</u>	<u>11,649,126</u>
Fund Balances:						
Nonspendable:						
Advances to/from other funds	8,866,530	-	-	-	-	8,866,530
Inventories	33,066	-	-	-	-	33,066
Prepaid items	197,764	-	-	-	-	197,764
Restricted for:						
Donations received	22,048	-	-	-	-	22,048
Law enforcement programs	80,107	-	-	-	-	80,107
Debt service	-	-	806,467	-	-	806,467
Infrastructure	-	-	-	4,494,563	-	4,494,563
Transportation	-	-	-	-	3,376,346	3,376,346
Committed to:						
Emergency reserve	2,655,554	-	-	-	-	2,655,554
Assigned to:						
Tree removal	9,593	-	-	-	-	9,593
City Hall building improvements	82,600	-	-	-	-	82,600
Public safety equipment purchase	6,125	-	-	-	-	6,125
Employee recovery	10,474	-	-	-	-	10,474
Youth education	2,450	-	-	-	-	2,450
Unassigned:						
General fund	519,195	-	-	-	-	519,195
Redevelopment Fund	-	(4,990,418)	-	-	-	(4,990,418)
Total Fund Balances	<u>12,485,506</u>	<u>(4,990,418)</u>	<u>806,467</u>	<u>4,494,563</u>	<u>3,376,346</u>	<u>16,172,464</u>
	<u>\$ 13,848,570</u>	<u>\$ 3,914,602</u>	<u>\$ 806,467</u>	<u>\$ 5,427,489</u>	<u>\$ 3,824,462</u>	<u>\$ 27,821,590</u>
Total liabilities and fund balances	<u>\$ 13,848,570</u>	<u>\$ 3,914,602</u>	<u>\$ 806,467</u>	<u>\$ 5,427,489</u>	<u>\$ 3,824,462</u>	<u>\$ 27,821,590</u>

See accompanying Notes to Financial Statements.

**CITY OF NEW PORT RICHEY, FLORIDA  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

Fund Balances - total governmental funds		\$ 16,172,464
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 65,971,200	
Less accumulated depreciation	<u>(33,152,606)</u>	32,818,594
<p>Deferred outflows of resources relating to net pension liabilities do not have a current financial resources focus, and therefore are not recognized in the governmental fund financial statements</p>		
		2,189,121
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Long term lawsuit settlement	(150,000)	
Redevelopment revenue notes payable	(10,984,000)	
Compensated absences	(358,557)	
Net pension liability	(4,608,962)	
Net OPEB obligation	<u>(1,256,328)</u>	(17,357,847)
<p>Certain liabilities which do not require current financial resources are reported on the statement of net position.</p>		
Accrued interest on long-term liabilities		(75,515)
<p>Deferred inflows of resources relating to net pension liabilities do not have a current financial resources focus, and therefore are not recognized in the governmental fund financial statements</p>		
		(1,839,104)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows, of resources, liabilities, and deferred inflows of resources of internal service funds are reported with governmental activities.</p>		
		<u>295,982</u>
Net position of governmental activities		<u>\$ 32,203,695</u>

See accompanying Notes to Financial Statements.

**CITY OF NEW PORT RICHEY, FLORIDA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2015**

	General	Redevelopment	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 6,415,104	\$ 556,261	\$ 1,352,119	\$ 2,003,421	\$ 1,026,622	\$ 11,353,527
Licenses and permits	322,553	-	-	-	-	322,553
Intergovernmental revenue	2,337,730	-	-	298,220	-	2,635,950
Charges for services	640,005	-	-	-	-	640,005
Fines and forfeitures	1,705,093	-	-	-	-	1,705,093
Miscellaneous revenues	236,952	14,070	954	17,282	78,915	348,173
Total Revenues	<u>11,657,437</u>	<u>570,331</u>	<u>1,353,073</u>	<u>2,318,923</u>	<u>1,105,537</u>	<u>17,005,301</u>
<b>EXPENDITURES</b>						
Current:						
General government	2,907,149	252,880	-	-	14,210	3,174,239
Public safety	9,683,755	-	-	-	-	9,683,755
Public works	1,738,639	-	-	-	-	1,738,639
Culture and recreation	2,446,502	-	-	-	-	2,446,502
Capital outlay	1,825,783	-	-	1,839,573	931,955	4,597,311
Debt service						
Principal retirement	-	873,000	-	-	-	873,000
Interest and fiscal charges	-	489,100	-	-	-	489,100
Total Expenditures	<u>18,601,828</u>	<u>1,614,980</u>	<u>-</u>	<u>1,839,573</u>	<u>946,165</u>	<u>23,002,546</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,944,391)</u>	<u>(1,044,649)</u>	<u>1,353,073</u>	<u>479,350</u>	<u>159,372</u>	<u>(5,997,245)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from the sale and disposition of capital assets	16,214	-	-	-	-	16,214
Transfers in	6,650,288	719,554	-	-	-	7,369,842
Transfers out	(719,554)	(485,450)	(814,717)	(1,115,280)	(60,861)	(3,195,862)
Total Other Financing Sources (Uses)	<u>5,946,948</u>	<u>234,104</u>	<u>(814,717)</u>	<u>(1,115,280)</u>	<u>(60,861)</u>	<u>4,190,194</u>
<b>NET CHANGE IN FUND BALANCES</b>	(997,443)	(810,545)	538,356	(635,930)	98,511	(1,807,051)
<b>FUND BALANCES - BEGINNING OF YEAR AS PREVIOUSLY REPORTED</b>	13,190,461	(4,179,873)	268,111	4,908,443	3,241,315	17,428,457
Prior Period Adjustment	292,488	-	-	222,050	36,520	551,058
<b>FUND BALANCE - BEGINNING OF YEAR AS RESTATED</b>	<u>13,482,949</u>	<u>(4,179,873)</u>	<u>268,111</u>	<u>5,130,493</u>	<u>3,277,835</u>	<u>17,979,515</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 12,485,506</u>	<u>\$ (4,990,418)</u>	<u>\$ 806,467</u>	<u>\$ 4,494,563</u>	<u>\$ 3,376,346</u>	<u>\$ 16,172,464</u>

See accompanying Notes to Financial Statements.

**CITY OF NEW PORT RICHEY, FLORIDA  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2015**

Net change in fund balances - total governmental funds \$ (1,807,051)

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

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

Other capital outlay		
Expenditures for capital assets	3,848,145	
Less current year depreciation	<u>(2,565,936)</u>	1,282,209

Repayment of debt principal is an expenditure in the governmental funds, but issuing debt increases the long-term liabilities in the statement of net position		873,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in lawsuit settlement payable	150,000	
Pension expense adjustment	3,745,890	
Change in accrued interest payable	72,541	
Change in net OPEB obligation	(225,107)	
Change in compensated absences	<u>26,428</u>	3,769,752

Gain on the sale of capital assets do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Proceeds from the sale of capital assets	(16,214)	
Gain on the sale of capital assets	<u>16,072</u>	(142)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds are reported with governmental activities.

Change in net position of governmental activities		<u>109,572</u>
		<u><u>\$ 4,227,340</u></u>

**CITY OF NEW PORT RICHEY, FLORIDA**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2015**

	Business-Type Activities			Governmental	
	Enterprise Funds			Activity	
	Water and Sewer	Stormwater Utility	Total	Internal Service	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and pooled cash, cash equivalents, and investments	\$ 4,154,431	\$ 1,320,526	\$ 5,474,957	\$ 203,717	\$ 5,678,674
Restricted:					
Cash and pooled cash, cash equivalents, and investments					
Customer deposits	989,988	-	989,988	-	989,988
Receivables (net of allowance):					
Accounts, billed	1,664,190	-	1,664,190	-	1,664,190
Special assessments	7,056	-	7,056	-	7,056
Note receivable - current portion	449,276	-	449,276	-	449,276
Due from other governments	479,991	2,039	482,030	-	482,030
Inventories - at cost	348,705	-	348,705	74,516	423,221
Prepaid items	10,873	-	10,873	-	10,873
Total current assets	<u>8,104,510</u>	<u>1,322,565</u>	<u>9,427,075</u>	<u>278,233</u>	<u>9,705,308</u>
<b>NONCURRENT ASSETS</b>					
Capital Assets:					
Property, plant, equipment, and infrastructure	69,253,325	9,286,510	78,539,835	532,059	79,071,894
Less: Accumulated depreciation	(29,792,240)	(2,706,083)	(32,498,323)	(329,863)	(32,828,186)
Construction in progress	4,450,152	53,968	4,504,120	-	4,504,120
Note receivable - long-term portion	7,500,884	-	7,500,884	-	7,500,884
Total noncurrent assets	<u>51,412,121</u>	<u>6,634,395</u>	<u>58,046,516</u>	<u>202,196</u>	<u>58,248,712</u>
Total assets	<u>59,516,631</u>	<u>7,956,960</u>	<u>67,473,591</u>	<u>480,429</u>	<u>67,954,020</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related amounts	421,997	49,016	471,013	46,281	517,294
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	691,593	21,965	713,558	33,769	747,327
Accrued liabilities	61,333	5,480	66,813	5,901	72,714
Due to other governments	240,287	-	240,287	-	240,287
Due to other funds	339,009	9,938	348,947	-	348,947
Customer deposits	989,988	-	989,988	-	989,988
Unearned revenue	43,730	-	43,730	-	43,730
Revenue bonds payable - current portion	537,953	-	537,953	-	537,953
Net pension liability - current portion	20,697	2,723	23,420	2,179	25,599
Compensated absences - current portion	43,974	2,724	46,698	7,474	54,172
Total current liabilities	<u>2,968,564</u>	<u>42,830</u>	<u>3,011,394</u>	<u>49,323</u>	<u>3,060,717</u>
<b>NONCURRENT LIABILITIES</b>					
Revenue notes payable	6,925,490	-	6,925,490	-	6,925,490
Net OPEB obligation	249,797	20,826	270,623	32,825	303,448
Net pension liability	1,186,942	142,559	1,329,501	128,832	1,458,333
Compensated absences	2,282	142	2,424	342	2,766
Total noncurrent liabilities	<u>8,364,511</u>	<u>163,527</u>	<u>8,528,038</u>	<u>161,999</u>	<u>8,690,037</u>
Total liabilities	<u>11,333,075</u>	<u>206,357</u>	<u>11,539,432</u>	<u>211,322</u>	<u>11,750,754</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related amounts	174,650	19,406	194,056	19,406	213,462
<b>NET POSITION</b>					
Net investment in capital assets	36,415,458	6,634,395	43,049,853	202,196	43,252,049
Restricted:					
Water and Sewer Impact fees	3,151,358	-	3,151,358	-	3,151,358
Unrestricted	<u>8,864,087</u>	<u>1,145,818</u>	<u>10,009,905</u>	<u>93,786</u>	<u>10,103,691</u>
Total net position	<u>\$ 48,430,903</u>	<u>\$ 7,780,213</u>	<u>\$ 56,211,116</u>	<u>\$ 295,982</u>	<u>\$ 56,507,098</u>

See accompanying Notes to Financial Statements.

**CITY OF NEW PORT RICHEY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –**  
**PROPRIETARY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Business-Type Activities Enterprise Funds			Governmental Activity	
	Water and Sewer	Stormwater Utility	Total	Internal Service	Total
<b>OPERATING REVENUE</b>					
Charges for services	\$ 11,514,765	\$ 951,875	\$ 12,466,640	\$ 909,001	\$ 13,375,641
Impact fees	359,829	-	359,829	-	359,829
Total operating revenues	<u>11,874,594</u>	<u>951,875</u>	<u>12,826,469</u>	<u>909,001</u>	<u>13,735,470</u>
<b>OPERATING EXPENSES</b>					
Personal services	2,044,410	204,732	2,249,142	204,471	2,453,613
Contractual services	197,610	57,339	254,949	47,679	302,628
Operating supplies	835,603	91,115	926,718	511,543	1,438,261
Repairs and maintenance	399,238	42,218	441,456	11,738	453,194
Utilities	976,037	26,222	1,002,259	2,024	1,004,283
Depreciation	1,794,442	224,789	2,019,231	22,110	2,041,341
Subsidy from County	(1,131,244)	-	(1,131,244)	-	(1,131,244)
Other operating expenses	3,399,992	7,496	3,407,488	125	3,407,613
Total operating expenses	<u>8,516,088</u>	<u>653,911</u>	<u>9,169,999</u>	<u>799,690</u>	<u>9,969,689</u>
<b>OPERATING INCOME</b>	3,358,506	297,964	3,656,470	109,311	3,765,781
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	433,864	3,271	437,135	261	437,396
Miscellaneous revenues	114,515	-	114,515	-	114,515
Interest and fiscal charges	(250,943)	-	(250,943)	-	(250,943)
Total net nonoperating revenues	<u>297,436</u>	<u>3,271</u>	<u>300,707</u>	<u>261</u>	<u>300,968</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	3,655,942	301,235	3,957,177	109,572	4,066,749
Transfers out	(4,054,730)	(119,250)	(4,173,980)	-	(4,173,980)
<b>CHANGE IN NET POSITION</b>	(398,788)	181,985	(216,803)	109,572	(107,231)
<b>NET POSITION - BEGINNING OF YEAR AS PREVIOUSLY REPORTED</b>	49,435,009	7,726,603	57,161,612	303,547	57,465,159
Prior period adjustment	(605,318)	(128,375)	(733,693)	(117,137)	(850,830)
<b>NET POSITION - BEGINNING OF YEAR AS RESTATED</b>	<u>48,829,691</u>	<u>7,598,228</u>	<u>56,427,919</u>	<u>186,410</u>	<u>56,614,329</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 48,430,903</u>	<u>\$ 7,780,213</u>	<u>\$ 56,211,116</u>	<u>\$ 295,982</u>	<u>\$ 56,507,098</u>

See accompanying Notes to Financial Statements.

**CITY OF NEW PORT RICHEY, FLORIDA**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Business-Type Activities			Governmental	
	Enterprise Funds			Activity	
	Water and Sewer	Stormwater Utility	Total	Internal Service	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 12,016,375	\$ 953,816	\$ 12,970,191	\$ -	\$ 12,970,191
Cash received from interfund services provided	-	-	-	909,001	909,001
Cash paid to suppliers for goods and services	(5,751,345)	(231,894)	(5,983,239)	(546,601)	(6,529,840)
Cash paid to and for the benefit of employees	(2,113,434)	(211,959)	(2,325,393)	(218,692)	(2,544,085)
Cash paid for general government allocated expenses	-	-	-	-	-
Net cash provided by operating activities	<u>4,151,596</u>	<u>509,963</u>	<u>4,661,559</u>	<u>143,708</u>	<u>4,805,267</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash transfers from other funds	339,009	9,938	348,947	-	348,947
Cash transfers to other funds	(4,054,730)	(119,250)	(4,173,980)	-	(4,173,980)
Net cash used by noncapital financing activities	<u>(3,715,721)</u>	<u>(109,312)</u>	<u>(3,825,033)</u>	<u>-</u>	<u>(3,825,033)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Interest and fiscal charges paid on revenue bonds	(222,038)	-	(222,038)	-	(222,038)
Principal paid on revenue bonds, including current refinancing	(654,150)	-	(654,150)	-	(654,150)
Acquisition and construction of capital assets	(3,546,814)	(189,603)	(3,736,417)	(11,043)	(3,747,460)
Proceeds from sale of water rights	428,534	-	428,534	-	428,534
Net cash used by capital and related financing activities	<u>(3,994,468)</u>	<u>(189,603)</u>	<u>(4,184,071)</u>	<u>(11,043)</u>	<u>(4,195,114)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Earnings on investments	433,864	3,271	437,135	261	437,396
Net cash provided by investing activities	<u>433,864</u>	<u>3,271</u>	<u>437,135</u>	<u>261</u>	<u>437,396</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	(3,124,729)	214,319	(2,910,410)	132,926	(2,777,484)
Cash and cash equivalents - Beginning of year	<u>8,269,148</u>	<u>1,106,207</u>	<u>9,375,355</u>	<u>70,791</u>	<u>9,446,146</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>					
	<u>\$ 5,144,419</u>	<u>\$ 1,320,526</u>	<u>\$ 6,464,945</u>	<u>\$ 203,717</u>	<u>\$ 6,668,662</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET</b>					
Unrestricted cash and pooled cash, cash equivalents, and investments	\$ 4,154,431	\$ 1,320,526	\$ 5,474,957	\$ 203,717	\$ 5,678,674
Restricted cash and pooled cash, cash equivalents, and investments:					
Customer deposits	989,988	-	989,988	-	989,988
	<u>\$ 5,144,419</u>	<u>\$ 1,320,526</u>	<u>\$ 6,464,945</u>	<u>\$ 203,717</u>	<u>\$ 6,668,662</u>

See accompanying Notes to Financial Statements.

**CITY OF NEW PORT RICHEY, FLORIDA**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Business-Type Activities			Governmental	
	Enterprise Funds			Activity	
	Water and Sewer	Stormwater Utility	Total	Internal Service	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income	\$ 3,358,506	\$ 297,964	\$ 3,656,470	\$ 109,311	\$ 3,765,781
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	1,794,442	224,789	2,019,231	22,110	2,041,341
Nonoperating revenues	114,515	-	114,515	-	114,515
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(331,155)	-	(331,155)	-	(331,155)
(Increase) decrease in due from other governments	358,421	1,941	360,362	-	360,362
(Increase) decrease in inventories	152,315	-	152,315	19,377	171,692
(Increase) decrease in prepaid expenses	-	-	-	-	-
Increase (decrease) in accounts payable	(1,015,197)	(7,504)	(1,022,701)	7,131	(1,015,570)
Increase (decrease) in accrued liabilities	11,999	673	12,672	1,798	14,470
Increase (decrease) in customer deposits	(6,782)	-	(6,782)	-	(6,782)
Increase (decrease) in due to other governments	(203,538)	-	(203,538)	-	(203,538)
Increase (decrease) in unearned revenue	(907)	-	(907)	-	(907)
Increase (decrease) in compensated absences	(12,021)	500	(11,521)	(7,810)	(19,331)
Increase (decrease) in pension related amounts	(116,422)	(12,703)	(129,125)	(13,001)	(142,126)
Increase (decrease) in net OPEB obligation	47,420	4,303	51,723	4,792	56,515
Net Cash Provided by Operating Activities	<u>\$ 4,151,596</u>	<u>\$ 509,963</u>	<u>\$ 4,661,559</u>	<u>\$ 143,708</u>	<u>\$ 4,805,267</u>

See accompanying Notes to Financial Statements.

**CITY OF NEW PORT RICHEY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2015**

	<u>Employee Retirement Funds</u>
<b>ASSETS</b>	
Cash	\$ 616,524
Investments:	
U.S. government obligations	3,829,443
U.S. government agency obligations	2,639,203
Domestic corporate bonds and stocks	18,948,386
Real estate investment trust	2,442,106
Temporary investment funds	389,000
Pooled equity and fixed income funds	4,198,424
Total investments	<u>32,446,562</u>
Receivables:	
Accounts	125,751
Accrued dividends and interest	59,763
Contributions	258,392
Intergovernmental	145,414
Other	13,512
Total receivables	<u>602,832</u>
Prepaid items	172,935
Equipment	581
Total assets	<u>33,839,434</u>
<b>LIABILITIES</b>	
Accounts payable	132,120
Total liabilities	<u>132,120</u>
<b>NET POSITION</b>	
Restricted for Pension Benefits	<u><u>\$ 33,707,314</u></u>

See accompanying Notes to Financial Statements.

**CITY OF NEW PORT RICHEY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEARS ENDED SEPTEMBER 30, 2015**

	<u>Employee Retirement Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 1,268,018
Employee	176,748
State	<u>333,435</u>
Total contributions	1,778,201
Investment earnings:	
Net increase in fair value of investments	227,985
Interest and dividends	657,432
Other	<u>27,498</u>
Total investment earnings	912,915
Less investment expense	<u>206,923</u>
Net investment earnings	<u>705,992</u>
Total additions	2,484,193
<b>DEDUCTIONS</b>	
Benefits	2,888,195
Refunds of contributions	65,250
Administrative expense	<u>104,303</u>
Total deductions	<u>3,057,748</u>
<b>CHANGE IN NET POSITION</b>	(573,555)
Net position - beginning of year, as previously reported	38,791,733
Prior period adjustment	<u>(4,510,864)</u>
Net position - beginning of year, restated	<u>34,280,869</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 33,707,314</u></u>

See accompanying Notes to Financial Statements.

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**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of New Port Richey, Florida (the City) is a political subdivision of the State of Florida. The City was originally incorporated on October 27, 1924, and officially established on May 15, 1925 by Chapter 10929, Laws of Florida, Acts of 1925 (regular session), an act of the Florida legislature, approved by the Governor and filed with the Secretary of State. This act was amended by Chapter 11647, No. 312, Laws of Florida, extraordinary session, November 1925, and approved by the Governor and filed with the Secretary of State on December 18, 1925. House Bill 1132, enacted by act of legislature, Special Laws of Florida, Acts of 1941, abolished the old municipality and created a new municipality, becoming a law (Chapter 21419) without Governor's approval after its filing with the Secretary of State on May 28, 1941, later being sealed by the Secretary of State on June 14, 1941. Various amendments were made to the charter during the 1950's, 1960's and 1970's. The City of New Port Richey amended its charter with Ordinance #947-100 on November 2, 1982 and on December 7, 1982; the citizens of the City ratified this charter. More recently, the City amended its charter with Ordinance #1354, adopted on February 7, 1995, and on April 11, 1995, the citizens of the City ratified this charter. The charter, as amended, provides for a Council-Manager form of government. The government of the City is operated by the authority of the powers granted by its charter, as limited by the State Legislature. The City provides a full complement of municipal services, except for certain education, health and welfare services that are administered by other governmental entities.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units, in accordance with Governmental Accounting Standards Board (GASB). For proprietary funds, governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements and GASB Pronouncement 62, *Codification of Accounting and Financial guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements for FASB Pronouncements*. The most significant accounting policies established under GAAP and used by the City are discussed below.

**1. Defining the Financial Reporting Entity:** In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable, and, as such be included in the City's financial statements. In accordance with Governmental Accounting Standards Board Statement Number 61, *The Financial Reporting Entity*, the City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Management has determined that the Community Redevelopment Agency is the only organization that should be included in the City's financial statements as a blended component unit.

The City has determined that the Community Redevelopment Agency (CRA) is the only organization that meets these requirements, and therefore, has appropriately blended the component unit in the financial statements as a Special Revenue Fund. Although legally separate, the City Council serves as the CRA Board. The CRA was created pursuant to Chapter 163.356, Florida Statutes, City Ordinance 1202 and City Resolutions 885, 8826 and 897. The CRA was modified and the redevelopment plan revised with the adoption of City Resolution 0105. Separate financial statements are not prepared for the CRA.

The City includes advisory boards and commissions within the City in its financial statements in circumstances where the City selects the governing authority, designates management, has the ability to influence operations, and has accountability for fiscal matters of the advisory boards and commissions.

**CITY OF NEW PORT RICHEY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Jointly Governed Organization- Tampa Bay Water Authority (TBWA): The TBWA was organized in 1998, by an inter-local agreement pursuant to Chapter 98-402 of the Florida Statutes between the counties of Hillsborough, Pasco, and Pinellas and the cities of New Port Richey, St. Petersburg, and Tampa, Florida (the members). The purpose of the TBWA is to develop regional water supplies and to supply water to its members at a wholesale price. The TBWA is the reorganized West Coast Regional Water Supply Authority with a governing board of nine voting members, two from each of the county governments and one from each of the city governments. The City of New Port Richey for the fiscal year ended September 30, 2015, had a related party transaction with the TBWA as follows: The City paid \$2,894,630 for water purchases, and received \$419,044 in interest and \$428,535 of principal on the TBWA contract receivable. The remaining principal in the TBWA contract receivable is \$7,950,160.

**2. Government-Wide and Fund Financial Statements:** The basic financial statements are made up of the government-wide financial statements and fund financial statements. Both of these set of financial statements distinguish between the governmental and business-type activities of the City of New Port Richey. These statements consist of a Statement of Net Position and a Statement of Activities. These statements report on the financial condition of the City of New Port Richey, at the reporting entity level. Internal balances represent net amounts due between the governmental and business-type activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Internal service fund activity is reported as a single column in the proprietary fund financial statements. Fiduciary funds are not included in these presentations as their assets due not represent amounts that are available for City of New Port Richey government operations. The Statement of Net Position reports all financial and capital resources of the City's governmental and business-type activities. Net position equals assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources, and is shown in three categories: net investment of capital assets, restricted net position and unrestricted net position. The Statement of Activities reports results of operations on a functional activity (program) basis and demonstrates to what degree the particular program has been self-supporting.

