

# **CITY OF TITUSVILLE, FLORIDA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended September 30, 2017**

*Prepared by: The Finance Department*

Introduction Section	
Letter of Transmittal	1-6
Certificate of Achievement for Excellence in Financial Reporting	7
Organization Chart	8
Principal Officials	9
Financial Section	
Report of Independent Auditor	11-13
Management's discussion and analysis	14-29
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	30-31
Statement of activities	32
Fund financial statements:	
Governmental funds:	
Balance sheet	34
Reconciliation of the balance sheet governmental funds to the statement of net position	35
Statement of revenues, expenditures and changes in fund balances	36
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	37
Proprietary funds:	
Statement of net position	38-39
Statement of revenues, expenses, and changes in net position	40
Statement of cash flows	42-43
Fiduciary funds:	
Statement of fiduciary net position	44
Statement of changes in fiduciary net position	45
Notes to financial statements	46-103
Required Supplementary Information	
Schedules for OPEB	104-106
Schedules & Notes for General Employee Pensions	107-110
Schedules & Notes for Police and Fire Pensions	111-114
Schedule of revenues, expenditures and changes in fund balances - budget and actual - general fund	115
Schedule of revenues, expenditures and changes in fund balances - budget and actual - downtown community redevelopment agency	116
Notes to required supplementary information	117
Schedule of revenues, expenditures and changes in fund balances - budget and actual - Capital Improv Series 2017	118
Supplementary information	
Nonmajor Governmental Funds Note	119
Combining balance sheet - all nonmajor governmental funds	120-121

## Financial Section (Continued)

Combining statement of revenues, expenditures and changes in fund balances - all nonmajor governmental funds	122-123
Schedule of revenues, expenditures, and changes in fund balances - budget and actual - annually-budgeted nonmajor special revenue funds	124-129
Schedule of revenues, expenditures, and changes in fund balances - budget and actual - annually-budgeted nonmajor debt service fund	130-131
Schedule of revenues, expenditures, and changes in fund balances - budget and actual - annually-budgeted nonmajor capital project funds	132-134
Internal Service Funds:	
Internal Service Funds Note	135
Combining statement of net position	136-137
Combining statement of revenues, expenses and changes in fund net position	138-139
Combining statement of cash flows	140-141
Fiduciary Funds - Trust and Agency Funds:	
Other Supplemental Information	142
Combining statement of fiduciary net position	143
Combining statement of changes in fiduciary net position	144
Statement of changes in assets and liabilities - agency funds	145
Capital Assets - Used in the Operations of Governmental Funds:	
Other Supplemental Schedules	146
Schedule by source	147
Schedule by function and activity	148
Schedule of changes by function and activity	149

---

## Statistical Section

---

Statistical Contents	151
Government-wide information:	
Schedule 1 - Net position by component - last ten fiscal years	153
Schedule 2 - Changes in net position - last ten fiscal years	154-155
Fund information:	
Schedule 3 - Fund balances of governmental funds - last ten fiscal years	156
Schedule 4 - Changes in fund balances of governmental funds - last ten fiscal years	157
Schedule 5 - Tax revenues by source of governmental funds - last ten fiscal years	158
Schedule 6 - Assessed value and actual value of taxable property - last ten fiscal years	159
Schedule 7 - Property tax rates-direct and overlapping governments - last ten fiscal years	160
Schedule 8 - Principal taxpayers - current year and ten years ago	161
Schedule 9 - Property tax levies and collections - last ten fiscal years	162
Schedule 10 - Ratios of outstanding debt by type - last ten fiscal years	163
Schedule 11 - Ratios of general bonded debt outstanding - last ten fiscal years	164
Schedule 12 - Direct and overlapping debt for the fiscal year ended September 30	165
Schedule 13 - Legal debt margin information - last ten fiscal years	166- 167

---

Statistical Section (Continued)

Schedule 14 - Pledged-revenue coverage - last ten fiscal years	168
Schedule 15 - Demographic and economic statistics - last ten fiscal years	169
Schedule 16 - Principal employers - current year and ten years ago	170
Schedule 17 - Full-time equivalent city government employees by function/program-last ten fiscal years	171
Schedule 18 - Operating indicators by function/program-last ten fiscal years	172-173
Schedule 19 - Capital assets statistics by function/program-last ten fiscal years	174

Secondary market disclosures:

Schedule 20 - System growth for the fiscal year ended September 30	175
Schedule 21 - Significant customers for the fiscal year ended September 30	176
Schedule 22 - Secondary Market sufficiency analysis with computation of debt service coverage	177
Schedule 23 - Current water and sewer system rates and charges	178

---

Compliance Section

---

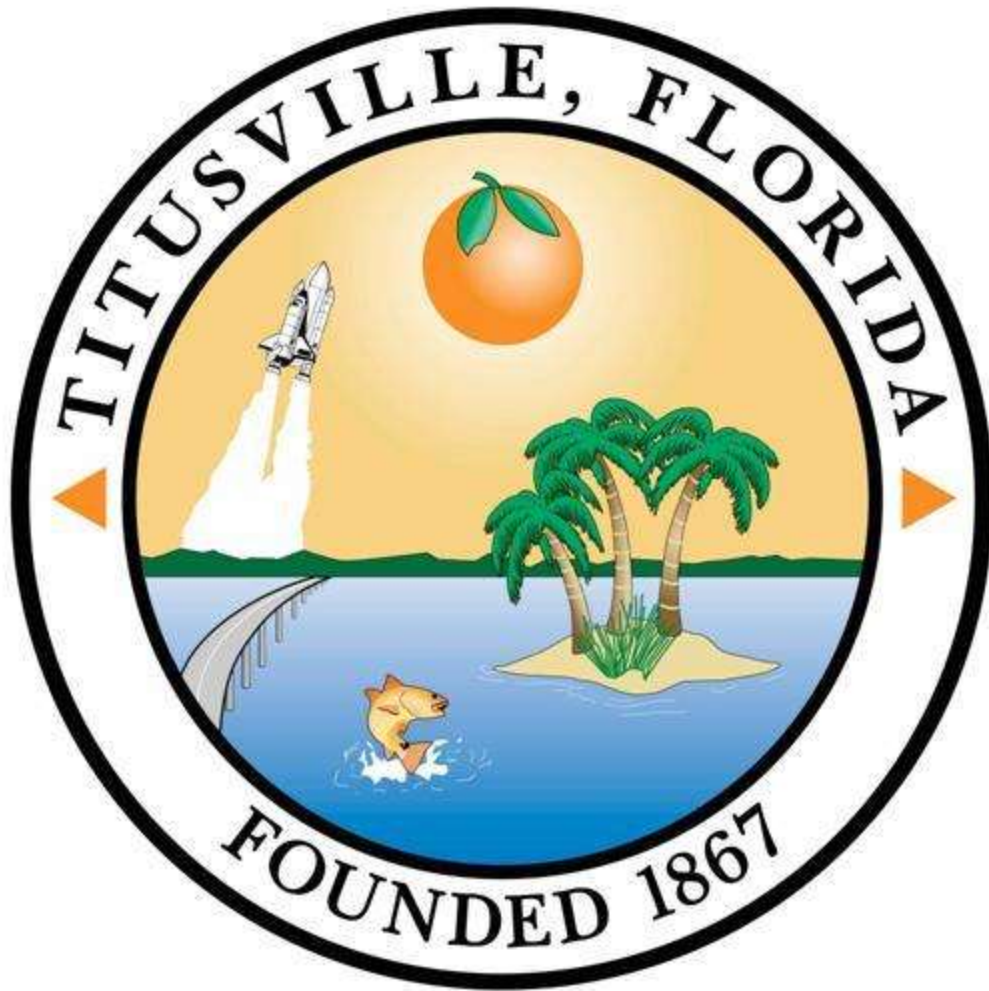
Schedule of Expenditures of Federal Awards and State Financial Assistance	180
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	181

---

Reports

---

Independent Auditors' Report of Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standard	183-184
Schedule of Findings and Questioned Costs	186-187
Managements response to Audit Findings	188
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	190 - 191
Independent Auditor's Management Letter Required by Office of Auditor General	192-194
Management response to Auditor's Management Letter	195
Independent Accountants' Examination Report	196



This page is left intentionally blank



555 SOUTH WASHINGTON AVENUE  
TITUSVILLE, FLORIDA 32796-3584  
POST OFFICE BOX 2806 (32781-2806)



OFFICE OF THE CITY MANAGER  
(321) 383-5802  
FAX (321) 383-5704  
*Gateway to Nature & Space*  
[www.titusville.com](http://www.titusville.com)

March 23, 2018

To the Honorable Mayor, Members of City Council, and Citizens of the City of Titusville:

It is with great pleasure that we present to you the City of Titusville Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017, as required by City Charter and Florida Statutes.