Direct expenses are those that are specifically associated with a service, program or department and, thus are clearly identifiable to a particular function. The effect of indirect expense allocations has been eliminated at the government-wide financial statements. Depreciation expense for capital assets that can be specifically identified with a function is recorded as a direct expense of that function. Depreciation expense for capital assets that serve all functions is recorded as a direct expense of the general government function on the government-wide Statement of Activities. All interest on general long term debt is considered indirect and reported separately in the government-wide Statement of Activities.

Program revenues are reported in the following three categories: charges for services, operating grants and contributions and capital grants and contributions. Charges for services include revenues arising from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Operating grants and capital grants consist of revenues received from other governments, organizations, or individuals that are specifically attributable to a program and are restricted for either capital or operational use in a particular program.

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

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The fund financial statements follow the government-wide statements and report more detailed information about operations of major funds on an individual basis and nonmajor funds on an aggregate basis for the governmental and proprietary funds. Following the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances are reconciliations explaining the differences between governmental fund presentation and the government-wide presentation.

**3. Basis of Accounting and Measurement Focus:** Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

The government-wide financial statements, as well as the fund financial statements for the proprietary funds, are reported using the economic resources measurement focus and the accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis of accounting.

All proprietary funds are maintained on the accrual basis of accounting with revenues being recognized when earned and expenses recognized when incurred. Operating revenues and expenses of the proprietary funds are defined revenues or expenses related to the provision of applicable service. Non-operating revenues and expenses include items unrelated to the provision of services.

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year-end to pay liabilities of the current period (i.e., within 60 days of the end of the current fiscal period). In addition, grant revenues are considered available if they are expected to be collected within one year of the end of the fiscal period.

Expenditures are recognized at the time the fund liability is incurred, if measurable. Interest and principal payments on general-long term debt and compensated absences are recognized when paid. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

**4. Fund Financial Statements:** Separate financial statements are provided by governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. An emphasis is on the major funds in either the governmental or business-type categories. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds (by category) are summarized into a single column.

The City reports the following major governmental funds:

General Fund: The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Redevelopment Fund: This fund is used to account for the proceeds of tax incremental funding and the associated costs for redevelopment initiatives. In addition, other development service proceeds (i.e., building permits and zoning fees) are accounted for in this fund along with the associated operating costs of this function.

Debt Service Fund: This fund accounts for the accumulation of resources for and payment of principal, interest and related costs of the City's general long-term debt. This fund is a non-major fund in the governmental fund statements.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Capital Projects Fund: This fund accounts for financial resources earmarked or segregated for the acquisition and construction of major capital facilities and other project-oriented activities, except for those financed by and accounted for the Redevelopment Fund or proprietary funds.

The City reports the following major enterprise funds:

The Water and Sewer Fund: This fund is used to account for the financing, construction, operation, and maintenance of the water and sewer services of the City from charges made to users of the service.

The Stormwater Utility Fund: This fund is used to account for the financing, construction, operation and maintenance of the stormwater management system of the City from charges assessed against each developed property.

Additionally, the City reports the following fund types:

Internal Service Fund: This fund accounts for the operations of one department that provides services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The City's central garage provides automotive services to other departments.

Fiduciary Fund Types: Pension trust funds account for the financial operation and condition of the Police Officer and Firefighters' and Employee Retirement funds.

**5. Budgets and Budgetary Accounting:** The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- a. The City Manager submits to the City Council a proposed operating budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage.
- b. Public hearings are conducted by the City Council as required by state and federal law to obtain taxpayer comments on the proposed budget.
- c. The budget and property tax millage is approved by the City Council in September.
- d. Annual budgets are adopted for the following funds: General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Enterprise Funds, and Internal Service Fund.
- e. The City Council must approve budget amendments that affect revenue accounts or appropriations in more than one department. The City Manager is authorized to transfer any unencumbered appropriation balance or portion thereof between specific classifications of expenditures within a department or office. Expenditures may not exceed legal appropriations at the department level. Appropriations lapse at year-end. All budget amounts presented in the accompanying financial statements and supplemental information have been adjusted for revisions as approved by the City Council during the year. Charges to budget appropriations were amended as a result of budget revisions by the following amounts: General Fund - \$1,022,494, Water and Sewer Fund - \$705,875 and Street Improvement Fund - \$99,487.
- f. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.
- g. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**6. Assets, Liabilities, Deferred Inflows/Outflows and Net Position of Fund Balance**

Cash, Cash Equivalents and Investments: The City utilizes a consolidated cash pool to account for cash, cash equivalents, and investments of all City funds other than those that are required by ordinance to be physically segregated. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield that are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds.

Investments in U.S. Treasury and government agency securities are recorded at fair value, as determined by the quoted market prices. If quoted market prices are not available, fair values are estimated on the basis of dealer quotes, pricing models, or quoted market prices for instruments with similar characteristics. The Local Government Surplus Funds Trust Fund operated by the Florida State Board of Administration is treated as a "2a-7 like" and therefore it is presented at its actual pooled share price, which approximates fair value.

Cash Equivalents: For purposes of the statement of cash flows, the proprietary funds consider equity in pooled cash and investments with an original maturity date of three months or less when purchased, both restricted and unrestricted, to be cash equivalents.

Investments: Investments are reported at fair value. Investments in common stock and bonds traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and asked prices. Investments in mutual fund type securities are valued at the net asset value of the fund based on the underlying assets held in the funds. The fair value of an investment is the amount that could reasonably be expected to be received for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.

Receivables: Utility (water and sewer) operating revenues are generally recognized on the basis of cycle billings rendered monthly.

Inventories and Prepaid Costs: Inventory is valued at cost using the first-in, first-out method. Inventory in governmental funds consists of supplies held for consumption. The cost is recorded as an expenditure at the time inventory items are consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Inventories and prepaid costs reported within governmental funds are classified as non-spendable, which indicates that they do not constitute available resources. Inventories and prepaid costs in the governmental-wide and proprietary fund financial statements are reported as an expense when consumed.

Redevelopment Properties Held for Resale: Real estate properties acquired in economically depressed areas and held for resale to the private sector are stated at cost. These properties are not intended to be used in the City's operations but rather are intended to be converted to cash upon resale.

Restricted Assets: Certain resources of the Water and Sewer fund is classified as restricted assets and represent assets set aside for customer deposits.

Property Taxes: Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pasco County Property Appraiser and Pasco County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2015 was 9.50.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Pasco County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by Pasco County.

Capital Assets: Land, buildings, improvements and equipment are stated at cost. Capital contributions are recorded at their fair value on the date donated.

The City capitalizes expenditures with a cost in excess of \$1,500 or more for equipment and with a useful life in excess of five years and capital improvements and/or additions constructed or acquired in excess of \$10,000. Expenditures for maintenance and repairs are charged to operating expense. The cost of capital assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss on disposition is credited or charged to government-wide financial statements and proprietary fund financial statements.

Depreciation is provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets is as follows:

<u>Capital Asset Class</u>	<u>Estimated Useful Life</u>
Infrastructure	20-50 Years
Buildings and improvements	10-50 Years
Improvements other than buildings	40-50 Years
Machinery and equipment	5-10 Years

Net interest cost (interest cost less the interest earned on the investment of unexplained debt proceeds) is capitalized in the proprietary funds on construction projects financed with tax-exempt debt. There were no interest costs capitalized in the Water and Sewer Fund or Stormwater Utility Fund during the year ended September 30, 2014. Interest cost is not capitalized on projects financed by government grants, third-party donations or on assets in the governmental funds.

Deferred Outflows/Inflows of Resources: The statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and as such will not be recognized as an expense or expenditure in the current year.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unearned Revenue: In instances where assets have been received by the City for services rendered in future periods, asset balances are offset by an unearned revenue liability account in the financial statements.

Compensated Absences: The City follows the provisions of GASB No. 16, *Accounting for Compensated Absences*. This statement provides for the measurement of accrued vacation leave and other compensated absences using the pay or salary rates in effect at the balance sheet date. It also requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. Annual vacation accruals vary based on years of service. The maximum number of annual leave hours that an employee may accrue is equal to the employee's rate of annual accrual. Payments for compensated absences are made by the respective fund. Accrued compensated absences are recorded as liabilities in the government-wide financial statements and the proprietary fund financial statements. A liability is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements, and are considered due and payable as of year-end.

Net Position: Net position represents the difference between total assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and is categorized as follows:

- Net investment in capital assets – Total capital assets, net of debt issued in the acquisition of these assets and net of depreciation is reported separately in the net position section.
- Restricted – This component consists of net position that has constraints placed on it either externally by third-parties (creditors, grantors, and contributors) or by law through constitutional provisions of enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arose, but reserves the right to selectively defer the use of these funds. The government-wide statement of net position reports \$5,677,948 of restricted net position, of which \$4,908,443 is restricted by enabling legislation.
- Unrestricted – Balance are not restricted for specific purposes.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified Redevelopment Properties Held for Resale, Inventories, Prepaid Items and Repayable Advances from Other Funds as being Non-spendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current year.

**CITY OF NEW PORT RICHEY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources through either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified forfeitures as being restricted as their use is restricted by Florida Statutes for police investigative expenditures. Debt service resources are to be used for future servicing of the revenue note and bonds and are restricted through debt covenants. Infrastructure projects are restricted by Florida Statute and the laws of Pasco County and are legally segregated for funding of infrastructure improvements.
- Committed – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City Council that constitutes the most binding constraint, which is an ordinance. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City Manager through the budgetary process. The City has assigned funds for Capital Projects that are to be used for the repair and replacement of equipment, street improvements, debt services and future expenditures, funds designated for future expenditures and an amount designated for minimum funding as established by Ordinance 1119.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

The spending order of fund balances as established by the City is to first spend restricted amounts when both restricted and unrestricted fund balances are available, unless there are legal restrictions that prohibit such action, such as grant agreements that require a dollar match. Additionally, when expenditures are incurred for purposes for which unrestricted fund balances could be used, the City shall first spend committed fund balance, followed by assigned fund balance, and then unassigned fund balance.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**7. New Accounting Pronouncements:** For the year ended September 30, 2015, the financial statements include the impact of the adoption of Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The primary objective of these statements is to improve accounting and financial reporting for pensions by State and Local governments. These statements are a result of a comprehensive review of the effectiveness of existing standards of accounting of accounting and financial reporting for pensions in providing decision useful information, supporting assessments of accountability and interperiod equity and creating additional transparency. GASB Statement No. 68 replaces the requirements of GASB No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of GASB No. 50, *Pension Disclosures*.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**NOTE B CASH, CASH EQUIVALENTS AND INVESTMENTS**

At September 30, 2015, the carrying amount of the City's deposits with financial institutions was \$1,272,084 and the bank account balance was \$856,427. The City's cash deposits were fully insured by federal depository insurance or by collateral held by the City's agent pursuant to the Public Depository Security Act of the State of Florida. This act establishes a multiple financial institution collateral pool in which all financial institutions holding public deposits pledge a pool of collateral against all public deposits they collectively hold. In the event of a default or insolvency by a qualified public depository, any loss not covered by deposit insurance or the proceeds from the sale of securities pledged by the defaulting depository is covered by an assessment against the other qualified public depository in default. The assessment is based upon the average share of the public fund deposits held by each of these depositories during the previous 12 months in relation to total public deposits held by all depositories of the same type during the same period.

**Custodial Risk:** Custodial credit risk is the risk that a government will not be able to recover deposits or the value of investments in the event of the failure of a depository financial institution or a third party holding the investments securities. All investments are held in the name of the City and all time deposits are maintained with qualified public depositories, as previously discussed.

**Credit Risk:** Credit quality risk results from potential default of investments that are not financially sound. Florida Statutes (166.261 and 218.415) authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the U.S. Government, U.S. Government Instrumentalities, Local Government Surplus Funds Trust Fund and mutual funds investing in U.S. Government securities. The City adopted its own investment policy that also authorizes the City to invest in the following: a) obligations of government-sponsored corporations (Instrumentalities – which are usually “AAA” rated but have no explicit government guarantee) that are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve; b) collateralized mortgage obligations (“CMO”) with very accurately defined maturities issued by Federal Agencies and Instrumentalities with an average life less than three years; c) bankers' acceptance guaranteed by banking institutions with a bank rating of “AA” on its long-term debt; d) prime commercial paper having received an “A1/P1” or higher rating by a nationally recognized rating agency; e) nonnegotiable certificates of deposit and bank investment contracts (“BIC”), which can be insured, collateralized at the Federal Reserve or quality as State qualified public deposits as defined by Florida Statutes; f) taxable or tax-exempt government bonds, notes or other obligations of state or local governments, including municipal corporations and special districts, of investment grade quality; g) repurchase agreements with a “primary securities dealer” or with the City's primary State certified public depository that are collateralized pursuant to State law and pursuant to a Master Repurchase Agreement entered into with the selling institution; h) auction rate securities (Dutch Auctions) rated “AA” or “AAA” with 28 – 35 day resets rated by a nationally recognized rating agency; i) corporate debt of corporations whose long-term debt is rated at least “AA-” or equivalent by a nationally recognized rating agency; j) mortgaged back securities rated “AAA” or better by a nationally recognized rating agency; and k) any other investments authorized by law and by resolution of the City Council.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE B CASH, CASH EQUIVALENTS AND INVESTMENTS** (continued)

The Local Government Surplus Funds Trust Fund (Florida PRIME) and the Fund B Surplus Funds Trust Fund (Fund B) are operated by the Florida State Board of Administration and are external investment pools. The Florida State Board of Administration is a three-member board made up of the State elected officials of Governor, Chief Financial Officer and Attorney General. This Board is empowered by Florida law to invest funds at the request of local governments. The Florida PRIME is treated as a "2a-7 like" pool in accordance with GASB Statements No. 31 and No. 59 and is valued using the pooled share price (amortized cost), which approximates fair value.

The Florida Municipal Investment Trust (the Trust) is an investment pool created under the laws of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds. The Trust is administered by a Board of Trustees consisting of the President and Second Vice President of the Florida League of Cities, two representatives from the Florida Municipal Investment Trust, and three additional members who are elected officials of governmental entities who actively participate in the Trust. The City has invested in the Trust's 0-2 Year High Quality Bond Fund that seeks to maintain a constant net asset value of \$1.00 per share. The Trust is an authorized investment under Section 218.415 of the Florida Statutes.

The City's investments carried at market value as of September 30, 2015 are:

Investment	Weighted Average Maturity	Fair Value	Overall Credit Rating (Standard & Poors)
State Board of Administration - Florida PRIME	29 days	\$ 8,575,585	AAAm
Florida Municipal Investment Trust	.68 year	4,538,956	AAAm
US Treasury Obligations		5,500,000	
Portfolio Total		<u>\$ 18,614,541</u>	

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to the City's investment policy, as of September 30, 2015, the City minimized the interest rate risk, related to the decline in market value of securities due to rising interest rates, by limiting the effective duration of security types not to exceed five years with the exception of securities related to a specific cash flow such as a reserve fund and investing operating funds in primarily shorter-term securities or similar government investment pools so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity.

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single user. Appropriate diversification is maintained between security types and issuers to reduce concentration of credit risk.

A reconciliation of the amount of deposits and investments to the Statement of Net Position is as follows:

Deposits	\$ 1,272,551
Cash on hand	2,052
Investments	18,614,541
Total	<u>\$ 19,889,144</u>
Unrestricted:	
Cash, Cash Equivalents, and Investments	\$ 18,899,156
Restricted:	
Cash, Cash Equivalents, and Investments - Customer deposits	989,988
Total Cash, Cash Equivalents, and Investments	<u>\$ 19,889,144</u>

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE B CASH, CASH EQUIVALENTS AND INVESTMENTS** (continued)

**Pension Trust Funds:** The City has two defined benefit single-employer pension plans: Police Officers' and Firefighters' (Pension Funds).

**Firefighters' Pension Trust Fund**

**Cash and Cash Equivalents:** Fiduciary Trust Company of the South, Inc. periodically holds uninvested cash in its capacity as custodian of the Firefighters' Retirement System (the Plan). These funds exist temporarily as cash in the process of collection from the sale of securities. At September 30, 2015, the carrying amount of the Firefighters' cash and cash equivalents was \$322,315.

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

The Firefighters' Retirement System held the following fixed investments as of September 30, 2015:

Investment Type	Fair Value	Overall Credit Rating
U.S. Government obligations	\$ 179,961	AA
U.S. Government agency obligations	958,515	AA
Domestic corporate bonds	1,489,453	AA
Domestic fixed investment fund	536,640	Not rated
Domestic stocks	3,026,627	Not rated
Domestic equity investment fund	2,406,278	Not rated
International equity investment fund	1,255,506	Not rated
Temporary investment funds	35,000	Not rated
Total Fixed Investments	<u>\$ 9,887,980</u>	

**Credit Risk** – State law provides that retirement plan fixed income securities must have a quality rating of “A” or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments that are downgraded to a “BAA” or equivalent rating must be liquidated within a reasonable period of time not to exceed 12 months. Fixed income investments that are downgraded below a “BAA” rating are to be liquidated immediately.

**Interest Rate Risk** – Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates. In this regard, the Plan adopted the Lehman Brothers Aggregate Bond Index Intermediate bench mark performance evaluator. Additionally, the bond portion of the Plan's portfolio is expected to perform in the top 40<sup>th</sup> percentile of a broad market fixed income universe.

**Custodial Credit Risk** – Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another in the event of a financial failure. The Plan requires all securities to be held by a third-party custodian in the name of the Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

The Plan has no instrument that, in whole or in part, is accounted for as a derivative instrument under GASB Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments,” during the current plan year.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE B CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

**Police Officers' Retirement System**

**Cash and cash equivalents:** Fiduciary Trust Company of the South, Inc. periodically holds un-invested cash in the capacity as custodians of the Police Officers' Retirement System (the Plan). These funds exist temporarily as cash in the process of collection from the sale of securities. At September 30, 2015, the carrying amount of the Police cash and cash equivalents was \$294,209.

**Investments:** The Board of Trustees of the Police Officers' Retirement System are authorized to invest in time, savings and money market accounts of an institution insured by the Federal Deposit Insurance Corporation; obligations of the U.S. Government or an agency or instrumentality of the U.S. Government, high capitalization common or preferred stocks, pooled equity funds, high quality bonds or notes and fixed income funds. The Board requires that Plan assets be invested with no more than 70% in stocks and convertible securities measured at cost. Additionally, not more than 5% of the Plan's assets shall be invested in the common stock of any one issuing company. The Plan's investment in the common stock of any single corporation shall not exceed 5% of such corporation's outstanding common or capital stock.

The Police Officers' Retirement System held the following fixed investments as of September 30, 2015:

Investment	Fair Value	Overall Credit Rating (S&P & Moody's)	Average Effective Duration (Years)
U.S. Government obligations	\$ 3,649,482	AA	6.1
U.S. Government agency obligations	1,680,688	AA	7.8
Domestic corporate bonds	697,862	A	5.9
Domestic stocks	13,734,444	Not rated	N/A
Real estate investment fund	2,442,106	Not rated	N/A
Temporary investment funds	354,000	Not rated	N/A
Total Fixed Investments	<u>\$ 22,558,582</u>		

**Credit Risk** – Consistent with state law, the Plan's investment guidelines limit its fixed income securities to a quality rating of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments that are downgraded to a "BAA" or equivalent rating must be liquidated within a reasonable period of time not to exceed 12 months. Fixed income investments that are downgraded below a "BAA" rating are to be liquidated immediately.

**Interest Rate Risk** – Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates. In this regard, the Plan adopted the Lehman Brothers Aggregate Bond Index Intermediate benchmark performance evaluator. Additionally, the Plan further limited the effective duration of its fixed income investment portfolio to 120% of the duration of the Lehman Brothers Aggregate Bond Index.

**Custodial Credit Risk** – Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another in the event of a financial failure. The Plan requires all securities to be held by a third-party custodian in the name of the Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

The Plan has no instrument that, in whole or in part, is accounted for as a derivative instrument under GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments," during the current plan year.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE C RECEIVABLES**

The receivables and related allowance for uncollectables at September 30, 2015 were as follows:

	Receivables	Allowance for Uncollectibles	Net
General Fund	\$ 868,222	\$ 530,579	\$ 337,643
Redevelopment Fund	361,619	358,974	2,645
Debt Service Fund	124,032	-	124,032
Other Governmental Funds	196,268	-	196,268
Enterprise Funds	2,180,710	516,520	1,664,190
Total	<u>\$ 2,957,760</u>	<u>\$ 1,353,050</u>	<u>\$ 1,604,710</u>

**NOTE D INTERFUND TRANSFERS**

The composition of interfund transfers as of September 30, 2015 is as follows:

	Transfer In	Transfer Out
General Fund	\$ 6,650,288	\$ 719,554
Redevelopment Fund	719,554	485,450
Debt Service Fund	-	814,717
Capital Projects Fund	-	1,115,280
Enterprise Funds	-	4,173,980
NonMajor Governmental Funds	-	60,861
Total	<u>\$ 7,369,842</u>	<u>\$ 7,369,842</u>

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

In addition to transfers, the general fund has an advance to the redevelopment fund with an outstanding balance of \$8,866,530 as of September 30, 2015. The purpose of this advance was to provide the necessary funding to the redevelopment fund in order to meet its debt service obligations.

**NOTE E NOTE RECEIVABLE**

In May 1998, the City, along with the cities of Tampa, St. Petersburg and the counties of Pasco, Pinellas and Hillsborough, entered into an interlocal agreement to reorganize the West Coast Regional Water Supply Authority. As part of this agreement, the City conveyed its interest in the North Pasco Wellfield, including water rights to the Authority, for the net amount of \$13,226,250 that is to be received in the form of credits applied against the cost of water purchased over the next 30 years. These credits total approximately \$70,632 per month, including interest of 3.43% to 5.03% compounded semi-annually. At September 30, 2015, the \$7,950,160 outstanding balance (\$449,276 - current portion and \$7,500,884 - long-term portion) on the note was reported as a note receivable. The Authority commenced operations under its reorganized form on October 1, 1998 under the name of Tampa Bay Water.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE F CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2015 was as follows:

<b><u>Governmental Activities</u></b>	Beginning Balance 10/1/14, as restated	Additions/ Transfers In	Deletions/ Transfers Out	Ending Balance 9/30/15
Nondepreciable assets:				
Land, land rights and improvements	\$ 3,520,000	\$ 188,212	\$ -	\$ 3,708,212
Construction in progress	349,352	2,876,290	(653,800)	2,571,842
Depreciable assets:				
Buildings and improvements	10,705,470	293,133	-	10,998,603
Improvements other than buildings	20,281,117	165,405	-	20,446,522
Machinery and equipment	9,936,997	989,948	(334,310)	10,592,635
Infrastructure	18,185,445	-	-	18,185,445
Total at historical cost	<u>62,978,381</u>	<u>4,512,988</u>	<u>(988,110)</u>	<u>66,503,259</u>
Less accumulated depreciation for:				
Buildings and improvements	7,207,678	507,139	-	7,714,817
Improvements other than buildings	7,445,731	823,665	-	8,269,396
Machinery and equipment	7,555,207	556,012	(334,168)	7,777,051
Infrastructure	9,019,975	701,230	-	9,721,205
Total accumulated depreciation	<u>31,228,591</u>	<u>2,588,046</u>	<u>(334,168)</u>	<u>33,482,469</u>
Capital assets, net	<u>\$ 31,749,790</u>	<u>\$ 1,924,942</u>	<u>\$ (653,942)</u>	<u>\$ 33,020,790</u>

Depreciation charged to the governmental activities as follows:

General Government	\$ 290,818
Police	256,905
Fire	124,973
Protective inspections	-
Public Works	817,036
Culture and recreation	1,098,314
Total	<u>\$ 2,588,046</u>

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE F CAPITAL ASSETS (continued)**

<b><u>Business-Type Activities</u></b>	Beginning Balance 10/1/14	Additions/ Transfers In	Deletions/ Transfers Out	Ending Balance 9/30/15
Nondepreciable assets:				
Land, land rights and improvements	\$ 1,137,501	\$ -	\$ -	\$ 1,137,501
Construction in progress	1,323,744	3,180,376	-	4,504,120
Depreciable assets:				
Buildings and improvements	26,808,784	15,305	-	26,824,089
Machinery and equipment	3,906,380	540,736	(92,078)	4,355,038
Infrastructure	46,223,207	-	-	46,223,207
Total at historical cost	<u>79,399,616</u>	<u>3,736,417</u>	<u>(92,078)</u>	<u>83,043,955</u>
Less accumulated depreciation for:				
Buildings and improvements	12,448,687	673,782	-	13,122,469
Infrastructure	15,306,691	1,090,288	-	16,396,979
Machinery and equipment	2,815,792	255,161	(92,078)	2,978,875
Total accumulated depreciation	<u>30,571,170</u>	<u>2,019,231</u>	<u>(92,078)</u>	<u>32,498,323</u>
Capital assets, net	<u>\$ 48,828,446</u>	<u>\$ 1,717,186</u>	<u>\$ -</u>	<u>\$ 50,545,632</u>

Depreciation expense was charged to the business-type activities as follows:

Water and Sewer	\$ 1,794,442
Stormwater Utility	224,789
Total	<u>\$ 2,019,231</u>

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE G LONG-TERM DEBT**

Long-term governmental debt activity for the fiscal year ended September 30, 2015 was as follows:

<u>Governmental Activities</u>	Beginning Balance 10/1/2014	Increases	Decreases	Ending Balance 9/30/2015	Amounts Due Within One Year
Redevelopment Notes:					
Series 2005A	\$ 5,934,000	\$ -	\$ 437,000	\$ 5,497,000	\$ 455,000
Series 2005B	5,923,000	-	436,000	5,487,000	454,000
Total notes payable	11,857,000	-	873,000	10,984,000	909,000
Other liabilities:					
Compensated absences	400,611	541,395	575,633	366,373	37,474
Total long-term liabilities - governmental activities	<u>\$ 12,257,611</u>	<u>\$ 541,395</u>	<u>\$ 1,448,633</u>	<u>\$ 11,350,373</u>	<u>\$ 946,474</u>

Total interest expense and fiscal changes for the governmental activities for the fiscal year ended September 30, 2015 was \$416,559.

Long-term debt for the governmental activities is comprised of the following at September 30, 2015:

Redevelopment Refunding Revenue Note, Series 2005A, in the amount of \$9,057,000 was issued on December 15, 2005 to refinance the redevelopment bond anticipation note. The redevelopment bond anticipation note had been used to finance the cost of acquiring, constructing and equipping certain capital improvements within the Redevelopment Area. Interest accrues on the Series 2005A note at an annual fixed rate of 4.12%. Interest is payable semi-annually on February 1 and August 1. Annual principal payments are due each August 1st in amounts ranging from \$372,000 to \$655,000 through August 1, 2025. The note and related interest are secured by a pledge of the incremental ad valorem tax revenues that are derived from the Redevelopment Area and paid by the City and Pasco County.

\$ 5,497,000

Redevelopment Revenue Note, Series 2005B, in the amount of \$9,028,000 was issued on December 30, 2005 to finance the acquisition, construction and equipping of capital improvements within the Redevelopment Area. Interest accrues on the Series 2005B note at an annual fixed rate of 4.13%. Interest is payable semi-annually on February 1 and August 1. Annual principal payments are due each August 1st in amounts ranging from \$371,000 to \$654,000 through August 1, 2025. The note and related interest are secured by a pledge of the incremental ad valorem tax revenues that are derived from the Redevelopment Area and paid by the City and Pasco County.

5,487,000

Compensated absences, consisting of the vested portion of accumulated vacation and sick pay benefits due employees.

366,373

Total long-term debt, governmental activities

\$ 11,350,373

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE G LONG-TERM DEBT** (continued)

**Restrictions:** The official statement and council resolution authorizing the issuance of the Revenue Note, Series 2000 described above contains certain restrictive covenants. The City has covenanted that, on a monthly basis, it will deposit specified amounts into an account and sinking fund established by the resolution. The deposits into this account are used to repay principal and interest coming due on the note and to provide sinking funds established for the purpose of retiring the note as it becomes due.

The City has covenanted to maintain sufficient incremental ad valorem tax revenues in the Redevelopment Fund to make the periodic interest and principal payments due on the Redevelopment Notes Series 2005A and 2005B.

The City has also covenanted that all actions necessary will be taken to maintain the exclusion from gross income of interest on all tax exempt notes. The City is in compliance with the deposits and sinking fund requirements, and is also in compliance with all covenants made regarding long-term debt.

**Funding of Governmental Activities Long-Term Debt:** The total amount of principal and interest paid on the Redevelopment Refunding Revenue Note, Series 2005A, Redevelopment Revenue Note, Series 2005B and Redevelopment Revenue Bond, Series 2012, was \$1,527,150. The debt service on these three redevelopment revenue notes is secured by a pledge of the incremental ad valorem tax revenues that are derived from the Redevelopment Area and paid by the City and Pasco County. The total amount of incremental ad valorem tax revenues received by the Redevelopment Fund in fiscal year 2015 was \$556,261 from Pasco County and \$719,554 paid from the City's general fund.

The shortfall of collected revenues to cover all debt service payments, normal operating expenses and transfers required a repayable advance of \$8,866,350 based on an inter-local agreement. Earned interest for the first five years of these repayable advances will be added to the balance and not be settled by payment with the General Fund.

The annual requirements to amortize the long-term debt for governmental activities as of September 30, 2016 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Redevelopment Refunding Revenue Note,</u>			
<u>Series 2005A</u>			
2016	\$ 455,000	\$ 226,476	\$ 681,476
2017	474,000	207,730	681,730
2018	494,000	188,202	682,202
2019	514,000	167,849	681,849
2020	535,000	146,672	681,672
2021-2025	3,025,000	383,984	3,408,984
	<u>\$ 5,497,000</u>	<u>\$ 1,320,913</u>	<u>\$ 6,817,913</u>
 <u>Redevelopment Revenue Note, Series 2005B</u>			
2016	\$ 454,000	\$ 226,613	\$ 680,613
2017	473,000	207,863	680,863
2018	493,000	188,328	681,328
2019	513,000	167,967	680,967
2020	534,000	146,780	680,780
2021-2025	3,020,000	383,797	3,403,797
	<u>\$ 5,487,000</u>	<u>\$ 1,321,348</u>	<u>\$ 6,808,348</u>

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE G LONG-TERM DEBT** (continued)

Long-term business-type debt activity for the fiscal year ended September 30, 2015, was as follows:

<u><b>Business-Type Activities</b></u>	Beginning Balance 10/1/2014	Increases	Decreases	Ending Balance 09/30/2015	Amounts Due Within One Year
Bonds payable:					
Revenue Bond, Series 2007A	\$ 654,150	\$ -	\$ 654,150	\$ -	\$ -
Revenue Bond, Series 2012	7,463,443	-	-	7,463,443	537,953
Total bonds payable	8,117,593	-	654,150	7,463,443	537,953
Other liabilities:					
Compensated absences	60,643	195,618	207,139	49,122	46,698
Total long-term liabilities, business-type activities	<u>\$ 8,178,236</u>	<u>\$ 195,618</u>	<u>\$ 861,289</u>	<u>\$ 7,512,565</u>	<u>\$ 584,651</u>

Interest costs incurred for fiscal year ended September 30, 2015 were \$250,943, all of which has been expensed.

Long-term debt for business type activities is comprised of the following at September 30, 2015:

<p><u>Refunding Utility Revenue Bond, Series 2012</u>, in the amount of \$7,462,443 was issued on July 18, 2012 for the purpose of the advance refunding of the Series 2007B Bonds and paying certain costs of issuance of the Series 2012 Bonds. Interest accrues on the Series 2012 Bond at an annual fixed rate of 2.60%. Interest is payable semi-annually on April 1 and October 1. Annual principal payments are due each October 1st in amounts ranging from \$537,953 to \$713,452 through October 1, 2027. The principal and interest payments are secured by and payable solely from a lien on and pledge of the net revenues of the City's utility system.</p>	\$ 7,463,443
<p><u>Compensated absences</u>, consisting of the vested portion of accumulated vacation and sick pay benefits due employees.</p>	49,122
<p>Total long-term debt, business-type activities</p>	<u>\$ 8,178,236</u>

**Funding of Business-Type Activities Long-Term Debt:** The total amount of principal and interest paid on the Refunding Utility Revenue Bond, Series 2007A totaled \$654,150. These debt service payments are secured by a pledge and lien upon, and payable solely from, the net revenues of the City's utility system. The total amount of Water and Sewer Fund charges for services and other income earned by the City and the Change in Net Position before interest expense and noncash expenses for the year ended September 30, 2015 was \$12,390,557 and \$3,790,463, respectively.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE G LONG-TERM DEBT** (continued)

The annual requirements to amortize the long-term debt for business-type activities as of September 30, 2015 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Water and Sewer			
<u>Revenue Bond, Series 2012</u>			
2016	\$ 537,953	\$ 194,050	\$ 732,003
2017	551,939	180,063	732,002
2018	566,290	165,712	732,002
2019	581,013	150,989	732,002
2020	596,120	135,882	732,002
2021-2025	3,221,303	438,707	3,660,010
2026-2027	1,408,825	55,179	1,464,004
	<u>\$ 7,463,443</u>	<u>\$ 1,320,582</u>	<u>\$ 8,784,025</u>

**NOTE H RETIREMENT PLANS**

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is a FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially, all regular employees of the City are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes, Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility contributions and benefits are defined and described in detail. Such provisions may be amended at any time by further action by the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The City's pension expense totaled \$286,720 for both the FRS pension Plan and HIS Plan for the year ended September 30, 2015.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Florida Retirement System Pension Plan**

**Plan Description**

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

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

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

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

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS (continued)**

**Florida Retirement System Pension Plan (continued)**

**Benefits Provided**

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Florida Retirement System Pension Plan** (continued)

**Contributions**

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The employer contribution rates by job class for the periods from October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively, were applied to employee salaries as follows: Regular—7.37% and 7.26%; Special Risk Administrative Support—42.07% and 32.95%; Special Risk—19.82% and 22.04%; Senior Management Service—21.14% and 21.43%; Elected Officers’—43.24% and 42.27%; and DROP participants—12.28% and 18.75%. These employer contribution rates include 1.20% and 1.26% HIS Plan subsidy for the periods October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively. The City’s contributions to the FRS Plan were \$392,637 for the year ended September 30, 2015.

**Pension Costs**

At September 30, 2015, the City reported a liability of \$2,106,885 for its proportionate share of the FRS Plan’s net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City’s proportion of the net pension liability was based on the City’s contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of FRS’s participating employers. At June 30, 2015, the City’s proportion was 0.01631%, which was an increase of 0.00239% from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the City recognized pension expense of \$150,630 for its proportionate share of FRS’s pension expense. In addition, the City reported its proportionate share of FRS’s deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 222,425	\$ 49,969
Changes in Actuarial Assumptions	139,841	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	503,089
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	544,180	-
City Contributions Subsequent to the Measurement Date	100,778	-
Total	<u>\$ 1,007,224</u>	<u>\$ 553,058</u>

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

***Florida Retirement System Pension Plan (continued)***

\$60,632 reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending September 30,	Amount
2016	\$ (53,880)
2017	(53,880)
2018	(53,880)
2019	361,184
2020	141,253
Thereafter	12,592

**Actuarial Assumptions**

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	7.65%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Totals	100%			
Assumed Inflation - Mean		2.6%		1.9%

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS (continued)**

**Florida Retirement System Pension Plan (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.65% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of 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.

**Pension Liability Sensitivity**

The following presents the City's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	6.65%	7.65%	8.65%
City's Proportionate Share of the FRS Plan Net Pension Liability	\$ 5,459,415	\$ 2,106,885	\$ (682,971)

**Pension Plan Fiduciary Net Position**

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

**Retiree Health Insurance Subsidy Program**

**Plan Description**

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**Benefits Provided**

For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Retiree Health Insurance Subsidy Program** (continued)

**Contributions**

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2015, the contribution rate was 1.26 percent of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event 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 Plan were \$70,253 for the year ended September 30, 2015.

**Pension Costs**

At September 30, 2015, the City reported a liability of \$1,826,719 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all participating employers. At June 30, 2015, the City's proportion was 0.01791%, which was an increase of 0.00174% from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the City recognized pension expense of \$136,090 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ -
Changes in Actuarial Assumptions	143,715	-
Net Difference Between Projected and Actual Earnings on HIS Program Investments	989	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	180,636	-
City Contributions Subsequent to the Measurement Date	24,727	-
Total	<u>\$ 350,067</u>	<u>\$ -</u>

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Retiree Health Insurance Subsidy Program** (continued)

\$9,220 reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending September 30,	Amount
2016	\$ 55,570
2017	55,570
2018	55,570
2019	55,369
2020	85,121
Thereafter	18,140

**Actuarial Assumptions**

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.80%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study of the FRS Plan for the period July 1, 2008, through June 30, 2013.

**Discount Rate**

The discount rate used to measure the total pension liability was 3.80% for the HIS Plan. 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.

**Pension Liability Sensitivity**

The following presents the City's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.80%	3.80%	4.80%
City's Proportionate Share of the HIS Plan Net Pension Liability	\$ 2,081,461	\$ 1,826,719	\$ 1,614,302

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Retiree Health Insurance Subsidy Program** (continued)

**Pension Plan Fiduciary Net Position**

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

**FRS Investment Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2014-15 fiscal years, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and County Elected Officers class 11.34%. These allocations include a required employee contribution of 3% of gross compensation for each member class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City's Investment Plan pension expense totaled \$60,893 for the year ended September 30, 2015. Employee contributions to the Investment Plan totaled \$20,573 for the fiscal year ended September 30, 2015.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Police Officers' and Firefighters' Retirement Systems**

*Plan Description* – The City contributes to two single-employer defined benefit pension plans, the Police Officers' Retirement System and Firefighters' Retirement System. The plans cover all sworn police officers and uniformed firefighters, respectively. Each plan provides retirement, disability, and death benefits to plan members and beneficiaries. The City Ordinances assign the authority to establish and amend benefit provisions to the Board of Trustees of each retirement plan. Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the plan:

Police Officers' Retirement System  
6739 Adams Street  
New Port Richey, Florida 34652  
(727) 841-4554

Firefighters' Retirement System  
4901 Madison Street  
New Port Richey, Florida 34652  
(727) 841-4533

**City of New Port Richey Police Officers' Retirement System**

At September 30, 2015, the Plan's membership consisted of the following:

Vested	4
Nonvested	17
Currently receiving benefits	23
DROP retirees	1
Terminated employees entitled to benefits but not yet receiving them	8

**Plan Description – Police Officers' Pension Plan**

The plan is a defined benefit plan covering all sworn police officers of the City. Participation in the Plan is required as a condition of employment. Originally established in 1969 and amended in 1996, 2000, 2001, 2004 and 2005, the Plan provides for pension, death and disability benefits. The Plan is subject to provisions of Chapter 185 of the State of Florida Statutes.

The Plan, in accordance with the above statute, is governed by a five member pension board. Two police officers, two city residents and a fifth member elected by the other four members constitute the pension board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and the Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Police Officers' and Firefighters' Retirement Systems** (continued)

City of New Port Richey Police Officers' Retirement System (continued)

**Benefits Provided – Police Officers' Pension Plan**

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

*Pension Benefits* - Under the Plan, participants with 10 or more years of continuous service are entitled to annual pension benefits beginning at normal retirement age (50) or before age 50 if they have completed 20 continuous years of service. Benefits are equal to 3 Yi% of the participants average final compensation for each year of credited service provided however, in no extent shall the monthly benefit exceed 75% of average final compensation. A participant's monthly retirement benefit ceases upon the later of death or 120 months from the date of commencement. A participant who terminates prior to 10 continuous years of service forfeits the right to receive all benefits he/she has accumulated. However, he/she retains the right of refund of all personal contributions made to the Plan. All retirees including disability retirees and vested terminated persons who retire on or after October 1, 2004 and their beneficiaries shall receive a \$500 (\$400 as of January 1, 2010) supplemental benefit. This benefit shall also include participants who enter the DROP on or after October 1, 2004. An additional benefit of four hundred dollars per month, payable for life, shall be paid to all retirees who became members of the Plan prior to October 20, 1994. This benefit was temporarily reduced to three hundred dollars per month for the period from January 31, 1993 through September 14, 1994. Effective September 15, 1994 the supplemental benefit returned to four hundred dollars per month. For those who became members on or after October 10, 1994 the additional benefit is two hundred dollars per month.

*Death Benefits* - For any deceased employee who had been an actively employed participant eligible for early, normal or delayed retirement, the benefit payable shall be at least equal to the annuity of ten years calculated as of the date of death. Benefits payable under service-connected death for participants ineligible for early retirement shall be payable to the spouse at the rate of 60% of the participant's regular base salary plus \$500 (before January 1, 2010), \$400 or \$200 per month until death. If there is no spouse, or upon the death of the spouse, each unmarried child shall receive 15% of the participant's regular base salary (aggregate not greater than 60%) plus \$500 (before January 1, 2010), \$400 or \$200 per month until age of 18, or the age of 22 if a full-time student at an accredited institution. After five years of continuous service, nonservice-connected death benefits shall be payable to the spouse at the rate of 30% of the participant's regular base salary plus \$400 or \$200 per month until the earlier of death or remarriage of the spouse. Benefits are payable to the children in amounts equal to one-half of the benefits as are payable by reason of service-incurred death.

*Disability Benefits* - Benefits payable to participants under service-incurred disability shall be monthly installments of 60% of participant's regular monthly base salary in effect at the date of disability plus \$500 (before January 1, 2010), \$400 or \$200 per month. The benefit shall be paid from the date of disability until recovery or death of the participant and continued to the beneficiary for life. After one year of continuous service, should a participant become disabled due to a nonservice-incurred cause, benefits of 30% of the participant's regular monthly base salary plus \$500 (before January 1, 2010), or \$400 shall be paid monthly from date of disability until recovery or death. For those who became members on or after October 20, 1994 the benefit will equal 5% of regular base salary for each year of service not to exceed 30%. Disability payments may be reduced proportionally to the extent that the disabled participant's benefits received hereunder with additional earned income exceed his earnings for the calendar year preceding disability. An optional form of benefit, providing death benefits, may be elected, but one hundred twenty (120) payments shall be guaranteed in any event. Notwithstanding the foregoing, the benefits for service connected disabilities cannot be reduced below the greater of 42% of average final compensation, two percent of average compensation times the number of years of credited service or 3.5% of regular base salary for each year of credited service not to exceed 75% of regular base salary.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Police Officers' and Firefighters' Retirement Systems** (continued)

City of New Port Richey Police Officers' Retirement System (continued)

*Deferred Retirement Option Plan* - Any Plan participant who is eligible to receive a normal or early retirement pension may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a police officer. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon his or her termination of employment. Participation in the DROP ceases for a Plan participant after the earlier of sixty months or the date elected by the participant.

*Refund and Compulsory Contributions* - Nonvested participants, upon termination, may request return of their compulsory contributions or leave them on deposit with the Plan. The Plan does not pay any interest on compulsory account balances or contributions returned.

Covered officers are required to contribute 4.5% of their salary to the Plan for the period from October 1, 1998 through January 16, 1999, 1.9% for the period from January 17, 1999 through the payroll for the week ended July 15, 2000, and 4.5% for the period from July 16, 2000 through the year ended September 30, 2009. If an officer retires, dies, becomes disabled, or terminates employment with the City, accumulated contributions are refunded to the officer or his/her designated beneficiary.

**Net Pension Liability of the City – Police Officers' Pension Plan**

The City's net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

Total pension liability	\$	12,630,226
Plan fiduciary net position		12,037,795
City Net Pension Liability	\$	592,431
Plan Fiduciary Net Position as a		
percentage of total pension liability		95.31%

**Actuarial assumptions – Police Officers' Pension Plan**

The total pension liability was determined by an actuarial valuation as of October 1, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation		3.00%
Salary increases		5.00%
Investment rate of return		8.00%
Discount Rate		8.00%

Mortality rates were based on the RP 2000 Combined Healthy for males and females with mortality improvement projected to all future years using Scale AA.

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.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Police Officers' and Firefighters' Retirement Systems** (continued)

City of New Port Richey Police Officers' Retirement System (continued)

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 plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	8.25%
International equity	8.25%
Fixed income	8.25%
Convertibles	6.16%
Fixed income	3.00%

The discount rate used to measure the total pension liability was 8%. 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 the sponsor contributions will be made a rate to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate - Police Officers' Pension Plan**

The following presents the net pension liability of the City, calculated using the discount rate of 8%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease 7.00%	Current Discount Single Discount Rate Assumption 8.00%	1% Increase 9.00%
City's net pension liability	\$ 1,865,699	\$ 592,431	\$ (388,006)

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Police Officers' and Firefighters' Retirement Systems** (continued)

City of New Port Richey Police Officers' Retirement System (continued)

**Changes in the Net Pension Liability – Police Officers' Pension Plan**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2014	\$ 11,972,134	\$ 11,060,060	\$ 912,074
Changes for the year:			
Service cost	167,944	-	167,944
Interest	935,634	-	935,634
Changes in Excess State Money	154,517	-	154,517
Differences between expected and actual experience	-	122,466	(122,466)
Contributions - Employer	-	383,613	(383,613)
Contributions - State	-	154,517	(154,517)
Contributions - Employee	-	75,982	(75,982)
Net Investment Income	-	883,669	(883,669)
Benefit payments, including refunds of member contributions	(600,003)	(600,003)	-
Administrative Expense	-	(42,509)	42,509
Net changes	658,092	977,735	(319,643)
Balances at September 30, 2015	<u>\$ 12,630,226</u>	<u>\$ 12,037,795</u>	<u>\$ 592,431</u>

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Police Officers' Pension Plan**

For the year ended September 30, 2015, the City recognized pension expense of \$507,995. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 575,137
Changes in Actuarial Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Police Pension Plan Investments	-	826,397
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	-
City Contributions Subsequent to the Measurement Date	930,808	-
Total	<u>\$ 930,808</u>	<u>\$ 1,401,534</u>

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Police Officers' and Firefighters' Retirement Systems** (continued)

City of New Port Richey Police Officers' Retirement System (continued)

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

Year Ended September 30	Amount
2016	(\$412,005)
2017	(412,005)
2018	(370,924)
2019	(206,600)
2020	-
Thereafter	-

City of New Port Richey Firefighters' Retirement System

At September 30, 2015, the Plan's membership consisted of the following:

Vested	12
Nonvested	28
Retirees and beneficiaries	39
DROP retirees	2
Terminated, entitled to benefits	7

**Plan Description – Firefighters' Pension Plan**

*General* -The Plan is a defined benefit pension plan covering all sworn firefighters of the City. Participation in the Plan is required as a condition of employment. Originally established in 1969 and amended in 2000, 2003, 2004, 2005, and 2011 the Plan provides for pension, death and disability benefits. The Plan is subject to provisions of Chapter 175 of the State of Florida Statutes.

The Plan, in accordance with the above statute, is governed by a five member pension board. Two firefighters, two city residents and a fifth member elected by the other four members constitute the pension board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and the Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

**Benefits Provided – Firefighters' Pension Plan**

*Normal retirement date* – A member's normal retirement date shall be the first day of the month coincident with, or next following the earlier of the attainment of age fifty-two (52) and accrual of 25 years of credited service; provided, however, that any member who has completed at least ten (10) years of credited service as of the effective date of Ordinance No. 2013-2016, shall be eligible for normal retirement upon the earlier of the attainment of age fifty (50) and the completion of ten (10) years of credited service or the attainment of age forty (40) and the completion of twenty (20) years of credited service. A member may retire on his normal retirement date or on the first date of any month thereafter, and each member shall become one hundred (100) percent vested in his accrued benefit on the member's normal retirement date. Normal retirement under the system is retirement from employment with the city on or after the normal retirement date.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Police Officers' and Firefighters' Retirement Systems** (continued)

**City of New Port Richey Firefighters' Retirement System** (continued)

*Normal retirement benefit* - A member retiring hereunder on or after his normal retirement date shall receive a monthly benefit which shall commence on the first day of the month coincident with or next following his retirement and be continued thereafter during member's lifetime, ceasing upon death, but with one hundred twenty (120) monthly payments guaranteed in any event. The monthly retirement benefit shall equal three and one-half (3 ½) percent of average final compensation, for each year of credited service for each year of credited service accrued through September 30, 2013; however, the monthly retirement benefit for any member shall not exceed seventy-five (75) percent of average final compensation; provided, however, that in any event the benefit shall equal at least two (2) percent of average final compensation for each year of credited service accrued after September 30, 2013. An additional benefit of two hundred dollars (\$200) per month shall be paid to all normal retirees, ceasing at death. An optional form of benefit may be elected by members as provided in section 17-45.