Management is responsible for the completeness and reliability of all the information presented in this report, based upon a comprehensive framework of internal control established for this purpose. The objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

James Moore, a firm of licensed certified public accountants, has issued an unmodified (“clean”) opinion on the City of Titusville’s financial statements for the fiscal year ended September 30, 2017. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A should be considered to complement this letter of transmittal and used in conjunction with it.

### **Profile of the Government**

The City of Titusville was founded in 1867 and incorporated on July 13, 1887 as a political subdivision of the State of Florida and a municipal corporation with a five-member Council, including a Mayor and Vice-Mayor. It is located on the east coast of Florida, approximately 40 miles east of Orlando bordering the John F. Kennedy Space Center along the Indian River Lagoon in Brevard County, Florida. The City of Titusville currently occupies 30.49 square miles and serves an estimated population of 46,019 citizens. The City of Titusville is empowered to levy a property tax on real property located within its boundaries. It is empowered by state statute to extend its corporate limits by annexation, which occurs when deemed appropriate by the City Council.

Titusville voters elect five Council members for four-year terms on a staggered-term basis. The Mayor is a member of the City Council and is elected in the same manner as other Council

members. Council members run for office in non-partisan elections. Titusville has “at-large” elections; that is all City voters have the opportunity to vote for the candidate of their choice to fill each vacancy and to represent the City as a whole.

The Council, as the legislative body, determines all municipal policies which are not set forth in the City Charter or by State legislation. The Council adopts ordinances and resolutions, votes appropriations, approves the budget and determines the tax rate. The Council appoints interested citizens to serve on various City advisory boards and commissions. The Council appoints the City Manager. The following are general duties of the City Manager, broadly stated:

- assures that all laws and ordinances are enforced
- appoints and remove department heads and employees on the basis of merit
- exercises control over all departments
- advises the Council on the financial condition of the City government
- informs the public on the City government operations

The City of Titusville provides a full range of services, including law enforcement; fire and emergency services; streets and traffic maintenance; neighborhood and social services; water, sewer, and solid waste operations; storm water management; community development; building and planning and zoning; marina; economic development; emergency management; and general and administrative functions. The City of Titusville is financially responsible for the Downtown Titusville Community Redevelopment Agency and collaborates with Brevard County in funding the North Brevard Economic Development Zone.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Titusville’s financial planning and control. The budget is prepared by fund and by department. The City Manager may make transfers within a department within the same fund. Any other budget transfers or amendments require approval by City Council, which are submitted throughout the fiscal year by departments through the City Manager.

### **Local Economy**

The region continues to diversify its economy which includes tourism, higher education, aerospace, health care, retirement living, retail trade, commercial and recreational sport fishing, boating, and cycling. Major industries that influence the economy include the Kennedy Space Center, Port Canaveral logistics and tourism commerce, satellite processing facilities, aerospace manufacturing, wireless communications services, weapons manufacturing, space experiment research, helicopter flight training, national wildlife refuge and seashore, and the Central Florida tourist attractions. Titusville is the County Seat of Brevard County which stretches almost 73 miles and is considered the Space Coast. The City is a key component of the Central Florida/Orlando metropolitan area.

The local economy continues to benefit from steady economic growth as the community continues its transformation to diversify its tax base. The City staff and elected officials have worked with multiple partners to secure new companies in our growing business community.

With a focus on growth in the areas of economic development, business retention and expansion, and revitalization, the City has experienced another year of steady economic expansion. To compliment this expansion, the City is experiencing an upswing in retail development. Two major development projects in Exploration Park are the OneWeb and Blue Origin manufacturing facilities. These two new facilities will produce reusable New Glenn rockets and a global communications satellite network. These companies plan to bring over 500 new jobs to this area.