*Death Benefits Prior to Vesting or Eligibility for Retirement* - If deceased and not receiving monthly benefits, or not yet vested or eligible for normal retirement the beneficiary shall receive a refund of 100% of the participant's accumulated contributions.

*Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary* - Your beneficiary may, in writing, elect either (a) or (b): (a) If vested or eligible for normal retirement as of date of death, the benefit payable under this option shall be that monthly amount which would have been payable had you retired under normal retirement, without actuarial reduction, on the date of death, with the resulting benefit then being payable to your spouse beneficiary as if you had selected the 100% joint and survivor annuity optional form of benefit (b) If vested or eligible for normal retirement as of the date of death, the benefit payable under this option shall be as follows: If vested, but not eligible for normal retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the date that the deceased member would have been eligible for normal retirement, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your credited service and average final compensation as of the date of your death.

*Disability benefits* - If you become totally and permanently disabled to the extent you are unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a firefighter, which disability was directly caused by the performance of your duty as a firefighter, you shall, upon establishing the same to the satisfaction of the board, be entitled to a monthly pension equal to sixty (60) percent of your regular base salary in effect as of the date of disability, but such monthly installment shall not be less than forty-two (42) percent of your average final compensation at the time of disability. The benefits shall be paid from the date of disability until recovery, as determined by the board, or for life and continued to your spouse for life upon your death. In the event of your death and you do not have a surviving spouse, or upon the subsequent death of the spouse, the benefits shall be continued to your children in equal shares until each such child has attained the eighteenth birthday, or the twenty-second birthday if enrolled in a fully accredited college or university. An additional benefit of one hundred dollars (\$100.00) per month, ceasing at the earlier of age sixty-five (65) or death, shall be paid to all disabled retirees. Terminated persons, either vested or nonvested are not eligible for disability benefits, except that those terminated by the city for medical reasons may apply for a disability within thirty (30) days after termination. Disability retirement benefits paid shall not be less than the accrued retirement benefit at the time of disability.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Police Officers' and Firefighters' Retirement Systems** (continued)

**City of New Port Richey Firefighters' Retirement System** (continued)

*Deferred Retirement Option Plan (DROP)* - If you do not commence participation in the DROP prior to October 1, 2013, you shall not be eligible to participate in the DROP, regardless of the date of election to participate in the DROP, except that if you are eligible to retire with normal benefits on September 30, 2013, you shall be able to enter the DROP after September 30, 2013. (a) If you become eligible for normal retirement, and are still employed by the City as a firefighter, you have the option of "retiring" from the pension plan but continuing your employment as a firefighters for an additional five years. An election to participant in the DROP constitutes an irrevocable election to resign from the service of the City not later than 5 years from the time your election to participate first becomes effective. Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants. You must request, in writing, to enter the DROP. (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 6.5% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the System for the quarter. Two changes in election are permitted. (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum and you will also begin receiving your monthly retirement benefit. (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional credited service. Your retirement benefit is fixed as of your entry date. You pay no member contributions to the plan once you enter the DROP.

*Back DROP* - A Back DROP, as provided for herein, will be available to eligible members commencing October 1, 2013. (1) You are eligible to elect Back DROP during the period commencing on the earlier of the date you attain age 48 and the completion of 25 years of credited service or normal retirement age and ending before 10 years after you attain eligibility. (2) If you elect Back DROP you shall designate a Back DROP date and a proposed date of termination of employment. The Back DROP date may be any date on or after the date you attain eligibility for Back DROP but no more than 3 years prior to the proposed date of termination of employment (the "Back DROP Period"). The Back DROP Period shall in no case exceed 3 years. Your election shall be submitted to the Board for its approval. (3) Your retirement benefit, payable commencing upon termination of employment, will be calculated using the amount of your credited service and average final compensation as of the Back DROP date. Upon termination, you will also receive a Back DROP lump sum payment calculated as the accumulated amount of monthly benefit payments you would have received if you had actually retired and terminated employment on the Back DROP date, plus interest at 1 ½ percent per year, compounded annually. (4) All or a portion of the Back DROP lump sum payment may be rolled over into an eligible retirement plan or account. If you elect Back DROP you must, at the time of election, designate for your monthly benefit either the normal retirement benefit or one of the optional forms. (5) Election of Back DROP, including the designation of the Back DROP date and the proposed termination date, is irrevocable. In no cash shall you remain employed after the termination date.

*Refund and Compulsory Contributions* - Nonvested participants, upon termination, may request return of their compulsory contributions or leave them on deposit with the Plan. The Plan does not pay any interest on compulsory account balances or contributions returned. Covered firefighters are required to contribute 8% of their salary to the Plan. If a firefighter retires, dies, becomes disabled, or terminates employment with the City, accumulated contributions are refunded to the firefighter or his/her designated beneficiary.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Police Officers' and Firefighters' Retirement Systems** (continued)

**City of New Port Richey Firefighters' Retirement System** (continued)

**Net Pension Liability of the City – Firefighters' Pension Plan**

Total pension liability	\$	23,785,673
Plan fiduciary net position		22,218,814
City Net Pension Liability	\$	1,566,859
Plan Fiduciary Net Position as a percentage of total pension liability		93.41%

**Actuarial assumptions – Firefighters' Pension Plan**

The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation		4.00%
Salary increases		6.50%
Investment rate of return		8.00%

Based on a study of over 650 public safety finds, the RP-2000 Table with no projection table reflects a 10% margin for future mortality improvements (disabled lives set forward 5 years).

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 1990-2010.

The long-term 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 plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
International fixed	1.80%
Large value	4.90%
Large growth	4.63%
Real estate	6.00%

**Discount Rate – Firefighter Pension Plan**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made a rate to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

***Police Officers' and Firefighters' Retirement Systems*** (continued)

***City of New Port Richey Firefighters' Retirement System*** (continued)

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate – Firefighters' Pension Plan**

The following presents the net pension liability of the City, calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease 7.00%	Current Discount Single Discount Rate Assumption 8.00%	1% Increase 9.00%
City's net pension liability	\$ 4,284,499	\$ 1,566,859	\$ (703,794)

**Changes in Net Pension Liability – Firefighters' Pension Plan**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2014	\$ 23,244,123	\$ 19,600,297	\$ 3,643,826
Changes for the year:			
Service cost	728,582	-	728,582
Interest	1,799,225	-	1,799,225
Changes in Excess State Money	-	-	-
Differences between expected and actual experience	(780,543)	-	(780,543)
Contributions - Employer and State	-	1,183,428	(1,183,428)
Contributions - Member	-	90,712	(90,712)
Net Investment Income	-	2,601,693	(2,601,693)
Benefit payments, including refunds of member contributions	(1,205,714)	(1,205,714)	-
Administrative Expense	-	(51,602)	51,602
Net changes	541,550	2,618,517	(2,076,967)
Balances at September 30, 2015	\$ 23,785,673	\$ 22,218,814	\$ 1,566,859

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

**Police Officers' and Firefighters' Retirement Systems** (continued)

City of New Port Richey Firefighters' Retirement System (continued)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Firefighters' Pension Plan**

For the year ended September 30, 2015, the City recognized pension expense of \$592,431. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ -
Changes in Actuarial Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Firefighter Pension Plan Investments	-	97,973
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	-
City Contributions Subsequent to the Measurement Date	418,315	-
Total	<u>\$ 418,315</u>	<u>\$ 97,973</u>

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

Year Ended September 30	Amount
2016	(\$24,493)
2017	(24,493)
2018	(24,493)
2019	(24,494)
2020	-
Thereafter	-

**Defined Contribution Retirement Plan**

*Plan Description* – The City, in accordance with Florida Statute 121, elected to opt out of the Florida Retirement System for newly hired employees effective January 1, 1996, and subsequently established a single-employer, defined contribution retirement plan. The plan is a “money purchase” plan and is funded through the purchase of annuity contracts from the Variable Annuity Life Insurance Company (VALIC). Effective January 3, 2006, the City Council approved the rejoining of the Florida Retirement System for all eligible new nonuniformed employees and nonuniformed employees previously participating in the single-employer defined contribution pension plan that have elected to participate in the Florida Retirement System.

Employees are fully vested after six years of service and the plan provides for retirement, disability and death benefits to plan members and beneficiaries. The City of New Port Richey may amend or terminate the plan at any time, at its sole discretion. However, no amendment may result in a reduction of any participant’s vested interest or cause any portion of the plan’s assets to revert back to the City. In addition, no amendment may authorize the use of the plan assets for purposes other than the exclusive benefit of participants and their beneficiaries. The Plan is administered by VALIC.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H RETIREMENT PLANS** (continued)

*Defined Contribution Retirement Plan* (continued)

*Funding Policy* – The plan does not require contributions from members. The City contributes 10% of the annual compensation of participating employees. For fiscal years ended September 30, 2015, 2014, and 2013, the City contributed approximately \$14,500, \$27,600, and \$14,400, respectively, to the Plan. Contributions made by the City were equal to the required contribution percentage.

**NOTE I POSTEMPLOYMENT HEALTH CARE PLAN**

The City has adopted the provisions of GASB Statement 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,” as of October 1, 2008. This statement provides for the determination and disclosure of the annual cost of providing other postemployment benefits (OPEB). The City provides other postemployment benefits in the form of the Retiree Health Care Program.

*Plan Description* – The City provides a defined benefit postemployment health care plan, the Retiree Health Care Program (the “Plan”), whereby retired employees are able to purchase health care benefits through the City’s health care provider. The Plan is administered by the City as a single-employer plan. The Plan is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for the Plan. All approved benefits are paid from general assets when due. The City does not issue stand-alone financial statements for the Plan.

To be eligible to participate in the Plan, *General employees* must have a minimum of six years of vesting service with the City under the Florida Retirement System (FRS) or the City’s Defined Contribution Plan, must be eligible to receive benefits from FRS or the Defined Contribution Plan, and must either retire at the age of 62 or above, or retire with 30 years of consecutive service with the City. *Firefighter employees* are eligible to participate in the Plan if they retire at the age of 50 or above with 10 years of service or retire at age 40 or above with 20 years of service. *Police Officer employees* are eligible to participate in the Plan if they retire at the age of 50 or above with 10 years of service or retire after 20 years of service.

The retired employees (including their eligible dependents) that are eligible to participate in the Plan can currently select one of three health care plans offered by the City’s health care provider. Retiree Plan participants are required to pay 100% of their respective health care insurance premiums.

The City’s overall cost of providing health care benefits is increased as a result of an implicit insurance rate subsidy resulting from retired employees being permitted to pay lower than age-adjusted premiums through the use of blended premiums for both retirees and active employees. The resulting incremental increase in health care insurance premiums results in an actuarial accrued liability to the City based on projected health care costs.

*Funding Policy and Status* – The annual required contribution to fund the incremental cost of the health care plan is based on a pay-as-you-go funding approach. For the year ended September 30, 2014, the expected contribution for the City was \$91,836.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE I POSTEMPLOYMENT HEALTH CARE PLAN (continued)**

*Actuarial Methods and Assumptions* – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

*Annual Other Post-Employment Benefit Cost and Net OPEB Obligation* – The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that would be required to cover the normal cost of the plan each year on a pay-as-you-go basis assuming a 30-year amortization period. The following table shows the City’s annual OPEB cost and the amount expected to be contributed by the City towards this OPEB obligation:

	Pay-As-You-Go Funding - Fiscal Year Ending 9/30/15
Annual Required Contribution (ARC)	\$ 373,127
Interest on net OPEB obligation	51,126
Adjustment to ARC	(50,795)
Annual OPEB cost	373,458
Expected employer contribution	(91,836)
Increase in net OPEB obligation	281,622
Net OPEB obligation beginning of year	1,278,154
Net OPEB obligation end of year	\$ 1,559,776

*Schedule of Funding Progress*

							UAAL as a Percentage of
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Covered Payroll ((b-a)/c)	
10/1/13	\$ -	\$ 2,891,614	\$ 2,891,614	0.0%	\$ 7,191,415	40.2%	
10/1/10	\$ -	\$ 2,798,243	\$ 2,798,243	0.0%	\$ 7,281,907	38.4%	
10/1/08	\$ -	\$ 2,286,182	\$ 2,286,182	0.0%	\$ 7,460,169	30.6%	

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE I POSTEMPLOYMENT HEALTH CARE PLAN (continued)**

*Required Actuarial Information*

Contribution Rate	4.9%
Actuarial valuation date	10/1/13
Contributions Made	TBD
Actuarial Cost Method	Entry Age
Amortization Method	Level percent, open
Remaining Amortization Period	30 years
Asset Valuation Method	Unfunded
Actuarial Assumptions:	
Investment rate of return *	4.00%
Projected Salary Increases *	4.00% - 8.38%
Payroll Growth Assumptions	3.00%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.50%
* - Includes Inflation at	3.50%

**NOTE J EMPLOYER BENEFITS FROM ON-BEHALF PAYMENTS**

The City receives insurance excise tax remittances from the State of Florida on behalf of the Police Officers' Retirement Fund and Firefighters' Retirement Plan that are restricted in purpose for the benefit of the retirement plans and must be transferred immediately upon receipt to each respective retirement plan. The amounts received from the State of Florida on behalf of the Police Officers' Retirement Plan and Firefighters' Retirement Plan for the year ended September 30, 2015 were \$333,435. These amounts have been reported as intergovernmental revenues in the General Fund with a corresponding expenditure classified as part of personal services in the Police and Fire departments.

**NOTE K DEFERRED COMPENSATION PLAN**

The City has a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, in which all full-time employees are eligible to participate. Deferred compensation amounts withheld from participating employees' pay are not taxable as current income until withdrawn from the plan. In 2014, annual contributions by a participant may not exceed the lesser of \$17,500 or 100% of the participant's includable compensation. Employees that will be age fifty (50) by the end of 2014 are able to defer an additional \$5,500 as provided by the "catch-up" provisions of the Internal Revenue Code.

**NOTE L LANDFILL COSTS**

In July 1991, the City closed its landfill. State and federal laws require the City to perform post-closure monitoring for 20 years, which began in 1991. The facility is classified as a closed Class III landfill and shall be monitored and maintained in accordance with State requirements. The closed landfill includes a disposal footprint of approximately fifty-five acres.

On December 19, 2012 a new permit titled "Solid Waste Closure" (long-term care) Permit – Landfill" was issued by the Department of Environmental Protection which replaces the previous permit. This extension of the long-term care period was required at the facility for an indefinite period of time until sufficient data has been collected to demonstrate that the site has "stabilized" as defined by Rule 17-701.020 (64), F.A.C. The new permit (which expires January 19, 2017) states that financial assurance is no longer required for the facility. The City incurred expenses of \$4,215 for the fiscal year ended September 30, 2015, for post-closure monitoring and maintenance at the facility. No liability has been reported for landfill closure and postclosure care as of September 30, 2015.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE M RISK MANAGEMENT**

The City is a member of Public Risk Management of Florida (PRM), a liability risk pool. PRM administers insurance activities relating to workers' compensation, property, liability, and automobiles. PRM absorbs the risk of loss up to a specified amount annually and purchases excess and other specific coverage's from third-party carriers. PRM assesses each member it's pro rata share of the estimated amount required to meet current-year losses and operating expenses. During the fiscal year ended September 30, 2015, the City had no significant reductions in insurance coverage from the prior year. In addition, there have been no settlements that have exceeded the City's insurance coverage in any of the past three fiscal years.

**NOTE N SIGNIFICANT CONTINGENCIES**

Litigation – The City is involved as a defendant or plaintiff in certain litigation and claims arising in ordinary course of operations. In the opinion of legal counsel, the range of potential liabilities will not materially affect the financial position of the City. On March 6, 2013, an inverse condemnation case against the City was settled through mediation. The City has agreed to the terms of settlement and will pay \$362,500 in installments starting October 1, 2013 with the last payment on October 1, 2018.

State and Federal Grants – Grant monies received and disbursed by the City are for the specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City.

Arbitrage Rebate – In accordance with the Tax Reform Act of 1986, any interest earnings on borrowed construction funds in excess of the interest costs incurred are required to be rebated to the federal government. There was no arbitrage liability as of September 30, 2015.

Construction Commitments – As of September 30, 2015, the City's commitments with contractors totaled \$4,256,473 for a number of capital projects.

**NOTE O FUND DEFICITS**

The Redevelopment Fund has a negative fund balance of \$4,990,418 caused by receipt of a repayable advance of \$8,866,530 from the General Fund and the subsequent transfer of the same amount to the Debt Service Fund to pay off a Series 2012 Revenue Note. Since the General Fund advance could not be recorded as an Other Financing Source, the transfer to the Debt Service Fund contributed to the reported fund balance deficit at September 30, 2015. The City plans to monitor cash flows in this fund to reduce this deficit over time with increases in collected tax revenues as the assessed values of properties in the City increases.

**NOTE P CHANGE IN ACCOUNTING PRINCIPLE**

During the year ended September 30, 2015, the City adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These pronouncements require the restatement of September 30, 2014 net position of the governmental activities and proprietary funds. For restatement information, refer to Note Q.

**CITY OF NEW PORT RICHEY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE Q PRIOR PERIOD ADJUSTMENTS**

During the year ended September 30, 2015, the City restated net position and fund balance as of September 30, 2014 in order to correct the following errors affecting prior periods:

- The City failed to recognize unbilled water & sewer revenues prior to the year ended September 20, 2015. A restatement to increase beginning net position in the Water & Sewer fund was necessary in order to correct the amount of unbilled revenues that were not recognized in the prior year.
- The City reported a deferred contribution retirement plan and an employees' deferred compensation plan as pension trust funds in the fiscal year 2014 financial statements. The City's practical involvement in administering the plans is essentially limited to remitting the amounts collected from employees to the trustee of the plan. In that case, the use of a fiduciary fund to account for the assets of the deferred compensation plan would not be appropriate, because the government is not properly considered to be holding the assets or influencing the direction of the assets' use in any manner. Thus, these plans were removed from the fiduciary funds in 2015.
- Derived tax revenues (communication services taxes, infrastructure surtax, half cent sales tax, local option gas tax) are recorded when the underlying exchange takes place. For these types of revenues there is a two month lag between when the revenue should be recognized and the cash is collected by the City. In previous fiscal years, the City recognized an incorrect amount of receivables associated with derived tax revenues. A restatement of net position as of September 30, 2014 was required to recognize the proper amount of revenues and receivables as of and for the year ended September 30, 2015.
- Certain assets within governmental activities were incorrectly reported as both capital assets and redevelopment properties held for resale as of September 30, 2014. These amounts are included as a restatement to net position as of September 30, 2014 in order to properly record the beginning balance of land within governmental activities.

The net position and fund balance of governmental activities, business-type activities, governmental funds, proprietary funds, and fiduciary funds were restated as of September 30, 2014 as follows:

	Governmental Activities	Business-Type Activities	General Fund	Capital Projects Fund	Other Governmental Funds	Water and Sewer Fund	Stormwater Fund	Internal Service Funds	Employee Retirement Funds
Balance, September 30, 2014, as Previously Reported	\$ 36,446,408	\$ 57,161,612	\$ 13,190,461	\$ 4,908,443	\$ 3,241,315	\$ 49,435,009	\$ 7,726,603	\$ 303,547	\$ 38,791,733
Change in Accounting Principle - Adoption of GASB 68/71	(8,189,574)	(1,205,049)	-	-	-	(1,076,714)	(128,335)	(117,137)	-
Correction of an Error - Recognize Unbilled Water and Sewer Revenues in the Proper Period	-	471,396	-	-	-	471,396	-	-	-
Correction of an Error - Remove Defined Contribution Plans from Fiduciary Funds	-	-	-	-	-	-	-	-	(4,654,312)
Correction of an Error - Recognize Derived Tax Revenues and Receivables in the Proper Period	551,058	-	292,488	222,050	36,520	-	-	-	-
Correction of an Error - Remove Capital Assets from Prior Period	(831,537)	-	-	-	-	-	-	-	-
Net Position, June 30, 2015, as Restated	<u>\$ 27,976,355</u>	<u>\$ 56,427,959</u>	<u>\$ 13,482,949</u>	<u>\$ 5,130,493</u>	<u>\$ 3,277,835</u>	<u>\$ 48,829,691</u>	<u>\$ 7,598,268</u>	<u>\$ 186,410</u>	<u>\$ 34,137,421</u>

**NOTE R SUBSEQUENT EVENT**

On January 25, 2016, the City issued \$11,265,000 of Non-Ad Valorem Refunding Note, Series 2016. The proceeds of the Note were used to currently refund the Redevelopment Refunding Revenue Note, Series 2005 and to currently refund the Redevelopment Revenue Note, Series 2005B. The net present value of the savings with this current refunding is \$788,092.

### **Required Supplementary Information**

Required supplementary information includes budgetary comparison schedules for the general fund and major special revenue funds, and schedules depicting the funding progress and contributions for the single employer defined benefit pension plans.

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**CITY OF NEW PORT RICHEY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
TAXES				
Ad valorem	\$ 4,405,580	\$ 4,405,580	\$ 4,510,864	\$ 105,284
Franchise taxes	1,447,000	1,447,000	1,247,460	(199,540)
Communication services tax	717,000	717,000	656,780	(60,220)
<b>TOTAL TAXES</b>	<b>6,569,580</b>	<b>6,569,580</b>	<b>6,415,104</b>	<b>(154,476)</b>
LICENSES AND PERMITS				
Local business tax	160,000	160,000	123,427	(36,573)
Permits and Fees	312,600	312,600	199,126	(113,474)
<b>TOTAL LICENSES AND PERMITS</b>	<b>472,600</b>	<b>472,600</b>	<b>322,553</b>	<b>(150,047)</b>
INTERGOVERNMENTAL REVENUE				
Federal grants	658,130	658,130	211,542	(446,588)
State and local grants	59,000	60,000	16,539	(43,461)
State excise tax rebate - Fire Pension	-	-	112,019	112,019
State excise tax rebate - Police Pension	-	-	188,021	188,021
State revenue sharing	669,100	669,100	675,059	5,959
County occupational licenses	8,000	8,000	13,349	5,349
Mobile home license tax rebate	36,000	36,000	43,657	7,657
Municipality fuel tax refund	6,000	6,000	14,884	8,884
Half-cent sales tax	829,300	829,300	882,574	53,274
Alcoholic beverage licenses	36,000	36,000	34,914	(1,086)
Firefighters supplementary compensation	2,000	-	36,495	36,495
School district reimbursement for school resource officer	103,000	103,000	108,677	5,677
<b>TOTAL INTERGOVERNMENTAL REVENUES</b>	<b>2,406,530</b>	<b>2,405,530</b>	<b>2,337,730</b>	<b>(67,800)</b>
CHARGES FOR SERVICES				
Recreation	545,850	545,850	443,233	(102,617)
Public safety	123,400	123,400	100,942	(22,458)
Street lights	31,800	31,800	36,644	4,844
Other	78,850	78,850	59,186	(19,664)
<b>TOTAL CHARGES FOR SERVICES</b>	<b>779,900</b>	<b>779,900</b>	<b>640,005</b>	<b>(139,895)</b>
FINES AND FORFEITURES				
Court fines	55,000	55,000	61,992	6,992
Other fines	1,767,800	1,805,986	1,697,266	(108,720)
<b>TOTAL FINES AND FORFEITURES</b>	<b>1,822,800</b>	<b>1,860,986</b>	<b>1,759,258</b>	<b>(101,728)</b>
MISCELLANEOUS REVENUES				
Investment income	7,590	7,590	31,567	23,977
Contributions	14,000	36,700	27,450	(9,250)
Rents	3,000	3,000	3,980	980
Proceeds from sale of capital assets	2,000	2,000	-	(2,000)
Other	44,400	44,400	119,790	75,390
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>70,990</b>	<b>93,690</b>	<b>182,787</b>	<b>89,097</b>
TRANSFERS FROM OTHER FUNDS	6,742,690	6,742,690	6,650,288	(92,402)
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<b>18,865,090</b>	<b>18,924,976</b>	<b>18,307,725</b>	<b>(617,251)</b>

(continued)

**CITY OF NEW PORT RICHEY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
<b>GENERAL GOVERNMENT</b>				
Legislative - Nonclassified				
Personnel	\$ 20,030	\$ 20,030	\$ 19,661	\$ 25
Operating	178,060	178,060	193,940	(59,795)
Non-operating	345,620	345,650	51,764	6
	543,710	543,740	265,365	(59,764)
Executive				
Personnel	233,760	233,760	250,018	(25,664)
Operating	17,300	17,300	20,725	(91,631)
	251,060	251,060	270,743	(117,295)
Human Resources				
Personnel	144,930	144,930	90,568	69,525
Operating	318,220	318,220	384,945	39,370
	463,150	463,150	475,513	108,895
Financial Administration				
Personnel	720,610	719,194	719,864	24,012
Operating	234,340	234,340	467,897	(79,198)
Capital outlay	2,000	-	-	(236,923)
	956,950	953,534	1,187,761	(292,109)
Technology Solutions				
Personnel	200,400	201,694	176,228	24,012
Operating	249,210	249,210	258,778	(79,198)
Capital outlay	290,650	290,650	220,081	(236,923)
	740,260	741,554	655,087	(292,109)
City Clerk				
Personnel	69,280	69,280	68,086	(779)
Operating	42,910	42,910	48,665	3,312
	112,190	112,190	116,751	2,533
Economic Development				
Personnel	148,330	148,330	154,218	24,012
Operating	7,590	7,590	3,179	(79,198)
Capital outlay	4,500	-	-	(236,923)
	160,420	155,920	157,397	(292,109)
<b>TOTAL GENERAL GOVERNMENT</b>	<b>3,227,740</b>	<b>3,221,148</b>	<b>3,128,617</b>	<b>(941,958)</b>
<b>PUBLIC SAFETY</b>				
Police				
Personnel	5,149,370	5,080,048	5,144,046	(134,432)
Operating	2,000,210	2,070,380	2,043,666	(35,740)
Capital outlay	186,600	156,600	583,143	(35,305)
	7,336,180	7,307,028	7,770,855	(205,477)
Fire				
Personnel	2,162,820	2,166,467	2,167,075	(9,305)
Operating	280,200	250,752	259,744	42,567
Capital outlay	319,940	319,940	39,817	992
	2,762,960	2,737,159	2,466,636	34,254
<b>TOTAL PUBLIC SAFETY</b>	<b>10,099,140</b>	<b>10,044,187</b>	<b>10,237,491</b>	<b>(171,223)</b>

(continued)

**CITY OF NEW PORT RICHEY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>PUBLIC WORKS</b>				
Public Works Administration				
Personnel	\$ 829,640	\$ 829,640	\$ 712,881	\$ 4,019
Operating	526,640	526,640	374,665	4,773
Capital outlay	681,140	678,140	380,677	117,600
	<u>2,037,420</u>	<u>2,034,420</u>	<u>1,468,223</u>	<u>126,392</u>
Road and Street Facilities				
Personnel	311,010	312,588	287,304	31,126
Operating	303,760	303,760	363,789	(91,036)
Capital outlay	275,000	275,000	225,403	50,000
	<u>889,770</u>	<u>891,348</u>	<u>876,496</u>	<u>(9,910)</u>
<b>TOTAL PUBLIC WORKS</b>	<u>2,927,190</u>	<u>2,925,768</u>	<u>2,344,719</u>	<u>116,482</u>
<b>CULTURE AND RECREATION</b>				
Library				
Personnel	663,680	663,680	605,020	17,111
Operating	359,420	359,420	277,637	10,012
Capital outlay	330,280	330,280	229,198	(15,494)
	<u>1,353,380</u>	<u>1,353,380</u>	<u>1,111,855</u>	<u>11,629</u>
Playgrounds and Parks				
Personnel	781,530	781,530	738,885	16,463
Operating	587,510	587,510	521,845	20,743
Capital outlay	169,300	169,300	180,658	101,430
	<u>1,538,340</u>	<u>1,538,340</u>	<u>1,441,388</u>	<u>138,636</u>
Swimming Pool				
Personnel	203,320	203,320	196,467	3,666
Operating	124,050	124,050	106,648	2,120
Capital outlay	37,000	37,000	34,643	-
	<u>364,370</u>	<u>364,370</u>	<u>337,758</u>	<u>5,786</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>3,256,090</u>	<u>3,256,090</u>	<u>2,891,001</u>	<u>156,051</u>
TRANSFERS TO OTHER FUNDS	719,560	719,560	719,554	-
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	20,229,720	20,166,753	19,321,382	(840,648)
<b>EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	(1,364,630)	(1,241,777)	(1,013,657)	223,397
<b>FUND BALANCE - BEGINNING OF YEAR, AS RESTATED</b>	<u>6,623,252</u>	<u>6,361,629</u>	<u>13,482,949</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,258,622</u>	<u>\$ 5,119,852</u>	<u>\$ 12,469,292</u>	<u>\$ 223,397</u>

(continued)

**CITY OF NEW PORT RICHEY, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)  
 YEAR ENDED SEPTEMBER 30, 2015**

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
 OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 18,307,725
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(6,650,288)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 11,657,437</u></u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 19,321,382
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(719,554)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 18,601,828</u></u>

**CITY OF NEW PORT RICHEY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE – REDEVELOPMENT FUND  
YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
Taxes	\$ 556,260	\$ 556,260	\$ 556,261	\$ 1
Intergovernmental revenues	288,000	288,000	-	(288,000)
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	14,070	14,070
Transfers from other funds	1,169,560	1,169,560	719,554	(450,006)
	<u>2,013,820</u>	<u>2,013,820</u>	<u>1,289,885</u>	<u>(723,935)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION				
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current				
General government	205,970	205,970	252,880	46,910
Capital outlay	738,000	738,000	-	(738,000)
Debt service				
Principal and interest	680,620	680,620	1,362,100	681,480
Transfer to other funds	485,450	485,450	485,450	-
	<u>2,110,040</u>	<u>2,110,040</u>	<u>2,100,430</u>	<u>(9,610)</u>
TOTAL CHARGES TO APPROPRIATIONS				
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(96,220)	(96,220)	(810,545)	(714,325)
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	<u>60,865</u>	<u>51,775</u>	<u>(4,179,873)</u>	<u>(4,231,648)</u>
FUND BALANCE - END OF YEAR	<u>\$ (35,355)</u>	<u>\$ (44,445)</u>	<u>\$ (4,990,418)</u>	<u>\$ (4,945,973)</u>

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 1,289,885
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(719,554)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 570,331</u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,100,430
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(485,450)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,614,980</u>

**CITY OF NEW PORT RICHEY, FLORIDA  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
YEAR ENDED SEPTEMBER 30, 2015**

**Florida Retirement System Pension Plan**

**2015**

City's Proportion of the Net Pension Liability	0.016311776%
City's Proportionate Share of the Net Pension Liability	\$ 2,106,885
City's Covered-Employee Payroll	\$ 5,213,944
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	40.41%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	92.00%

Note: The Amounts Presented for Each Fiscal Year were Determined as of June 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

**Retiree Health Insurance Subsidy Program (HIS)**

**2015**

City's Proportion of the Net Pension Liability	0.017911774%
City's Proportionate Share of the Net Pension Liability	\$ 1,826,719
City's Covered-Employee Payroll	\$ 5,445,154
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	33.55%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	0.50%

Note: The Amounts Presented for Each Fiscal Year were Determined as of June 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

**CITY OF NEW PORT RICHEY, FLORIDA  
SCHEDULE OF RETIREMENT CONTRIBUTIONS  
YEAR ENDED SEPTEMBER 30, 2015**

**Florida Retirement System Pension Plan**

	<b>2015</b>
Contractually Required Contribution	\$ 383,864
Contributions in Relation to the Contractually Required Contribution	(383,864)
Contribution Deficiency (Excess)	\$ -
City's Covered-Employee Payroll	\$ 5,196,659
Contributions as a Percentage of Covered Employee Payroll	7.39%

Note: The Amounts Presented for Each Fiscal Year were Determined as of June 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

**Retiree Health Insurance Subsidy Program (HIS)**

	<b>2015</b>
Contractually Required Contribution	\$ 74,334
Contributions in Relation to the Contractually Required Contribution	(74,334)
Contribution Deficiency (Excess)	\$ -
City's Covered-Employee Payroll	\$ 5,427,103
Contributions as a Percentage of Covered Employee Payroll	1.37%

Note: The Amounts Presented for Each Fiscal Year were Determined as of June 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

**CITY OF NEW PORT RICHEY, FLORIDA  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –  
FIREFIGHTERS’ RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS\***

	September 30, 2014 *
Total Pension Liability:	
Service Cost	\$ 167,944
Interest	935,634
Change in Excess State Money	154,517
Changes of benefit terms	-
Differences between Expected and Actual Experience	-
Changes of assumptions	-
Benefit Payments, including Refunds of Employee Contributions	(600,003)
Net Change in Total Pension Liability	658,092
Total Pension Liability - Beginning	11,972,134
Total Pension Liability - Ending (a)	\$ 12,630,226
 Plan Fiduciary Net Position:	
Contributions - Employer	\$ 383,613
Contributions - State	154,517
Contributions - Employee	75,982
Net Investment Income	1,006,135
Benefit Payments, including Refunds of Employee Contributions	(600,003)
Administrative Expense	(42,509)
Net Change in Plan Fiduciary Net Position	977,735
Plan Fiduciary Net Position - Beginning	11,060,060
Plan Fiduciary Net Position - Ending (b)	\$ 12,037,795
 Net Pension Liability - Ending (a) - (b)	\$ 592,431
 Plan Fiduciary Net Position as a percentage of Total Pension Liability	95.31%
 Covered Employee Payroll **	\$ 952,337
Net Pension Liability as a percentage of Covered Employee Payroll	62.21%

**Notes to Schedule:**

Valuation date is October 1, 2013

\* Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

\*\*The Covered Employee Payroll figure was based on Pensionable Salary.

**CITY OF NEW PORT RICHEY, FLORIDA  
SCHEDULE OF CONTRIBUTIONS AND NOTES TO SCHEDULE –  
FIREFIGHTERS’ RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS\***

Reporting Period Ending	September 30, 2015 *	
Measurement Date	September 30, 2014 *	
Actuarially Determined Contribution	\$ 383,613	
Contributions in relation to the Actuarially Determined Contribution	383,613	
Contribution Deficiency (Excess)	\$ -	
Covered Employee Payroll **	\$ 952,337	
Contributions as a percentage of Covered Employee Payroll	40.28%	

**Notes to Schedule:**

\* Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

\*\* For the 2014 Fiscal Year, the Covered Employee Payroll figure was based on Pensionable Salary.

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
Amortization Method:	N/A
Payroll Growth:	N/A
Asset Valuation Method:	Each year, the prior year 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 of Assets.
Inflation:	3.0% per year
Salary Increases:	6% per year until the assumed retirement age
Interest Rate:	8% per year compounded annually, net of investment related expenses
Retirement Age:	Earlier of 1) age 41 and 21 years of service, or 2) age 51 and 11 years of service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Termination Rates:	See tables below
Disability Rates:	See tables below. It is assumed that 75% of disablements and active Member deaths are service related
Mortality:	RP-2000 Table with no projection
Termination and Disability Rate Table:	

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.00%	0.14%
25	8.60%	0.15%
30	7.50%	0.18%
35	5.70%	0.23%
40	3.90%	0.30%
45	2.40%	0.51%

**CITY OF NEW PORT RICHEY, FLORIDA**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –**  
**POLICE OFFICERS' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS\***

	September 30, 2014 *
Total Pension Liability:	
Service Cost	\$ 728,582
Interest	1,799,225
Change in Excess State Money	-
Changes of benefit terms	-
Differences between Expected and Actual Experience	(780,543)
Changes of assumptions	-
Benefit Payments, including Refunds of Employee Contributions	(1,205,714)
Net Change in Total Pension Liability	<u>541,550</u>
Total Pension Liability - Beginning	<u>23,244,123</u>
Total Pension Liability - Ending (a)	<u><u>\$ 23,785,673</u></u>
Plan Fiduciary Net Position:	
Contributions - Employer and State	\$ 1,183,428
Contributions - Employee	90,712
Net Investment Income	2,601,693
Benefit Payments, including Refunds of Employee Contributions	(1,205,714)
Administrative Expense	(51,602)
Net Change in Plan Fiduciary Net Position	<u>2,618,517</u>
Plan Fiduciary Net Position - Beginning	<u>19,600,297</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 22,218,814</u></u>
Net Pension Liability - Ending (a) - (b)	\$ 1,566,859
Plan Fiduciary Net Position as a percentage of Total Pension Liability	93.41%
Covered Employee Payroll *	\$ 2,144,984
Net Pension Liability as a percentage of Covered Employee Payroll	73.05%

**Notes to Schedule:**

Valuation Date is October 1, 2013

Update procedures used to roll forward Total Pension Liability, excluding DROP account balances and reserve for excess State Funds to the measurement date - actual DROP account balances and reserve for excess State funds as of measurement date included in Total Pension Liability

No assumption changes or benefit changes during the year.

\* Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

**CITY OF NEW PORT RICHEY, FLORIDA  
SCHEDULE OF CONTRIBUTIONS AND NOTES TO SCHEDULE –  
POLICE OFFICERS’ RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

Reporting Period Ending	September 30, 2015 *
Measurement Date	September 30, 2014 *
Actuarially Determined Contribution	\$ 1,183,428
Contributions in relation to the Actuarially Determined Contribution	1,183,428
Contribution Deficiency (Excess)	\$ -
Covered Employee Payroll **	\$ 2,144,984
Contributions as a percentage of Covered Employee Payroll	55.17%

**Notes to Schedule:**

\* Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

\*\* For the 2014 Fiscal Year, the Covered Employee Payroll figure was based on total payroll.

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:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Amortization Period	30 years
Asset Valuation Method:	5-year smoothed
Inflation:	4.0% per year
Salary Increases:	6.50%
Investment Rate of Return	8%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Healthy Members: RP 2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with Blue Collar Adjustment and fully generational mortality improvements projected to each future payment date with Scale AA
Cost-of-Living Increases	None

**CITY OF NEW PORT RICHEY, FLORIDA  
OTHER POSTEMPLOYMENT BENEFITS  
YEAR ENDED SEPTEMBER 30, 2015**

**Schedule of Employer Contributions:**

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2012 <sup>1</sup>	\$ 309,332	\$ 63,587	20.56%	\$ 750,627
September 30, 2013 <sup>1</sup>	324,905	72,787	22.40%	1,002,745
September 30, 2014 <sup>2</sup>	350,641	75,232	21.46%	1,278,154

**Schedule of Funding Progress:**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b - a) / c
October 1, 2008 <sup>1</sup>	\$ -	\$ 2,286,182	\$ 2,286,182	0.00%	\$ 7,460,169	30.6%
October 1, 2010 <sup>1</sup>	-	2,798,243	2,798,243	0.00%	7,281,907	38.4%
October 1, 2013 <sup>1</sup>	-	2,891,614	2,891,614	0.00%	7,191,415	40.2%

**Notes to Schedules:**

<sup>1</sup> As reported in the City's Comprehensive Annual Financial Report (CAFR).

<sup>2</sup> Amount contributed reflects the actuarially determined cost.

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### **Combining Financial Statements**

These financial statements provide a more detailed view of the nonmajor funds that were combined for the governmental activities in the fund financial statements and a detail of the individual fiduciary funds.

**CITY OF NEW PORT RICHEY, FLORIDA  
 COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2015**

	Street Improvement	Street Lights	Total Nonmajor Governmental Fund 2015
<b>ASSETS</b>			
Cash and pooled cash, cash equivalents, and investments	\$ 3,329,379	\$ 181,323	\$ 3,510,702
Receivables (Net of allowance):			
Accounts	-	-	-
Assessments	196,268	-	196,268
Due from other governments	116,783	709	117,492
Redevelopment properties held for resale	-	-	-
Total assets	3,642,430	182,032	3,824,462
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	210,544	2,554	213,098
Accrued liabilities	-	-	-
Repayable advance to other funds	-	-	-
Unearned revenue	235,018	-	235,018
Total liabilities	445,562	2,554	448,116
<b>FUND BALANCES</b>			
Fund balances			
Nonspendable - Redevelopment properties held for resale	-	-	-
Assigned - other capital projects	3,196,868	179,478	3,376,346
Unassigned - Redevelopment	-	-	-
Total fund balances	3,196,868	179,478	3,376,346
Total liabilities and fund balances	\$ 3,642,430	\$ 182,032	\$ 3,824,462

**CITY OF NEW PORT RICHEY, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2015**

	Street Improvement	Street Lights	Total Nonmajor Governmental Fund 2015
<b>REVENUES</b>			
Taxes	\$ 633,981	\$ 392,641	\$ 1,026,622
Miscellaneous	78,915	-	78,915
Total revenues	<u>712,896</u>	<u>392,641</u>	<u>1,105,537</u>
<b>EXPENDITURES</b>			
General government	-	14,210	14,210
Capital outlay	608,412	323,543	931,955
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>608,412</u>	<u>337,753</u>	<u>946,165</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	104,484	54,888	159,372
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(60,861)	-	(60,861)
Total other financing sources (uses)	<u>(60,861)</u>	<u>-</u>	<u>(60,861)</u>
<b>NET CHANGE IN FUND BALANCES</b>	43,623	54,888	98,511
<b>FUND BALANCES - BEGINNING OF YEAR AS PREVIOUSLY REPORTED</b>	3,116,725	124,590	3,241,315
Prior period adjustment	36,520	-	36,520
Fund balance - Beginning of year, as restated	<u>3,153,245</u>	<u>124,590</u>	<u>3,277,835</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,196,868</u>	<u>\$ 179,478</u>	<u>\$ 3,376,346</u>

**CITY OF NEW PORT RICHEY, FLORIDA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2015**

<b>ASSETS</b>	Pension Trust Funds		Total Pension Trust Fund
	Police Officer	Firefighters	
Cash	\$ 294,209	\$ 322,315	\$ 616,524
Receivables:			
Employer	167,973	82,989	250,962
Member	4,125	3,305	7,430
Interest	35,306	17,398	52,704
Dividends	5,459	1,600	7,059
Broker-dealers	-	125,751	125,751
Other	13,512	-	13,512
Intergovernmental:			
State excise tax rebate	-	112,019	112,019
State excise tax rebate supplement	-	33,395	33,395
Total receivables	226,375	376,457	602,832
Prepaid expenses	109,184	63,751	172,935
Investments at fair value:			
U.S. Government obligations	3,649,482	179,961	3,829,443
U.S. Government agency obligations	1,680,688	958,515	2,639,203
Domestic corporate bonds	697,862	1,489,453	2,187,315
Domestic fixed investment fund	-	536,640	536,640
Domestic stocks	13,734,444	3,026,627	16,761,071
Real estate investment fund	2,442,106		2,442,106
Domestic equity investment fund	-	2,406,278	2,406,278
International investment fund	-	1,255,506	1,255,506
Temporary investment funds	354,000	35,000	389,000
Total investments	22,558,582	9,887,980	32,446,562
Equipment, at cost, net of accumulated depreciation of \$5,961	581	-	581
Total assets	23,188,931	10,650,503	33,839,434
<b>LIABILITIES</b>			
Accounts payable	34,683	18,291	52,974
Accounts payable, broker-dealers	79,146	-	79,146
Total liabilities	113,829	18,291	132,120
Net position restricted for pensions	\$ 23,075,102	\$ 10,632,212	\$ 33,707,314

**CITY OF NEW PORT RICHEY, FLORIDA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED SEPTEMBER 30, 2015**

	Pension Trust Funds		Total Pension Trust Fund
	Police Officer	Firefighter	
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 930,808	\$ 337,210	\$ 1,268,018
Plan Members	97,124	79,624	176,748
Total Contributions	1,027,932	416,834	1,444,766
Intergovernmental revenue:			
State excise tax rebate	188,021	112,019	300,040
State excise tax rebate supplement		33,395	33,395
Total Intergovernmental Revenue	188,021	145,414	333,435
Investment Income (loss):			
Net appreciation(depreciation)in fair value of investments	759,357	(531,372)	227,985
Interest	213,196	95,099	308,295
Dividends	174,846	174,291	349,137
Commission recapture	8,568	-	8,568
Class action settlements	15,424	3,337	18,761
Other	169	-	169
Total Investment income (loss)	1,171,560	(258,645)	912,915
Less investment expenses	135,490	71,433	206,923
Net investment income (loss)	1,036,070	(330,078)	705,992
Total additions	2,252,023	232,170	2,484,193
<b>DEDUCTIONS</b>			
Benefits:			
Age and service	1,201,274	613,230	1,814,504
Disability	64,623	21,856	86,479
Beneficiary	-	38,544	38,544
DROP	45,484	903,184	948,668
Refunds of contributions	26,210	39,040	65,250
Administrative expenses	58,144	46,159	104,303
Total deductions	1,395,735	1,662,013	3,057,748
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	856,288	(1,429,843)	(573,555)
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
Beginning of year	22,218,814	12,062,055	34,280,869
<b>END OF YEAR</b>	\$ 23,075,102	\$ 10,632,212	\$ 33,707,314

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### **Other Supplementary Schedules**

These schedules are presented to provide greater detailed information than reported in the preceding financial statements. These schedules are not necessary for fair presentation in conformity with Generally Accepted Accounting Principles.

**CITY OF NEW PORT RICHEY, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE – STREET LIGHTS FUND  
 YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
Taxes	\$ 409,730	\$ 409,730	\$ 392,641	\$ (17,089)
AMOUNTS AVAILABLE FOR APPROPRIATION	409,730	409,730	392,641	(17,089)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General government	-	-	14,210	14,210
Capital outlay	395,000	395,000	323,543	(71,457)
TOTAL CHARGES TO APPROPRIATIONS	395,000	395,000	337,753	(57,247)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	14,730	14,730	54,888	40,158
FUND BALANCE - BEGINNING OF YEAR	(12,400)	14,730	124,590	109,860
FUND BALANCE - END OF YEAR	\$ 2,330	\$ 29,460	\$ 179,478	\$ 150,018

**CITY OF NEW PORT RICHEY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE – STREET IMPROVEMENT FUND**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
Taxes	\$ 724,000	\$ 724,000	\$ 633,981	\$ (90,019)
Miscellaneous	98,100	98,100	78,915	(19,185)
AMOUNTS AVAILABLE FOR APPROPRIATION	822,100	822,100	712,896	(109,204)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	520,000	520,000	608,412	88,412
TRANSFERS TO OTHER FUNDS	352,710	352,710	60,861	-
TOTAL CHARGES TO APPROPRIATIONS	872,710	872,710	669,273	(203,437)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(50,610)	(50,610)	43,623	94,233
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	545,910	1,331,310	3,153,245	1,821,935
FUND BALANCE - END OF YEAR	\$ 495,300	\$ 1,280,700	\$ 3,196,868	\$ 1,916,168

**CITY OF NEW PORT RICHEY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND  
YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
Taxes	\$ 1,379,000	\$ 1,379,000	\$ 1,352,119	\$ (26,881)
Miscellaneous	600	600	954	354
Transfers from other funds	-	-	-	-
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>1,379,600</u>	<u>1,379,600</u>	<u>1,353,073</u>	<u>(26,527)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Debt service				
Principal retirement	437,000	437,000	-	(437,000)
Interest and fiscal charges	244,480	244,480	-	(244,480)
Transfer to other funds	853,000	853,000	814,717	(38,283)
TOTAL CHARGES TO APPROPRIATIONS	<u>1,534,480</u>	<u>1,534,480</u>	<u>814,717</u>	<u>(719,763)</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(154,880)	(154,880)	538,356	693,236
FUND BALANCE - BEGINNING OF YEAR	<u>(550,000)</u>	<u>(550,000)</u>	<u>268,111</u>	<u>818,111</u>
FUND BALANCE - END OF YEAR	<u>\$ (704,880)</u>	<u>\$ (704,880)</u>	<u>\$ 806,467</u>	<u>\$ 1,511,347</u>

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 814,717
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(814,717)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

**CITY OF NEW PORT RICHEY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECTS FUND**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
Taxes	\$ 1,876,700	\$ 1,876,700	\$ 2,003,421	\$ 126,721
Intergovernmental revenue	1,600,000	1,600,000	298,220	(1,301,780)
Miscellaneous	3,950	3,950	17,282	13,332
Transfers from other funds	496,450	496,450	-	(496,450)
	<u>3,977,100</u>	<u>3,977,100</u>	<u>2,318,923</u>	<u>(1,658,177)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION				
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	6,755,250	6,650,000	1,839,573	(4,810,427)
Transfer to other funds	1,619,400	1,619,400	1,115,280	(504,120)
	<u>8,374,650</u>	<u>8,269,400</u>	<u>2,954,853</u>	<u>(5,314,547)</u>
TOTAL CHARGES TO APPROPRIATIONS				
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(4,397,550)	(4,292,300)	(635,930)	<u>\$ 3,656,370</u>
FUND BALANCE - BEGINNING OF YEAR	<u>158,130</u>	<u>158,130</u>	<u>5,130,493</u>	
FUND BALANCE - END OF YEAR	<u>\$ (4,239,420)</u>	<u>\$ (4,134,170)</u>	<u>\$ 4,494,563</u>	

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,954,853
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(1,115,280)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,839,573</u>

# Statistical Section

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data.