While the state of Florida is trending closer to the national average in economic growth, the economic forecast for the Palm Bay - Melbourne - Titusville Metropolitan Statistical Area (MSA), also known as the “Florida’s Space Coast,” expects to show varying strengths in the following economic indicators. Personal income growth expects to average 6.7 % each year. Average annual wage growth is expected to be 4.0 %. Population growth is expected to be an average of 1.2 %. Employment growth is forecasted to average 2.1 % each year. The MSA will see an average unemployment rate of 4.5 %.

Some highlights of these endeavors include:

- an unemployment rate of 3.5%. This represents 9,441 unemployed people out of a civilian labor force of 268,516 in the Palm Bay- Melbourne-Titusville MSA
- a steady growth of residential construction
- increased property values of approximately 6% over the past 3 years
- investment in recreational and tourism activities including the Sand Point Splash Park, the Coast to Coast Trail Florida trails, Draa Park, and Titusville Welcome Center

### **Long-term Financial Planning**

The City’s strategic plan and the departmental balanced scorecards are the cornerstones for its long-term financial planning and budgeting. In Fiscal Year 2017, the City Council completed its annual operating budget cycle. The governing budget supports the City’s five-year capital improvement plan and the State’s comprehensive plan concurrency elements for Fiscal Year 2017. The General Fund operating budget adopted in September 2016 at a millage tax rate of \$7.6575, is an increase of 2.68% above the rollback rate. The City uses a blended budget approach to reduce the reliance on property tax revenues and continues to initiate alternative revenue sources.

As part of the City’s efforts to “maintain financial sustainability,” the City continues to seek new ways to contain costs by creating a culture of continuous improvement. While healthcare costs continue to increase, the City continues to maintain costs at levels below the national average and works towards the stabilization of such costs. Along these lines, the City’s Other Post Employment Benefit (OPEB) costs and liability have risen substantially, due to changes in the City contribution and assumptions associated with the implementation of GASB 75. To stabilize these costs in the future, the City is evaluating changes in healthcare plan design and is discontinuing all OPEB subsidies for employees hired after October 1, 2017. Additionally, the City maintains its General Fund operating reserve balance, which supports sixty days of operations, and both pension plans maintain a healthy funded ratio of around ninety percent.



The largest enterprise activity, the water and sewer utility, continues to support its operating and capital improvement plan with rate structure changes to ensure operating stability and a fully funded capital plan. The City secured its future water supply anticipated requirements through the completion of Area Four Well Field, which has the capacity of producing 2.75 million gallons of water per day. The City adopted a five-year capital improvement plan that identifies future funding needs to maintain, repair and upgrade capital assets and infrastructure. Included in these long term capital needs are road resurfacing and water line upgrades within funding constraints aligned with the approved comprehensive plan concurrency elements. The City recognizes that with the population growth variation, residential and commercial development, changes in assessed values and increased cost of operations, a clearer vision was important to the proper allocation of financial resources based on both legal debt capacity and a reasonable amount of debt the City can afford to fund capital projects.

### **Relevant Financial Policies**

The City's revenue policies establish the use of one-time revenue sources for non-recurring appropriations and prioritizes the use of restricted funding sources. Coupled with this is the City's budgetary focus to have all its Enterprise and Internal Service Fund activities be self-supporting.

The City's risk management program administers certain worker's compensation and property/casualty self-insured claims. The estimated amount of the claim reserves is fully funded by the program participants and recorded as liabilities of the respective Internal Service Funds and is determined through a formal actuarial study of the City's self-insured property, worker's compensation and casualty programs.

### **Major Initiatives**

Furthering the City's continuous improvement journey requires measureable goals. In Fiscal Year 2017, the City Council identified measureable goals promoting economic development and quality of life as well as maintaining financial sustainability and efficient/effective municipal services.

Some notable strategic accomplishments under these initiatives include:

- improved public information and community involvement via the internet, publications and citizen engagement activities such as the Citizens Police Academy and public workshops
- maintained emergency response times at levels below the national average
- completed just over nine miles of road resurfacing
- completed construction of the Sand Point Splash Park and the downtown pedestrian connector
- transferred storm water billing to the Brevard County Tax Collector
- improved efficiency of water meter readings
- furthered citywide continuous improvement initiatives saving resources, increasing efficiencies and improving customer service
- planned, prepared, executed and recovered from two named hurricanes

**Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Titusville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2016. This was the thirty-fourth consecutive year that the City of Titusville has received this prestigious award. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

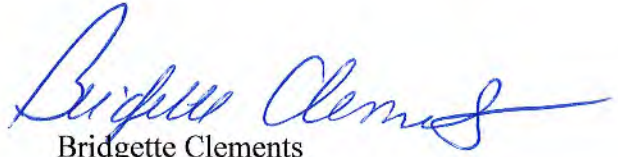
A Certificate of Achievement is valid for a period of one year. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we have submitted it to the GFOA to determine its eligibility for another certificate.