These tables reflect social and economic data, financial trends and the fiscal capacity of the government.

The Constitution of the State of Florida, Florida Statute 200.181 and the Charter of the City of New Port Richey, Florida set no legal debt margin.

The City has had no general bonded debt outstanding since 1978.

## **Schedules of Financial Trends Information**

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

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**CITY OF NEW PORT RICHEY, FLORIDA**  
**NET POSITION BY COMPONENT – LAST TEN FISCAL YEARS**  
**SEPTEMBER 30, 2015**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:				
Net investment in capital assets	\$ 15,293,646	\$ 17,540,161	\$ 18,626,067	\$ 19,021,599
Restricted	2,334,059	3,416,917	3,618,120	3,368,339
Unrestricted	5,507,834	5,046,868	5,727,958	6,008,016
Total governmental activities net position	<u>\$ 23,135,539</u>	<u>\$ 26,003,946</u>	<u>\$ 27,972,145</u>	<u>\$ 28,397,954</u>
Business-type activities:				
Net investment in capital assets	\$ 36,723,733	\$ 38,972,706	\$ 35,649,923	\$ 39,193,944
Restricted	2,632,958	-	4,880,588	-
Unrestricted	15,164,645	18,160,750	18,217,655	21,946,034
Total business-type activities net position	<u>\$ 54,521,336</u>	<u>\$ 57,133,456</u>	<u>\$ 58,748,166</u>	<u>\$ 61,139,978</u>
Primary Government:				
Net investment in capital assets	\$ 52,017,379	\$ 56,512,867	\$ 54,275,990	\$ 58,215,543
Restricted	4,967,017	3,416,917	8,498,708	3,368,339
Unrestricted	20,672,479	23,207,618	23,945,613	27,954,050
Total primary government activities net position	<u>\$ 77,656,875</u>	<u>\$ 83,137,402</u>	<u>\$ 86,720,311</u>	<u>\$ 89,537,932</u>

2010	2011	2012	2013	2014	2015
\$ 19,656,908	\$ 20,746,105	\$ 21,304,827	\$ 24,341,556	\$ 20,724,327	\$ 21,994,422
3,854,717	4,370,155	3,819,762	4,653,007	5,215,107	8,704,016
6,504,647	5,571,785	6,132,718	3,227,510	10,506,974	1,505,257
<u>\$ 30,016,272</u>	<u>\$ 30,688,045</u>	<u>\$ 31,257,307</u>	<u>\$ 32,222,073</u>	<u>\$ 36,446,408</u>	<u>\$ 32,203,695</u>
\$ 38,412,817	\$ 37,304,052	\$ 38,714,222	\$ 38,895,570	\$ 40,710,853	\$ 43,049,853
-	-	-	-	2,785,560	3,151,358
23,127,036	25,564,859	24,855,298	25,837,383	13,665,199	10,009,905
<u>\$ 61,539,853</u>	<u>\$ 62,868,911</u>	<u>\$ 63,569,520</u>	<u>\$ 64,732,953</u>	<u>\$ 57,161,612</u>	<u>\$ 56,211,116</u>
\$ 58,069,725	\$ 58,050,157	\$ 60,019,049	\$ 63,237,126	\$ 61,435,180	\$ 65,044,275
3,854,717	4,370,155	3,819,762	4,653,007	8,000,667	11,855,374
29,631,683	31,136,644	30,988,016	29,064,893	24,172,173	11,515,162
<u>\$ 91,556,125</u>	<u>\$ 93,556,956</u>	<u>\$ 94,826,827</u>	<u>\$ 96,955,026</u>	<u>\$ 93,608,020</u>	<u>\$ 88,414,811</u>

**CITY OF NEW PORT RICHEY, FLORIDA**  
**CHANGES IN NET POSITION – LAST TEN FISCAL YEARS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental activities:				
General government	\$ 3,568,338	\$ 3,714,219	\$ 3,373,917	\$ 3,225,682
Police	4,166,974	4,924,314	5,229,952	5,219,516
Fire	1,995,468	2,294,267	2,486,232	2,214,971
Protective inspections	459,883	496,604	596,680	612,726
Public works	1,781,013	1,911,277	1,941,794	2,026,155
Culture and recreation	2,010,209	2,641,070	3,238,780	3,332,231
Interest and fiscal charges on long-term debt	1,008,314	1,314,699	1,157,657	967,199
Total governmental activities expenses	<u>14,990,199</u>	<u>17,296,450</u>	<u>18,025,012</u>	<u>17,598,480</u>
Business-type activities:				
Water	4,747,466	4,802,523	5,866,765	4,841,000
Sewer	4,492,134	4,979,020	4,824,022	4,416,027
Reclaimed water	807,027	860,337	919,312	1,036,284
Stormwater utility	400,411	361,161	407,676	474,715
Total business-type activities expenses	<u>10,447,038</u>	<u>11,003,041</u>	<u>12,017,775</u>	<u>10,768,026</u>
Total primary government expenses	<u>\$ 25,437,237</u>	<u>\$ 28,299,491</u>	<u>\$ 30,042,787</u>	<u>\$ 28,366,506</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,471,460	\$ 1,518,448	\$ 1,521,610	\$ 1,560,094
Police	301,091	341,330	387,229	363,440
Fire	25,916	31,797	32,550	26,853
Protective inspections	365,797	357,831	188,705	164,295
Public works	693,687	719,462	752,679	765,109
Culture and recreation	64,790	336,265	388,844	421,710
Operating grants and contributions	382,664	294,243	270,981	153,503
Capital grants and contributions	521,664	247,542	547,057	89,770
Total governmental activities program revenues	<u>3,827,069</u>	<u>3,846,918</u>	<u>4,089,655</u>	<u>3,544,774</u>
Business-type activities:				
Charges for services:				
Water	4,284,626	4,320,749	4,927,486	4,663,749
Sewer	4,402,653	4,370,731	4,355,444	4,813,889
Reclaimed water	136,685	143,461	143,390	170,284
Stormwater utility	512,366	515,598	521,977	522,131
Operating grants and contributions	1,639,938	1,882,684	2,070,274	1,654,741
Capital grants and contributions	759,621	702,069	430,202	177,637
Total business-type activities program revenues	<u>11,735,889</u>	<u>11,935,292</u>	<u>12,448,773</u>	<u>12,002,431</u>
Total primary government program revenues	<u>\$ 15,562,958</u>	<u>\$ 15,782,210</u>	<u>\$ 16,538,428</u>	<u>\$ 15,547,205</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities net expense	\$ (11,163,130)	\$ (13,449,532)	\$ (13,935,357)	\$ (14,053,706)
Business-type activities net expense	1,288,851	932,251	430,998	1,234,405
Total primary government net expense	<u>\$ (9,874,279)</u>	<u>\$ (12,517,281)</u>	<u>\$ (13,504,359)</u>	<u>\$ (12,819,301)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Ad valorem	\$ 6,351,387	\$ 8,102,273	\$ 8,429,652	\$ 7,010,662
Franchise taxes	1,303,150	1,301,679	1,231,639	1,357,654
Utility taxes	1,284,322	1,292,154	1,275,909	1,330,281
Communication services tax	1,078,546	1,101,794	1,030,679	987,969
Half-cent sales tax	1,036,795	965,297	897,898	884,227
Local option gas tax	264,320	51,180	589,291	532,918
Infrastructure tax	1,589,286	1,433,219	1,320,105	1,131,126
State excise taxes - Public Safety	-	519,300	545,863	350,731
Other taxes	98,570	102,012	100,252	100,559
State revenue sharing	680,205	683,394	673,775	664,919
Investment income	762,596	730,660	197,684	48,200
Miscellaneous	197,371	34,977	42,094	80,269
Total governmental activities	<u>14,646,548</u>	<u>16,317,939</u>	<u>16,334,841</u>	<u>14,479,515</u>
Business-type activities:				
Local option gas tax	310,000	519,027	-	-
Impact fees (w/Charges for Svcs water & sewer - 2015)	277,675	248,873	258,490	401,570
Investment income	850,977	892,299	893,880	717,764
Miscellaneous	35,057	19,670	31,342	38,073
Total business-type activities	<u>1,473,709</u>	<u>1,679,869</u>	<u>1,183,712</u>	<u>1,157,407</u>
Special Item:				
Loss from sale of property held for resale	-	-	(431,285)	-
Total primary government	<u>\$ 16,120,257</u>	<u>\$ 17,997,808</u>	<u>\$ 17,087,268</u>	<u>\$ 15,636,922</u>
<b>Change in Net Position (Excluding Transfers)</b>				
Governmental activities	\$ 3,483,418	\$ 2,868,407	\$ 1,968,199	\$ 425,809
Business-type activities	2,762,560	2,612,120	1,614,710	2,391,812
Total primary government	<u>\$ 6,245,978</u>	<u>\$ 5,480,527</u>	<u>\$ 3,582,909</u>	<u>\$ 2,817,621</u>

	2010	2011	2012	2013	2014	2015
\$	3,054,628	\$ 3,310,681	\$ 3,629,266	\$ 3,413,510	\$ 3,857,622	\$ 3,948,776
	5,281,114	5,436,632	5,668,691	5,236,488	5,676,685	4,028,018
	2,298,157	2,388,224	2,067,707	2,536,838	2,535,083	2,576,781
	612,311	38,266	81,206	217,439	219,429	-
	2,013,057	1,499,293	1,584,915	2,007,581	2,533,260	2,525,824
	3,392,098	3,225,776	3,100,143	3,205,459	3,487,705	3,472,055
	885,174	1,108,639	1,019,676	963,600	710,587	416,559
	<u>17,536,539</u>	<u>17,007,511</u>	<u>17,151,604</u>	<u>17,580,915</u>	<u>19,020,371</u>	<u>16,968,013</u>
	5,345,600	5,366,636	5,515,410	5,151,437	6,158,982	3,771,014
	4,470,860	3,932,277	4,364,907	4,731,366	3,579,583	3,668,230
	1,160,299	1,139,288	1,219,501	1,526,838	1,109,812	1,327,787
	628,092	663,686	688,978	714,851	837,742	653,911
	<u>11,604,851</u>	<u>11,101,887</u>	<u>11,788,796</u>	<u>12,124,492</u>	<u>11,686,119</u>	<u>9,420,942</u>
\$	<u>29,141,390</u>	<u>28,109,398</u>	<u>28,940,400</u>	<u>29,705,407</u>	<u>30,706,490</u>	<u>26,388,955</u>
\$	1,804,241	\$ 1,733,446	\$ 1,908,712	\$ 2,959,119	\$ 3,738,052	2,055,286
	423,425	398,236	1,061,125	845,389	494,872	81,404
	28,307	3,175	2,125	4,150	3,400	3,950
	164,824	158,097	204,281	292,481	188,137	15,588
	854,986	768,672	766,085	31,011	36,716	394,107
	412,934	456,605	461,879	495,550	488,520	474,779
	569,413	268,662	212,087	336,592	407,632	371,365
	359,021	411,586	165,442	92,098	71,034	331,170
	<u>4,617,151</u>	<u>4,198,479</u>	<u>4,781,736</u>	<u>5,056,390</u>	<u>5,428,363</u>	<u>3,727,649</u>
	4,211,668	4,245,229	4,473,148	5,072,280	5,706,141	5,852,054
	4,582,123	4,803,047	4,902,087	5,233,070	5,303,421	5,813,965
	169,077	215,908	227,865	240,313	255,156	208,575
	524,905	527,087	522,915	993,449	992,663	951,875
	1,622,710	1,862,601	1,586,954	1,167,928	-	-
	-	-	-	-	-	-
	<u>11,110,483</u>	<u>11,653,872</u>	<u>11,712,969</u>	<u>12,707,040</u>	<u>12,257,381</u>	<u>12,826,469</u>
\$	<u>15,727,634</u>	<u>15,852,351</u>	<u>16,494,705</u>	<u>17,763,430</u>	<u>17,685,744</u>	<u>16,554,118</u>
\$	(12,919,388)	\$ (12,809,032)	\$ (12,369,868)	\$ (12,524,525)	\$ (13,592,008)	\$ (13,240,364)
	(494,368)	551,985	(75,827)	582,548	571,262	3,405,527
\$	<u>(13,413,756)</u>	<u>(12,257,047)</u>	<u>(12,445,695)</u>	<u>(11,941,977)</u>	<u>(13,020,746)</u>	<u>(9,834,837)</u>
\$	6,782,693	\$ 5,731,993	\$ 5,322,729	\$ 5,167,269	\$ 4,971,732	5,067,125
	1,436,506	1,323,242	1,270,726	1,196,176	1,317,052	1,247,460
	1,547,618	1,450,542	1,342,740	1,407,935	1,494,804	1,352,119
	953,055	881,055	895,727	854,510	704,995	656,780
	804,287	809,572	742,897	784,691	813,673	882,574
	528,570	504,016	498,890	1,566,812	522,565	654,244
	1,186,900	1,311,649	1,430,997	529,683	1,673,113	2,036,452
	358,195	358,888	353,945	308,579	293,365	300,040
	96,408	310,998	226,667	226,285	239,135	-
	666,104	668,568	668,623	610,486	723,724	818,358
	125,127	74,515	86,018	56,667	24,713	64,671
	52,243	55,767	99,171	258,804	(9,794)	213,901
	<u>14,537,706</u>	<u>13,480,805</u>	<u>12,939,130</u>	<u>12,967,897</u>	<u>12,769,077</u>	<u>13,293,724</u>
	-	-	-	-	-	-
	246,017	216,145	244,550	597,939	-	-
	608,070	543,688	531,331	485,391	465,495	437,135
	40,156	17,241	555	18,949	222,172	114,515
	<u>894,243</u>	<u>777,074</u>	<u>776,436</u>	<u>1,102,279</u>	<u>687,667</u>	<u>551,650</u>
	-	-	-	-	-	-
\$	<u>15,431,949</u>	<u>14,257,879</u>	<u>13,715,566</u>	<u>14,070,176</u>	<u>13,456,744</u>	<u>13,845,374</u>
\$	1,618,318	\$ 671,773	\$ 569,262	\$ 443,372	\$ (822,931)	\$ 53,360
	399,875	1,329,059	700,609	1,684,827	1,258,929	3,957,177
\$	<u>2,018,193</u>	<u>2,000,832</u>	<u>1,269,871</u>	<u>2,128,199</u>	<u>435,998</u>	<u>4,010,537</u>

**CITY OF NEW PORT RICHEY, FLORIDA**  
**FUND BALANCES, GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS**  
**SEPTEMBER 30, 2015**

	2006	2007	2008	2009
General Fund:				
Reserved	\$ 45,887	\$ 61,066	\$ -	\$ -
Unreserved	4,012,341	4,656,773	-	-
Nonspendable	-	-	103,527	149,233
Restricted	-	-	51,842	57,574
Assigned (Inc. minimum funding)	-	-	970,590	1,099,328
Future Expenditures	-	-	-	-
Unassigned	-	-	3,166,481	2,750,898
Total general fund	<u>\$ 4,058,228</u>	<u>\$ 4,717,839</u>	<u>\$ 4,292,440</u>	<u>\$ 4,057,033</u>
All Other Governmental Funds:				
Reserved	\$ 6,151,528	\$ 7,228,415	\$ -	\$ -
Unreserved:				
Special revenue funds	9,249,819	1,750,669	-	-
Debt service fund	118,393	132,311	-	-
Capital project fund	(77,728)	(659,639)	-	-
Nonspendable	-	-	3,132,399	3,131,301
Restricted	-	-	3,618,120	3,368,339
Assigned to:				
Redevelopment	-	-	1,795,328	2,196,911
Street Improvement	-	-	1,478,933	1,780,031
Debt service	-	-	123,658	128,269
Capital project fund	-	-	-	-
Other Gov. fund	-	-	-	-
Unassigned (deficit)	-	-	(528,190)	(506,775)
Total all other governmental funds	<u>\$ 15,442,012</u>	<u>\$ 8,451,756</u>	<u>\$ 9,620,248</u>	<u>\$ 10,098,076</u>

The City implemented Governmental Accounting Standards Board Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions", for fiscal year ended September 30, 2009, and as a result changed to the new fund balance classifications. The use of the new classifications has been retroactively applied to fiscal year ended September 30, 2008.

- (1) The significant increase in the reserved portion of all other governmental funds in fiscal year 2006 is primarily a result of acquiring \$3,817,469 of redevelopment property held for resale.
- (2) The significant increase in the special revenue funds unreserved fund balance in fiscal year 2006 is primarily a result of borrowing on the redevelopment revenue notes.
- (3) The significant decrease in the special revenue funds unreserved fund balance in fiscal year 2007 is primarily a result of expending the proceeds of the redevelopment revenue notes that were obtained in fiscal year 2006.

2010	2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
122,878	36,082	20,309	24,064	7,434,660	9,097,360
179,333	152,831	82,336	110,734	38,553	102,155
975,933	635,822	949,847	975,529	2,956,553	2,766,796
-	643,925	56,060	242,530	948,890	-
3,986,510	3,937,179	4,391,831	5,485,728	1,811,805	519,195
<u>\$ 5,264,654</u>	<u>\$ 5,405,839</u>	<u>\$ 5,500,383</u>	<u>\$ 6,838,585</u>	<u>\$ 13,190,461</u>	<u>\$ 12,485,506</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,217,840	3,206,723	3,206,723	3,206,723	3,241,550	-
3,675,384	4,217,324	3,737,426	4,542,273	-	-
1,647,685	1,004,950	289,074	-	-	-
1,429,713	1,318,441	1,974,567	2,580,844	3,116,725	-
139,083	137,109	130,682	145,272	268,111	806,467
5,204	12,701	10,057	41,175	4,908,443	4,494,563
-	-	-	-	124,590	3,376,346
-	-	-	(524,660)	(7,421,423)	(4,990,418)
<u>\$ 10,114,909</u>	<u>\$ 9,897,248</u>	<u>\$ 9,348,529</u>	<u>\$ 9,991,627</u>	<u>\$ 4,237,996</u>	<u>\$ 3,686,958</u>

**CITY OF NEW PORT RICHEY, FLORIDA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Revenues</b>				
Taxes	\$ 11,871,010	\$ 13,282,300	\$ 13,877,275	\$ 12,350,610
Licenses and permits	488,328	428,835	337,750	335,235
Intergovernmental revenue	2,532,721	2,603,715	3,006,188	2,241,014
Charges for services	3,553,292	4,032,164	4,026,811	4,038,187
Fines and forfeitures	191,286	270,906	253,357	217,105
Miscellaneous revenue	1,202,120	1,083,102	362,432	211,359
Total revenues	<u>19,838,757</u>	<u>21,701,022</u>	<u>21,863,813</u>	<u>19,393,510</u>
<b>Expenditures</b>				
General government	3,617,391	3,830,970	3,415,073	3,223,566
Public Safety	7,379,114	8,527,599	9,044,927	8,572,021
Public Works	1,337,105	1,397,208	1,417,925	1,429,995
Culture and recreation	1,553,857	1,930,224	2,185,308	2,121,450
Capital outlay	10,390,776	10,386,524	2,385,139	1,881,079
Debt service:				
Principal retirement	862,393	877,928	1,210,622	957,867
Interest and fiscal charges	900,172	1,312,205	1,188,193	993,613
Total expenditures	<u>26,040,808</u>	<u>28,262,658</u>	<u>20,847,187</u>	<u>19,179,591</u>
Excess of revenues over (under) expenditures	(6,202,051)	(6,561,636)	1,016,626	213,919
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing	30,074,567	200,000	17,415	-
Proceeds from sale of capital assets	231,577	30,991	140,337	15,000
Gain (loss) from sale of properties held for resale	-	-	(431,285)	13,502
Proceeds from issuance of refunded bonds	-	-	-	-
Redemption of refunded debt	(9,000,000)	-	-	-
Transfers in	2,673,437	3,888,892	4,348,791	4,129,732
Transfers out	(2,673,437)	(3,888,892)	(4,348,791)	(4,129,732)
Total other financing sources (uses)	<u>21,306,144</u>	<u>230,991</u>	<u>(273,533)</u>	<u>28,502</u>
Net change in fund balances	15,104,093	(6,330,645)	743,093	242,421
Fund balances - beginning of year	4,396,147	19,500,240	13,169,595	13,912,688
Prior Period Adjustment	-	-	-	-
Fund balances - end of year	<u>\$ 19,500,240</u>	<u>\$ 13,169,595</u>	<u>\$ 13,912,688</u>	<u>\$ 14,155,109</u>
Debt service as a percentage of noncapital expenditures	11.3%	12.3%	13.0%	11.3%

2010	2011	2012	2013	2014	2015
\$ 12,435,341	\$ 11,202,497	\$ 10,761,809	\$ 11,125,287	\$ 11,090,929	\$ 11,353,527
316,072	349,795	176,377	441,144	337,764	322,553
2,744,562	2,605,456	2,114,752	2,199,275	2,472,297	2,635,950
4,393,928	2,983,696	3,349,502	3,139,900	3,033,884	640,005
193,888	276,388	987,780	716,261	339,445	1,705,093
405,646	270,916	313,889	402,420	233,902	348,173
<u>20,489,437</u>	<u>17,688,748</u>	<u>17,704,109</u>	<u>18,024,287</u>	<u>17,508,221</u>	<u>17,005,301</u>
3,077,625	3,037,032	3,250,608	2,269,718	2,919,051	3,174,239
8,661,533	7,427,937	7,219,904	7,504,941	7,910,644	9,683,755
1,356,920	846,131	812,689	1,321,383	1,708,078	1,738,639
2,192,716	2,070,964	2,051,818	2,044,045	2,355,535	2,446,502
2,139,263	1,974,584	2,441,273	1,036,969	2,380,655	4,597,311
988,766	1,317,791	1,331,929	1,484,865	7,579,989	873,000
859,365	1,099,006	1,067,039	902,460	710,587	489,100
<u>19,276,188</u>	<u>17,773,445</u>	<u>18,175,260</u>	<u>16,564,381</u>	<u>25,564,539</u>	<u>23,002,546</u>
1,213,249	(84,697)	(471,151)	1,459,906	(8,056,318)	(5,997,245)
7,000,000	-	-	-	22,219	-
11,205	8,221	16,976	-	17,169,557	16,214
-	-	-	-	(8,572,040)	-
-	-	6,449,269	-	-	-
(7,000,000)	-	(6,449,269)	-	-	-
3,420,488	4,271,034	3,288,551	3,333,452	-	7,369,842
<u>(3,420,488)</u>	<u>(4,271,034)</u>	<u>(3,288,551)</u>	<u>(2,812,058)</u>	<u>-</u>	<u>(3,195,862)</u>
<u>11,205</u>	<u>8,221</u>	<u>16,976</u>	<u>521,394</u>	<u>8,619,736</u>	<u>4,190,194</u>
1,224,454	(76,476)	(454,175)	1,981,300	563,418	(1,807,051)
14,155,109	15,379,563	15,303,087	14,848,912	16,830,212	17,428,457
-	-	-	-	34,827	551,058
<u>\$ 15,379,563</u>	<u>\$ 15,303,087</u>	<u>\$ 14,848,912</u>	<u>\$ 16,830,212</u>	<u>\$ 17,428,457</u>	<u>\$ 16,172,464</u>
10.8%	15.3%	15.2%	15.4%	35.8%	7.4%

**CITY OF NEW PORT RICHEY, FLORIDA**  
**PROGRAM REVENUE BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS**  
**YEAR ENDED SEPTEMBER 30, 2015**

<b>Function / Program</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental activities :</b>				
Charges for services:				
General government	\$ 1,471,460	\$ 1,518,448	\$ 1,521,610	\$ 1,560,094
Police	301,091	341,330	387,229	363,440
Fire	25,916	31,797	32,550	26,853
Protective inspections	365,797	357,831	188,705	164,295
Public works	693,687	719,462	752,679	765,109
Culture and recreation	64,790	336,265	388,844	421,710
Total charges for services	<u>2,922,741</u>	<u>3,305,133</u>	<u>3,271,617</u>	<u>3,301,501</u>
Operating grants and contributions:				
General government	67,420	37,885	22,840	7,900
Police	273,757	186,511	217,915	105,565
Fire	-	25,813	-	-
Public Works	-	-	-	-
Culture and recreation	41,487	44,034	30,226	40,038
Total operating grants and contributions	<u>382,664</u>	<u>294,243</u>	<u>270,981</u>	<u>153,503</u>
Capital grants and contributions:				
Police	-	-	40,645	-
Fire	-	-	32,015	24,110
Public works	177,912	237,338	67,387	40,952
Culture and recreation	343,752	10,204	407,010	24,708
Total capital grants and contributions	<u>521,664</u>	<u>247,542</u>	<u>547,057</u>	<u>89,770</u>
Sub-total governmental activities	<u>3,827,069</u>	<u>3,846,918</u>	<u>4,089,655</u>	<u>3,544,774</u>
<b>Business-type activities:</b>				
Charges for services:				
Water	4,284,626	4,320,749	4,927,486	4,663,749
Sewer	4,402,653	4,370,731	4,355,444	4,813,889
Reclaimed water	136,685	143,461	143,390	170,284
Total charges for services	<u>9,336,330</u>	<u>9,350,539</u>	<u>9,948,297</u>	<u>10,170,053</u>
Operating grants and contributions:				
Sewer	1,639,938	1,882,684	2,070,274	1,654,741
Reclaimed Water	-	-	-	-
Stormwater utility	-	-	-	-
Total operating grants and contributions	<u>1,639,938</u>	<u>1,882,684</u>	<u>2,070,274</u>	<u>1,654,741</u>
Capital grants and contributions:				
Water	147,093	188,610	105,320	85,749
Sewer	-	198,896	193,560	91,888
Reclaimed water	-	-	-	-
Stormwater utility	612,528	314,563	131,322	-
Total capital grants and contributions	<u>759,621</u>	<u>702,069</u>	<u>430,202</u>	<u>177,637</u>
Sub-total business-type activities	<u>11,735,889</u>	<u>11,935,292</u>	<u>12,448,773</u>	<u>12,002,431</u>
<b>Total primary government revenues</b>	<u>\$ 15,562,958</u>	<u>\$ 15,782,210</u>	<u>\$ 16,538,428</u>	<u>\$ 15,547,205</u>

2010	2011	2012	2013	2014	2015
\$ 1,804,241	\$ 1,733,446	\$ 1,908,712	\$ 2,959,119	\$ 3,738,052	\$ 2,055,286
423,425	398,236	1,061,125	845,389	494,872	81,404
28,307	3,175	2,125	4,150	3,400	3,950
164,824	158,097	204,281	292,481	188,137	15,588
854,986	768,672	766,085	31,011	36,716	394,107
412,934	456,605	461,879	495,550	488,520	474,779
<u>3,688,717</u>	<u>3,518,231</u>	<u>4,404,207</u>	<u>4,627,700</u>	<u>4,949,697</u>	<u>3,025,114</u>
78,485	51,790	166,587	108,471	298,400	-
465,407	195,725	37,617	210,665	69,782	63,731
-	-	-	-	-	-
-	-	-	-	-	-
25,521	21,147	7,883	17,456	39,450	307,634
<u>569,413</u>	<u>268,662</u>	<u>212,087</u>	<u>336,592</u>	<u>407,632</u>	<u>371,365</u>
88,762	-	-	-	-	-
-	-	-	-	-	-
128,451	97,385	165,442	92,098	71,034	-
141,808	314,201	-	-	-	331,170
<u>359,021</u>	<u>411,586</u>	<u>165,442</u>	<u>92,098</u>	<u>71,034</u>	<u>331,170</u>
<u>4,617,151</u>	<u>4,198,479</u>	<u>4,781,736</u>	<u>5,056,390</u>	<u>5,428,363</u>	<u>3,727,649</u>
4,211,668	4,245,229	4,473,148	5,072,280	5,706,141	5,852,054
4,582,123	4,803,047	4,902,087	5,233,070	5,303,421	5,813,965
169,077	215,908	227,865	240,313	255,156	208,575
<u>9,487,773</u>	<u>9,791,271</u>	<u>10,126,015</u>	<u>11,539,112</u>	<u>12,257,381</u>	<u>12,826,469</u>
1,622,710	1,398,268	1,230,937	701,614	-	-
-	464,333	356,017	466,314	-	-
-	-	-	-	-	-
<u>1,622,710</u>	<u>1,862,601</u>	<u>1,586,954</u>	<u>1,167,928</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,110,483</u>	<u>11,653,872</u>	<u>11,712,969</u>	<u>12,707,040</u>	<u>12,257,381</u>	<u>12,826,469</u>
<u>\$ 15,727,634</u>	<u>\$ 15,852,351</u>	<u>\$ 16,494,705</u>	<u>\$ 17,763,430</u>	<u>\$ 17,685,744</u>	<u>\$ 16,554,118</u>

**CITY OF NEW PORT RICHEY, FLORIDA**  
**TAX REVENUES BY SOURCE, GENERAL FUND – LAST TEN FISCAL YEARS**  
**YEAR ENDED SEPTEMBER 30, 2015**

Fiscal Year Ended September 30,	Ad Valorem	Franchise Fees	Communications Service Tax	Total
2015	\$ 4,510,864	\$ 1,247,460	\$ 656,780	\$ 6,415,104
2014	4,482,608	1,317,052	704,995	6,504,655
2013	4,661,075	1,196,176	854,510	6,711,761
2012	4,538,889	1,270,726	895,727	6,705,342
2011	4,730,981	1,323,242	881,055	6,935,278
2010	5,396,402	1,436,507	953,055	7,785,964
2009	5,100,734	1,357,654	987,969	7,446,357
2008	6,061,548	1,231,639	1,030,679	8,323,866
2007	5,858,851	1,301,679	1,101,794	8,262,324
2006	4,764,555	1,303,150	1,078,546	7,146,251

**CITY OF NEW PORT RICHEY, FLORIDA  
RATIO OF UNASSIGNED FUND BALANCE TO GENERAL FUND BUDGET –  
LAST TEN FISCAL YEARS  
YEAR ENDED SEPTEMBER 30, 2015**

Fiscal Year	General Fund Original Budget	Unassigned Fund Balance at Beginning of Year	
		Amount (1)	% of Budget
2016	\$ 45,839,085	519,195	1.1%
2015	20,229,720	1,811,805	9.0%
2014	17,684,110	5,485,728	31.0%
2013	16,637,400	4,391,831	26.4%
2012	18,227,000	3,937,179	21.6%
2011	16,084,690	3,986,510	24.8%
2010	16,039,040	2,750,898	17.2%
2009	17,257,820	3,166,481	18.3%
2008	17,259,300	3,792,853	22.0%
2007	16,263,310	3,237,026	19.9%

Note: (1) Amount includes the designation for minimum funding.

**CITY OF NEW PORT RICHEY, FLORIDA  
SPECIAL ASSESSMENT COLLECTIONS – LAST TEN FISCAL YEARS  
YEAR ENDED SEPTEMBER 30, 2015**

Fiscal Year	Street	Sewer	Total
2014/2015	\$ 53,294	\$ 4,655	\$ 57,949
2013/2014	66,035	5,221	71,256
2012/2013	83,324	7,575	90,899
2011/2012	165,642	11,086	176,728
2010/2011	97,385	6,706	104,091
2009/2010	121,211	11,210	132,421
2008/2009	40,952	13,187	54,139
2007/2008	71,073	23,879	94,952
2006/2007	137,338	50,095	187,433
2005/2006	181,865	49,542	231,407

### **Schedules of Revenue Capacity Information**

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

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**CITY OF NEW PORT RICHEY, FLORIDA  
 ASSESSED VALUE AND JUST VALUE OF TAXABLE PROPERTY –  
 RECERTIFIED TAX ROLL – LAST TEN FISCAL YEARS  
 YEAR ENDED SEPTEMBER 30, 2015**

<u>Fiscal Year Ended September 30,</u>	<u>Just Value Residential Property</u>	<u>Just Value Commercial Property</u>	<u>Just Value Governmental Property</u>	<u>Just Value Institutional Property</u>	<u>Just Value Real Property</u>
2015	\$ 393,196,020	\$ 167,961,843	\$ 100,184,754	\$ 46,344,555	\$ 707,687,172
2014	373,695,338	167,659,998	98,759,224	48,793,955	688,908,515
2013	342,573,329	165,597,184	125,423,466	47,421,246	681,015,225
2012	429,198,804	186,930,312	51,726,052	82,808,277	750,663,445
2011	479,519,975	189,713,682	52,580,818	81,188,459	803,002,934
2010	544,086,637	215,235,686	53,701,963	80,885,361	893,909,646
2009	747,513,433	250,551,385	77,487,795	62,268,461	1,137,821,074
2008	824,802,018	263,929,735	60,110,879	85,972,538	1,234,815,170
2007	733,149,185	282,929,775	56,091,692	88,329,836	1,160,500,488
2006	598,060,566	195,558,536	43,877,789	70,412,207	907,909,098

Source: Pasco County Property Appraiser

Just Value Tangible Personal Property	Just Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 82,418,764	\$ 790,105,936	\$ 276,808,517	\$ 513,297,419	9.5000
88,058,373	776,966,888	292,265,179	484,701,709	9.5799
99,623,513	780,638,738	279,198,147	501,440,591	9.5799
107,332,163	857,995,608	298,640,560	559,355,048	8.3877
112,965,547	915,968,481	314,969,172	600,999,309	8.1037
124,627,122	1,018,536,768	343,419,687	675,117,081	8.1037
148,375,872	1,286,196,946	455,586,702	830,610,244	6.6274
137,245,888	1,372,061,058	452,468,925	919,592,133	6.7840
146,804,416	1,307,304,904	444,616,719	862,688,185	7.0000
141,824,916	1,049,734,014	346,979,127	702,754,887	7.0000

**CITY OF NEW PORT RICHEY, FLORIDA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES – LAST TEN FISCAL YEARS  
YEAR ENDED SEPTEMBER 30, 2015**

Fiscal Year	City	Pasco County			Pasco County School Board			Total School Board
		Operating	Mosquito Control	Total County - Operating	Operating	Capital Outlay	School Bond	
2015	9.5000	7.3441	0.2400	7.5841	5.6490	1.5000	-	7.1490
2014	9.5799	7.3441	0.1620	7.5061	5.8570	1.5000	-	7.3570
2013	9.5799	6.8623	0.1630	7.0253	5.8410	1.5000	-	7.3410
2012	8.3877	6.3668	0.1920	6.5588	6.1440	1.5000	-	7.6440
2011	8.1037	6.3668	0.1989	6.5657	6.2670	1.5000	-	7.7670
2010	8.1037	6.3668	0.1883	6.5551	5.8400	1.5000	-	7.3400
2009	6.6274	5.4333	0.1567	5.5900	5.7080	1.5000	-	7.2080
2008	6.7840	5.4333	0.1448	5.5781	5.5220	1.5000	0.1860	7.2080
2007	7.0000	5.9880	0.1599	6.1479	5.6810	1.5000	0.2280	7.4090
2006	7.0000	6.6810	0.1936	6.8746	6.0130	1.5000	0.2850	7.7980

Notes: (1) The overall total includes the Florida Coastal Rivers Basin (and excludes the Pinellas Anclote River Basin) because it is the most predominant in the City.

(2) The City portion of property taxes is fully committed to operating expenditures.

Source: Pasco County Property Appraiser

Southwest Florida Water Management District	Florida Coastal Rivers Basin	Pinellas Anclote River Basin	Total (1)
0.3658	-	-	15.0989
0.3818	-	-	24.7449
0.3928	-	-	24.3390
0.3928	-	-	22.9833
0.3770	0.1885	0.2600	23.0019
0.3866	0.1885	0.3200	22.5739
0.3866	0.1885	0.3600	20.0005
0.3866	0.1885	0.3701	20.1452
0.4220	0.2050	0.4000	21.1839
0.4220	0.2350	0.4000	22.3296

**CITY OF NEW PORT RICHEY, FLORIDA  
PRINCIPAL PROPERTY TAX PAYERS – CURRENT YEAR AND NINE YEARS AGO  
YEAR ENDED SEPTEMBER 30, 2015**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
New Plan Florida Holdings LLC (Southgate Shopping Plaza)	\$ 7,916,618	1	1.54%			
Sunshine Lake Estates LLC	6,457,668	2	1.26%	\$ 4,473,656	10	0.64%
New Port Riche Hospital Inc	4,825,533	3	0.94%			
Harbor View MHC LLC	4,022,851	4	0.78%			
Orchard Ridge Nursing Center (Gulfcoast Harborside Health)	3,846,098	5	0.75%	4,946,531	7	0.70%
R-Motels, Inc.	2,931,628	6	0.57%			
Florida-LTC Inc.	2,836,472	7	0.55%	4,822,206	8	0.69%
New Port Richey KM LLC	2,237,192	8	0.44%			
PRERM LLC	2,187,359	9	0.43%			
Imperial MH Park LLC	2,099,111	10	0.41%			
Harborview Investors LLC (Harborview Trailer Park)				13,722,657	4	1.95%
Verizon Communications, Inc.				29,985,144	2	4.27%
Florida Power Corporation				8,958,439	5	1.27%
New Port Richey Investors LLC (Clarion Hotel)				4,476,077	9	0.64%
New Port Richey Hospital, Inc.				36,131,403	1	5.14%
New Plan Realty Trust (Southgate Shopping Plaza)				13,822,997	3	1.97%
Ryland Group, Inc.				6,349,449	6	0.90%
	<u>\$ 39,360,530</u>		<u>7.67%</u>	<u>\$ 127,688,559</u>		<u>18.17%</u>

Source: Pasco County Property Appraiser's Office

**CITY OF NEW PORT RICHEY, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS – LAST TEN FISCAL YEARS  
YEAR ENDED SEPTEMBER 30, 2015**

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Year Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 4,644,819	\$ 4,486,507	96.59%	\$ 24,357	\$ 4,510,864	97.12%
2014	4,643,394	4,473,225	96.34%	9,383	4,482,608	96.54%
2013	4,803,751	4,653,277	96.87%	7,788	4,661,065	97.03%
2012	4,683,698	4,537,813	96.89%	1,076	4,538,889	96.91%
2011	4,870,318	4,725,924	97.04%	5,057	4,730,981	97.14%
2010	5,470,946	5,282,446	96.55%	113,956	5,396,402	98.64%
2009	5,504,786	5,093,337	92.53%	7,397	5,100,734	92.66%
2008	6,238,513	6,054,273	97.05%	7,275	6,061,548	97.16%
2007	6,038,817	5,853,107	96.92%	5,744	5,858,851	97.02%
2006	4,919,284	4,758,606	96.73%	5,949	4,764,555	96.85%

Source: Pasco County Property Appraiser

### **Schedules of Debt Capacity Information**

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

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**CITY OF NEW PORT RICHEY, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE – LAST TEN FISCAL YEARS**  
**YEAR ENDED SEPTEMBER 30, 2015**

Fiscal Year	Governmental Activities								
	Revenue Note Series 2000	Capital Leases Payable	Redevelopmt. Bond Anticipation Note	Redevelopmt. Refunding Rev. Note Series 2005A	Redevelopmt. Revenue Note Series 2005B	Redevelopmt. Taxable Rev. Note Series 2006C	Redevelopmt. Taxable Rev. Note Series 2010	Redevelopmt. Ref Taxable Rev. Bond Series 2012	
2015	\$ -	\$ -	\$ -	\$ 5,497,000	\$5,487,000	\$ -	\$ -	\$ -	
2014	-	-	-	5,934,000	5,923,000	-	-	-	
2013	673,522	-	-	6,354,000	6,342,000	-	-	6,067,466	
2012	983,068	-	-	6,757,000	6,745,000	-	-	6,436,786	
2011	1,275,780	-	-	7,144,000	7,132,000	-	6,702,003	-	
2010	1,552,574	-	-	7,516,000	7,503,000	-	7,000,000	-	
2009	1,814,315	13,025	-	7,873,000	7,860,000	7,000,000	-	-	
2008	2,061,822	38,385	-	8,216,000	8,202,000	7,000,000	-	-	
2007	2,295,869	62,854	-	8,546,000	8,531,000	7,275,691	-	-	
2006	2,517,187	86,463	-	8,863,000	8,847,000	7,075,691	-	-	

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

N/A - Personal income data was not available

The City has had no general obligation bonded debt in the last ten years.

The Constitution of the State of Florida, Florida Statute 200.181 and the Charter of the City of New Port Richey, Florida set no legal debt margin.

Business-type Activities

<u>Revenue Bonds Series 1991</u>	<u>Revenue Bonds Series 1996</u>	<u>Revenue Bonds Series 2007A</u>	<u>Revenue Bonds Series 2007B</u>	<u>Refunding Revenue Bond Series 2012</u>	<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$ -	\$ -	\$ -		\$7,463,443	\$ 18,447,443	N/A	\$ 1,202
-	-	654,150	-	7,463,443	19,974,593	0.12%	1,322
-	-	1,280,550	-	7,463,443	28,180,981	0.18%	1,895
-	-	1,883,360	-	7,463,443	30,268,657	0.20%	2,038
-	-	2,461,790	7,530,000	-	32,245,573	0.21%	2,156
-	-	3,015,090	7,675,000	-	34,261,664	0.24%	2,298
-	-	3,546,110	7,815,000	-	35,921,450	0.27%	2,183
-	-	4,054,320	7,950,000	-	37,522,527	0.27%	2,260
-	-	4,446,650	-	-	31,158,064	0.23%	1,861
455,000	5,360,000	-	-	-	33,204,341	0.27%	1,995

**CITY OF NEW PORT RICHEY, FLORIDA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
YEAR ENDED SEPTEMBER 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Pasco County School Board (1)	\$ 473,190,336	2.520%	\$ 11,922,137
City direct debt			<u>10,984,000</u>
Total direct and overlapping debt			<u><u>\$ 22,906,137</u></u>
Ratios:			
Overall debt to 2014 / 2015 taxable valuation		4.46%	
Overall debt per capita	\$ 1,492.16		

Notes: (1) The City's share is calculated based on the ratio of the 2014 City Taxable Value \$ 513,297,419 to the County's Taxable Value of \$20,372,805,737.

Source: Pasco County School Board

**CITY OF NEW PORT RICHEY, FLORIDA  
 PLEDGED REVENUE COVERAGE – LAST TEN FISCAL YEARS  
 YEAR ENDED SEPTEMBER 30, 2015**

Year	Public Service Tax	Revenue Note, Series 2000			Tax Increment Revenue	Redevelopment Revenue Notes		
		Principal	Interest	Coverage		Principal	Interest	Coverage
2015	\$ -	\$ -	\$ -	-	\$ 1,275,820	\$ 873,000	\$ 489,100	0.94
2014	1,356,940	673,522	44,098	1.89	1,121,409	7,037,359	535,596	0.15
2013	1,277,872	309,546	47,586	3.58	1,215,412	1,175,319	854,874	0.60
2012	1,210,723	292,712	64,906	3.39	1,816,481	1,084,717	856,634	0.94
2011	1,327,868	276,794	81,285	3.71	2,275,106	1,040,997	1,017,722	1.11
2010	1,432,186	261,741	96,773	3.99	3,150,770	714,000	726,481	2.19
2009	1,219,098	247,507	111,261	3.40	4,239,610	685,000	881,193	2.71
2008	1,162,320	234,047	125,418	3.23	5,324,910	952,106	1,060,726	2.65
2007	1,188,282	221,319	138,399	3.30	4,865,995	633,000	1,170,896	2.70
2006	1,178,701	448,810	156,871	1.95	3,249,430	375,000	725,469	2.95

Note: The revenue bonds are secured by non ad-valorem revenues

Utility Service Charges	Less: Operating Expenses	Less: Renewal and Replacement Requirement	Net Available Revenue	Revenue Bonds Series 2007A and 2012		
				Principal	Interest	Coverage
\$ -	\$ -	\$ -	\$ -	\$ 654,150	\$ 222,113	-
-	-	-	-	626,400	248,914	-
12,802,058	8,869,172	-	3,932,886	602,810	274,639	4.48
11,963,671	8,931,134	-	3,032,537	684,488	376,012	2.86
11,901,282	8,260,388	-	3,640,894	698,300	424,772	3.24
11,477,117	8,768,895	-	2,708,222	671,020	453,006	2.41
12,632,188	8,458,637	-	4,173,551	643,210	479,959	3.72
12,935,623	9,730,889	-	3,204,734	567,330	485,178	3.04
12,184,644	8,939,799	-	3,244,845	455,000	303,511	4.28
11,702,898	8,401,814	(5,486)	3,306,570	490,000	337,680	3.99

## **Schedules of Demographic and Economic Information**

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

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**CITY OF NEW PORT RICHEY, FLORIDA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS – LAST TEN CALENDAR YEARS  
 YEAR ENDED SEPTEMBER 30, 2015**

Year	City		Pasco County				
	Population(1)	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2015	15,351	487,588	N/A	N/A	N/A	68,116	6.1%
2014	15,107	479,340	\$ 16,478,279,000	\$ 33,953	44.1	68,904	7.1%
2013	14,868	473,566	15,679,803,000	32,975	43.8	68,107	8.6%
2012	14,849	468,562	15,209,746,000	32,318	43.8	67,151	10.5%
2011	14,959	466,533	15,157,188,000	32,479	43.7	66,657	12.4%
2010	14,911	464,697	14,405,709,000	30,944	43.6	66,994	13.3%
2009	16,454	439,786	13,497,646,000	29,177	45.6	67,143	11.1%
2008	16,604	438,668	13,960,564,000	30,263	45.4	66,778	6.3%
2007	16,747	434,425	13,398,496,000	29,539	45.0	66,314	4.2%
2006	16,645	424,355	12,412,095,000	28,240	45.1	67,448	3.4%

N/A - Not available

Sources:

- (1) Bureau of Economic and Business Research
- (2) Bureau of Economic and Business Research-Florida Statistical Abstract
- (3) Florida Department of Education
- (4) Florida Department of Economic Opportunity

**CITY OF NEW PORT RICHEY, FLORIDA  
PRINCIPAL EMPLOYERS – CURRENT YEAR AND NINE YEARS AGO  
YEAR ENDED SEPTEMBER 30, 2015**

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment (1)	Employees	Rank	Percentage of Total City Employment (1)
North Bay Hospital/Morton Plant	700	1	10.49%	482	3	5.73%
Baycare Behavioral Health, Inc.	340	2	5.10%			
Madison Pointe Rehab & Health	186	3	2.79%	120	9	1.43%
Orchard Ridge Nursing Center	160	4	2.40%	142	5	1.69%
Med-Fleet Systems, Inc.	150	5	2.25%			
Cracker Barrel	136	6	2.04%			
Publix Supermarket #1020 (Southgate)	131	7	1.96%	149		1.77%
Heather Hills Nursing Home	130	8	1.95%	140	6	1.66%
Applicant Insight, Inc.	130	8	1.95%			
Southern Pines Nursing Home	128	9	1.92%	115	10	1.37%
Community Hospital				600	1	7.13%
Community Hospital Health Care				500	2	5.94%
Mobile Personal Services, Inc.				134	7	1.59%
Radiology Associates West Pasco				123	8	1.46%
	<u>2,191</u>		<u>32.84%</u>	<u>2,505</u>		<u>29.78%</u>

## **Schedules of Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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**CITY OF NEW PORT RICHEY, FLORIDA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM –**  
**LAST TEN FISCAL YEARS**  
**YEAR ENDED SEPTEMBER 30, 2015**

Function/Program	Full-time Equivalent Employees as of September 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government:										
Legislative	5.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Executive	2.8	2.8	2.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Technology Solutions (1)	3.0	3.0	3.0	-	-	-	-	-	-	-
Human Resources	1.8	2.9	2.6	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Financial Administration	14.6	14.3	14.3	18.3	20.5	20.3	20.3	20.7	20.7	20.7
City Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Police:										
Supervision	3.8	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Support Services	14.8	13.6	12.6	11.9	11.9	11.9	9.8	10.8	10.8	10.8
Community Services	11.0	9.0	9.0	10.0	11.0	11.0	14.0	14.0	14.0	14.0
Patrol	28.7	26.7	26.7	26.9	22.9	24.9	24.9	23.9	22.9	22.9
Code Enforcement	2.0	1.0	1.0	1.0	2.0	4.5	4.5	4.5	4.5	4.5
Code Enforcement-Grant Funded	1.0	1.0	1.0	-	-	-	-	-	-	-
Red Light Cameras (2)	2.0	2.0	-	-	-	-	-	-	-	-
Fire:										
Supervision	3.0	3.0	2.7	2.8	3.0	3.0	3.0	3.0	3.0	3.0
Inspection	-	-	-	-	-	-	-	1.0	1.0	1.0
Firefighting	23.8	23.8	21.8	23.6	25.6	22.1	22.1	23.2	23.3	22.9
Development:										
Development Department	7.0	7.0	7.0	7.0	-	-	-	-	-	-
Redevelopment:										
Economic Development	2.0	2.0	-	-	-	2.0	2.0	4.4	5.8	6.4
Development Department	-	-	-	-	9.0	10.0	10.0	9.0	9.0	8.0
Public Works:										
Supervision	4.0	4.0	4.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Road and Street Facilities	7.0	7.0	7.0	7.0	7.0	7.0	8.0	9.0	9.0	9.0
Water Production	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Water Distribution	11.0	12.0	10.0	10.8	10.8	10.0	10.0	10.0	9.0	9.0
Water Pollution Control	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Sewer Collection	7.0	8.0	8.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0
Reclaimed Water Production	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Construction Services	4.0	-	-	-	-	-	-	-	-	-
Stormwater	5.0	5.0	5.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0
Central Garage	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
Culture and Recreation:										
Library	13.9	13.9	13.9	14.8	15.3	15.8	15.8	15.3	15.3	14.2
Playgrounds and parks	16.5	16.8	16.8	15.8	16.8	17.8	17.8	20.7	17.9	17.7
Aquatics	4.0	5.3	5.3	6.3	6.3	6.4	6.2	7.8	4.5	1.6
	<u>225.6</u>	<u>214.6</u>	<u>205.0</u>	<u>210.2</u>	<u>213.1</u>	<u>218.7</u>	<u>220.4</u>	<u>229.3</u>	<u>222.6</u>	<u>217.5</u>

Source: City of New Port Richey Accounting & Budgeting Division

- (1) Previously part of Financial Administration
- (2) Made into a separate Division in FY13-14
- (3) Newly created Division in FY14-15

**CITY OF NEW PORT RICHEY, FLORIDA  
OPERATING INDICATORS BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS  
YEAR ENDED SEPTEMBER 30, 2015**

<u>Function/Program</u>	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Police:</b>										
Calls for service	28,230	27,274	19,471	19,664	22,253	25,370	28,772	30,176	30,346	29,519
Physical arrests	841	884	761	631	911	874	1,151	1,168	1,086	996
Parking violations	6	5	4	8	51	45	37	166	32	54
Traffic violations	1,462	2,048	1,211	1,187	2,560	2,350	2,911	3,644	4,005	4,037
<b>Fire:</b>										
Emergency responses	4,271	3,921	3,753	3,972	3,563	3,385	3,483	3,348	3,479	3,514
Fires extinguished	33	46	47	52	68	64	50	47	65	67
Inspections	1,100	1,088	1,155	1,124	1,086	1,616	1,181	1,088	1,137	924
<b>Development services:</b>										
Building permits	1,515	1,665	1,502	1,376	1,175	1,278	1,116	1,247	1,519	1,663
Building permit amount	16,400,350	14,606,289	18,606,369	12,090,800	6,092,700	10,575,127	28,810,687	11,688,390	20,294,509	37,582,321
<b>Public works:</b>										
Street resurfacing (miles)	-	-	-	-	4.050	4.866	0.658	-	-	2.0
<b>Recreation:</b>										
Daily attendance (1)	281,221	280,521	275,952	257,650	257,643	220,361	345,000	330,960	208,000	-
Memberships	109,226	2,254	1,768	1,531	1,674	1,648	2,034	1,542	1,478	1,618
Swimming pool admissions (2)	-	-	-	-	-	-	-	-	-	-
<b>Library:</b>										
Attendance (3)	490,920	471,581	488,847	517,655	443,211	422,388	-	-	-	-
Volumes in collection	157,964	141,152	113,859	97,134	95,467	80,116	83,596	82,168	130,478	120,087
Total volumes borrowed	734,425	652,164	323,256	339,504	395,630	349,679	236,034	214,873	229,237	212,855
<b>Water:</b>										
New connections	45	13	459	(260)	22	7	22	50	45	(13)
Avg.daily consumption(MG)	5.15	5.20	5.13	4.91	3.35	3.84	5.00	3.16	3.34	3.45
<b>Sewer:</b>										
New connections	20	8	893	(1,040)	7	12	19	20	18	(24)
Average daily flow (MG)	5.25	5.133	4.963	5.161	4.856	5.605	5.254	5.657	5.439	5.575
Miles of new sewer lines	-	-	0.610	-	-	-	2.038	-	-	0.34
<b>Reclaimed water:</b>										
New connections	19	224	9	(2)	5	5	(8)	51	27	31
Avg.daily consumption(MG) <i>(Pasco County &amp; City)</i>	5.05	5.133	4.867	4.389	4.856	5.605	5.254	5.657	5.439	5.575
Avg.daily consumption(MG) <i>(City only)</i>	2.25	2.267	2.182	1.273	1.168	0.664	0.919	1.002	1.222	0.897

**Notes:**

N/A = not available

MG = million gallons

(1) Daily attendance started being tracked in May, 2007, when the new facility opened.

(2) A new Recreation/Aquatic Center was opened in 2007 and the swimming pool admissions are no longer tracked separately.

(3) Attendance was not reported in this table prior to 2010.

**Source:** All data was provided by the various City of New Port Richey departments.

**CITY OF NEW PORT RICHEY, FLORIDA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS  
YEAR ENDED SEPTEMBER 30, 2015**

<u>Function/Program</u>	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Public works:										
Streets (miles)	80.53	80.53	80.53	80.53	80.53	80.53	80.53	80.53	75.72	75.72
Streetlights	2,726	2,718	2,714	2,704	2,704	2,704	2,689	2,679	2,679	2,679
Recreation:										
Number of parks	12	12	12	12	12	12	12	12	12	12
Acreage	172.43	158.50	158.50	158.50	158.50	158.50	158.50	158.50	158.50	158.50
Baseball fields	-	-	-	-	-	-	-	-	-	-
Community Centers	2	2	2	2	2	2	2	2	2	2
Water:										
Water mains (miles)	141.22	139.56	139.56	138.86	138.86	138.70	138.70	137.20	137.20	137.20
Fire hydrants	669	669	669	660	657	657	657	657	657	651
Storage capacity (MG)	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Number of connections	16,550	16,505	16,492	16,033	16,293	16,271	16,264	16,242	16,192	16,147
Wastewater:										
Number of connections	13,600	13,580	13,572	12,679	13,749	13,742	13,730	13,711	13,691	13,673
Sanitary sewers (miles)	84.77	84.77	84.77	84.46	84.46	84.46	84.46	84.39	84.39	84.39
Forced Main (miles)	29.25	29.25	29.25	29.20	29.20	29.20	29.20	27.23	27.23	27.23
Treatment capacity (MG)	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Reclaimed water:										
Reclaimed lines (miles)	29.00	29.00	28.12	17.83	16.98	16.89	16.89	16.89	16.89	16.89
Number of connections	515	496	272	263	265	260	255	263	212	185

Notes:

N/A = not available  
MG = million gallons

Source: All data provided by various City of New Port Richey departments



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

To the Honorable Mayor and  
Members of the City Council  
City of New Port Richey, 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 accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Port Richey, Florida (the City) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 30, 2016. Our report includes a reference to other auditors who audited the financial statements of the Police Officers' Retirement System, and the Firefighters' Retirement System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the, the Police Officers' Retirement System, and the Firefighters' Retirement System were not audited in accordance with *Government Auditing Standards*.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Findings 2015-001 and 2015-002, that we consider to be material weaknesses.

To the Honorable Mayor and  
Members of the City Council  
City of New Port Richey, Florida

**Compliance and Other Matters**

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

**City of New Port Richey, Florida's Response to Findings**

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses in which the findings are reported. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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



**CliftonLarsonAllen LLP**

Tampa, Florida  
November 30, 2016

**CITY OF NEW PORT RICHEY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2015**

**SECTION I – CURRENT YEAR FINDINGS**

**Finding 2015-001: Review of Transactions and Reconciliation of Account Balances**

***Material Weakness in Internal Control over Financial Reporting***

**Criteria:** City management is responsible for establishing and maintaining internal controls over the proper recording of all of the City's transactions and reconciliation and review of the City's account balances.

**Condition:** Numerous journal entries were posted incorrectly, resulting in material adjustments affecting both prior and current fiscal years. A proper review of journal entries was not consistently performed. In addition, various account balances were not adequately reconciled as a part of the City's month-end and year-end closing process. These lingering reconciliation issues caused a significant delay in the external audit process and preparation of the City's Comprehensive Annual Financial Report (CAFR) for fiscal year 2015. Examples of identified misstatements include, but are not limited to, the following:

- As a result of our audit procedures, numerous post-closing entries were required to be posted to several water and sewer accounts such as retail water and sewer receivables, governmental accounts receivable, intergovernmental revenue, charges for services- water and sewer, bulk water and sewer sales, unbilled revenue and the allowance for doubtful accounts. Also, deposits over water and sewer were not reconciled, and the City does not monitor the detail aging of outstanding receivables nor reconciles the accounts receivable sub-ledger to the general ledger.
- During the fiscal year under audit, the City did not maintain reliable processes and related internal controls surrounding the identification and proper recording of capital assets. Additionally, the City did not record retainage payable relating to outstanding construction projects; this was subsequently corrected after audit inquiry.

**Cause:** The City did not have responsible individuals and reliable processes in place to perform the necessary review and reconciliation procedures during the fiscal year 2015.

**Effect:** Misstatement of various account balances occurred, which resulted in current year and prior period adjustments.

**Recommendation:** Journal entries should be supported by relevant documentation and account balances reconciled on a regular basis. Journal entries and reconciliation routines should be properly reviewed and approved by management within Finance. In addition, all approved entries should be properly recorded in the correct period.

**Management's Response:** Management concurs with the finding and recognizes that during fiscal year 2015 proper recording and review of journal entries and reconciliation of account balances were not being performed on a consistent basis. Since the fiscal year under audit, a new Finance Director and Assistant Finance Director, who both have professional governmental accounting experience, were appointed and have already begun prioritizing among the changes deemed necessary to improve the City's accounting and financial reporting processes. There were many prior year audit findings and recommendations that were prioritized and remediated relating to debt covenant monitoring and compliance, fund balance, redevelopment properties, special event billing, and technology solutions. Further restructuring and the reengineering of processes and internal controls are currently being designed. Management is committed to improving financial reporting and implementing more efficient processes to prevent and detect possible misstatements.

**CITY OF NEW PORT RICHEY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**Finding 2015-002: Payroll Processing**

***Material Weakness in Internal Control over Financial Reporting***

**Criteria:** Review and authorization procedures should be implemented over payroll related transactions to ensure that wage and benefits expenses and liabilities are recorded accurately.

**Condition:** The City lacked proper segregation of duties over the recording of payroll transactions throughout fiscal year 2015.

**Cause:** Payroll processing was largely performed by a single individual with no independent review which resulted in several errors throughout the fiscal year.

**Effect:** Without an effective independent review process in place, compensation paid to employees each pay period could be inaccurate, either due to error or fraud.

**Recommendation:** We recommend that the City include additional responsible individuals in the review and approval process during each pay cycle. Additionally, the City should ensure that appropriate access controls are in place to restrict adjustments to pay rates, payments to employees, and posting of payroll entries within the general ledger to authorized individuals not involved in payroll processing.

**Management's Response:** Management agrees with this recommendation and the conditions identified have since been remediated. Proper segregation of duties have been implemented and independent controls are now in place to prevent, or at least minimize, inaccuracies.

**SECTION II – CURRENT YEAR STATUS OF PRIOR YEAR FINDINGS**

**Finding 2014-01: Cash Account Balance**

**Condition:** During the year-end audit procedures, it was noted that the City had a cash account specifically for red light camera citations, which was not recorded to the general ledger. This account had approximately \$1.2 million of activity during the year.

**Recommendation:** It is the responsibility of the Finance Department to ensure proper internal controls are in place to reconcile and record all cash accounts to the general ledger.

**Current Year Status:** The City has established a general ledger account for the Red Light Camera; however, monthly reconciliations are not being performed on a timely basis.

**Management's Response:** Management agrees with this recommendation. Staffing and processes are being evaluated to ensure that monthly reconciliations are performed on a timely basis.

**CITY OF NEW PORT RICHEY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**Finding 2014-02: Debt Covenants**

**Condition:** During the course of the audit, it was noted that the City was not monitoring its compliance with debt covenants.

**Current Year Status:** Corrective action has been taken.

**Finding 2014-03: Bank Reconciliations**

**Condition:** Per examination of bank reconciliations as of fiscal year-end, it was noted that several miscellaneous debit and credit items were included in the bank reconciliations, but were not being properly recorded to the general ledger. There were several reconciling items that were over a year old and certain items that were shown as reconciling items, but shouldn't have been. The process by the Finance Department was to place items in a suspense account. Finally, a review was being performed by a separate individual in the Finance Department; however, the review process was not adequate.

**Current year status:** This finding was partially corrected. The bank reconciliations during the year were not performed timely, nor was there proper review over the reconciliations or an understanding of the reconciliation process. See Finding 2015-001 for current year deficiency and management's response.

**Finding 2014-04: Review of Journal Entries**

**Condition:** As a result of the audit, numerous entries were identified to have been posted incorrectly in the prior and current fiscal year, resulting in prior period audit adjustments and current period audit adjustments. A proper review was not being done over journal entries.

**Current Year Status:** This finding has not been corrected. See Finding 2015-001 for current year deficiency and management's response.

**Finding 2014-05: Financial Reporting**

**Condition:** During our year-end audit procedures, it was noted that sufficient internal controls were not in place to prevent, detect, or correct errors that could impact the accuracy of financial results. As a result, several proposed prior period and current period adjustments were made. Additionally, the closing process resulted in several post-closing entries and the preparation of the CAFR was not completed for nine months after September 30, 2014 fiscal year end.

**Current year status:** This finding has not been corrected. See Finding 2015-001 for current year deficiency and management's response.

**CITY OF NEW PORT RICHEY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**Finding 2014-06: Investment Policy**

**Condition:** The City is not in compliance with its investment policy as it is not monitoring its investment policy.

**Current Year Status:** This finding has not been corrected. Evidence was not obtained concerning the former Finance Director earning 8 hours of continuing education on courses of study relating to investment practices and products during fiscal year 2015. Quarterly investment reports, which were to include analysis of the City's current investment portfolio and transactions made over the past quarter, were not submitted to City Council during fiscal year 2015. And the allocation of the City's investment portfolio did not adhere to the City's maximum concentration limits per its policy.

**Management's Response:** Management agrees with the recommendation. Since the fiscal year under audit, the City has appointed a new Finance Director. The new Finance Director has the required hours of continuing education over investment practices and will continue to obtain these hours on an annual basis. Additionally, as improvements are made to properly reconcile accounts on a more timely basis, and as the City transitions to its new accounting software, regular analysis and reporting of the City's financial statements, including its investment portfolio, will be performed and provided to City Council on a regular basis.

**Finding 2014-07: Reconciliation of Fund Balance**

**Condition:** As a result of the audit, it was identified that beginning fund balance for the Water and Sewer Fund did not reconcile to the prior year audited ending fund balance.

**Current Year Status:** Corrective action has been taken.

**Finding 2014-08: Decline in Value of Community Redevelopment Agency (CRA) Property**

**Condition:** The Community Redevelopment Agency's (CRA's) property held for resale was appraised by the Property Appraiser's Office and a decline in the value of the property, totaling approximately \$2.3 million, was identified. The decline was due to the demolition of several structures on these parcels in previous years. Total value was re-measured and a prior period adjustment was posted.

**Current Year Status:** Corrective action has been taken.

**Finding 2014-09: Redevelopment Fund Properties**

**Condition:** An adjustment was made to fund balance at the fund level to record three properties purchased by the community redevelopment fund and held for resale. These properties were being recorded in the government-wide capital assets. Amounts resulted in a prior period adjustment to record said properties in the proper fund. Additionally, properties had to be re-measured to net realizable value.

**Current Year Status:** Corrective action has been taken.

**CITY OF NEW PORT RICHEY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**Finding 2014-10: Water and Sewer Fund Prior Period Adjustment**

**Condition:** Due to incorrect billings and improper recording of transactions in the previous year within the Water and Sewer Fund, the beginning net position of the respective fund has been restated in the amount of \$232,753.

**Current Year Status:** Corrective action has been taken.

## MANAGEMENT LETTER

To the Honorable Mayor, Members of City Council  
and City Manager  
City of New Port Richey, Florida

### Report on the Financial Statements

We have audited the financial statements of the City of New Port Richey, Florida (City) as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated November 30, 2016.

### Auditors' Responsibility

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

### Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated November 30, 2016, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

### Financial Condition

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

Honorable Mayor, Members of City Council,  
and City Manager  
City of New Port Richey, Florida

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

**Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

**Special District Component Units**

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The City does not have any special district component units.

**Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Our current year recommendations are listed in Appendix B to this Management Letter.

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

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



**CliftonLarsonAllen LLP**

Tampa, Florida  
November 30, 2016

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT LETTER  
SEPTEMBER 30, 2015**

**APPENDIX A– PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

Prior Year Findings		Current Year Status		
Finding Reference #	Comment	Cleared	Partially Cleared	Not Cleared
MLC-1	Off Duty Billings	X		
MLC-2	Close-Out of Capital Improvement Projects	X		
MLC-3	Improper Utility Rates Billed			X
MLC-4	Inconsistent Rates Between Ordinance and Billing System			X
MLC-5	Code Enforcement Fines	X		
MLC-6	Special Assessments – Government-Wide	X		
MLC-7	Unrecorded Unbilled Revenues	X		
MLC-8	Recognition of Accounts Receivable and Revenue	X		
MLC-9	Data Conversion - High	X		
MLC-10	User Access Provisioning	X		
MLC-11	Firewalls	X		
MLC-12	Passwords	X		
MLC-13	Physical Security	X		
MLC-14	Security Policies		X	

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT LETTER  
SEPTEMBER 30, 2015**

**APPENDIX A– PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

**MLC-3 Improper Utility Rates Billed**

**Condition:** The City became aware it was improperly billing customers for water retail from fiscal year 2007 through the beginning of the fiscal year 2014. Despite the adjustment made after coming to such a realization in 2014, the City continued to improperly bill customers. As a result of utility rate testing, it appeared that all base rates and outside city limits wastewater consumption rates were understated by \$0.01.

**Current Year Status:** Corrective action has not been taken. During the course of our audit, we identified individual customer bills issued during fiscal year 2015 that contained inaccuracies due to incorrect utility rates incorporated in the calculation of customer charges.

**Management's Response:** The City's current accounting system limits the entering and annual updating of utility rates to a manual process, which, unfortunately, can result in human error. This issue will be resolved with the implementation of the City's new accounting software system, which will provide for annual updates to be performed automatically. In the meantime, a review and verification process is being designed and implemented to ensure utility accounts are properly billed.

**MLC-4 Inconsistent Rates between Ordinance and Billing System**

**Condition:** The City issued Ordinance No. 2014-2030 to update utility rate charts and clarify the billing system. The reclaimed water section of this ordinance contains rate amounts from fiscal year 2007. However, the City bills customers using the current year rate, which has increased 4% annually from the numbers disclosed in the ordinance.

**Current Year Status:** Corrective action has not been taken. See current year status reported at MLC-3.

**Management's Response:** The City's current accounting system limits the entering and annual updating of utility rates to a manual process, which, unfortunately, can result in human error. This issue will be resolved with the implementation of the City's new accounting software system, which will provide for annual updates to be performed automatically. In the meantime, a review and verification process is being designed and implemented to ensure utility accounts are properly billed.

**MLC-14 Security Policies – Low**

**Condition:** Currently, the IT department does not maintain formal IT policies or procedures. An IT policy would assist the City with outlining IT responsibilities, objectives, and ensures consistency when personnel changes occur. Without policies and procedures in place, the City does not have guidelines to enforce rules and as such, employees cannot be held accountable.

**Current Year Status:** The City has policies for acceptable use of internet, email, social usage, passwords, physical security, data ownership, and voice communications/voicemail. However, certain policies and procedures used to create the security culture for the City and support technology related operations were not in place and formally documented. The City should develop policies and procedures relating to the following: mobile devices, information security policy, and a technology strategic plan.

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT LETTER  
SEPTEMBER 30, 2015**

**APPENDIX A– PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

**Management’s Response:** The technology policies of the City are currently broken out into multiple documents, which are given to all employees during the new hire orientation. A larger document is currently being drafted which will replace the existing documents and include the following categories:

- General Use
- Electronic Mail and Voicemail
- Internet and Mobile Device
- Information Security
- Social Media
- Incident Response / Disaster Recovery

In addition, the Technology Solutions Department is currently drafting a strategic plan that should be completed in the current fiscal year

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT LETTER  
SEPTEMBER 30, 2015**

**APPENDIX B – RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT**

**Finding 2015-003: Compliance with Florida Statutes: Budget**

**Criteria:** Per Florida Statute 166.241, the governing body of each municipality at any time within a fiscal year or within 60 days following the end of the fiscal year may amend a budget for that year.

**Condition:** During the audit we noted that the budget amendments were not approved in a timely manner. Formal approvals were made in February 2016).

**Cause:** There was turnover within key management positions in the Finance Department.

**Effect:** The City was not in compliance with Florida statutes relating to budget amendments.

**Recommendation:** It is the responsibility of the City to ensure budget amendments are approved within 60 days after the fiscal year-end in accordance with Florida Statutes.

**Management's Response:** During the 60 day period after year-end mentioned above, the City had just hired a new Finance Director. Because of the amount of account reconciliations that needed to be performed, year-end budget amendments could not be prepared and presented to City Council before the mandated deadline. Moving forward, the year-end closing process will be performed in a more timely manner to ensure that this requirement is complied with.

**Finding 2015-004: Consideration of Information Technology Controls**

**Criteria:** Information technology systems are an integral component of the financial reporting system. Best practices should be employed with respect to the computer processing environments to help ensure the reliability of the business and financial systems that support business objectives during the current and future reporting periods.

**Condition:** The following conditions represent opportunities to improve general controls over the information systems supporting the financial reporting system:

- The City currently does not maintain a formal and ongoing risk assessment process and approach that focuses on external penetration testing to assess any potential security and/or access weaknesses.
- User accounts for Active Directory and the financial application, Naviline, are not formally validated on a periodic basis to ensure only current employees and approved business partners have active user accounts.
- The City accepts credit card payments as a merchant. Any entity that processes, stores or transmits cardholder data is required to be compliant with the Payment Card Industry Data Security Standard (PCI DSS). The City is not fully aware of all of the compliance requirements under the standard and therefore may not be compliant with the PCI DSS.

**Cause:** Best practices are continually evolving and security measures need to be reassessed continually.

**Effect:** Risk exposure is elevated when best practices are not employed with respect to general controls over the computer processing environment.

**Recommendation:** We recommend that the City engage a third party to perform annual External Penetration Testing to properly identify any areas of technical weaknesses on an annual basis. Also, a formal review of user accounts in Active Directory and Naviline should take place. This review should be performed at least every six months and documentation should be maintained with the results of the review. Finally, the City should research the PCI DSS requirements that are applicable to the City's credit card acceptance environment and implement a plan in order to progress toward compliance with the standard.

**CITY OF NEW PORT RICHEY, FLORIDA  
MANAGEMENT LETTER  
SEPTEMBER 30, 2015**

**APPENDIX B – RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT**

**Management's Response:** In the 2015-16 fiscal year, Technology Solutions worked to improve its testing methods and increase security to the City's network. A network assessment was completed by a third party vendor to review vulnerabilities in the City's network and make corrections, as necessary. This testing will continue to be performed on an annual basis as the City keeps current with security trends and protecting City technologies.

The City monitors its active directory accounts closely and staff accounts are disabled upon termination. Account statuses are reviewed annually as part of an internal audit performed the by Technology Solutions Department. The Technology Solutions Department will increase the frequency of this review and will perform it on a semi-annual basis.

The City currently uses third-party vendors, which are PCI-compliant, to process its credit card transactions. However, the Technology Solutions Department, in conjunction with the Finance Department, will review these requirements to establish policies and procedures for staff PCI compliance.

## INDEPENDENT ACCOUNTANTS' REPORT

To the Honorable Mayor, Members of the City Council,  
and City Manager  
City of New Port Richey, Florida

We have examined the City of New Port Richey, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

Our examination disclosed material noncompliance with requirements set forth in Section 218.415, Florida Statutes, applicable to the City's investment of public funds during the year ended September 30, 2015. The City is not in compliance with certain requirements of its investment policy.

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



**CliftonLarsonAllen LLP**

Tampa, Florida  
November 30, 2016

**City of New Port Richey  
5919 Main Street  
New Port Richey, FL 34652**