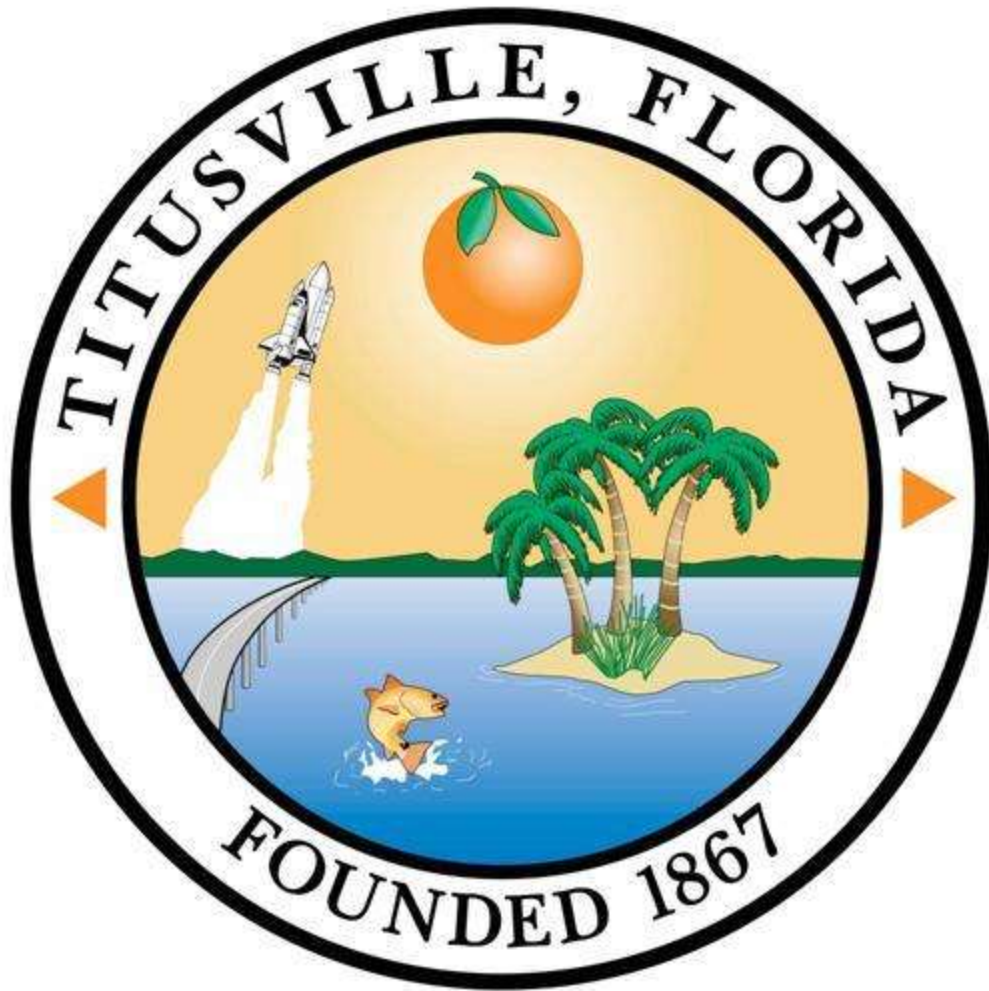
We want to express our appreciation to our external auditors who prepared this very comprehensive and very detailed quality report.

In closing, we want to thank the Mayor and City Council for their leadership, unyielding support and steadfast commitment to maintaining the financial integrity of the city.

Respectfully submitted,

  
William S. Larese  
City Manager

  
Bridgette Clements  
Director of Finance



This page is left intentionally blank



Government Finance Officers Association

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

Presented to

**City of Titusville  
Florida**

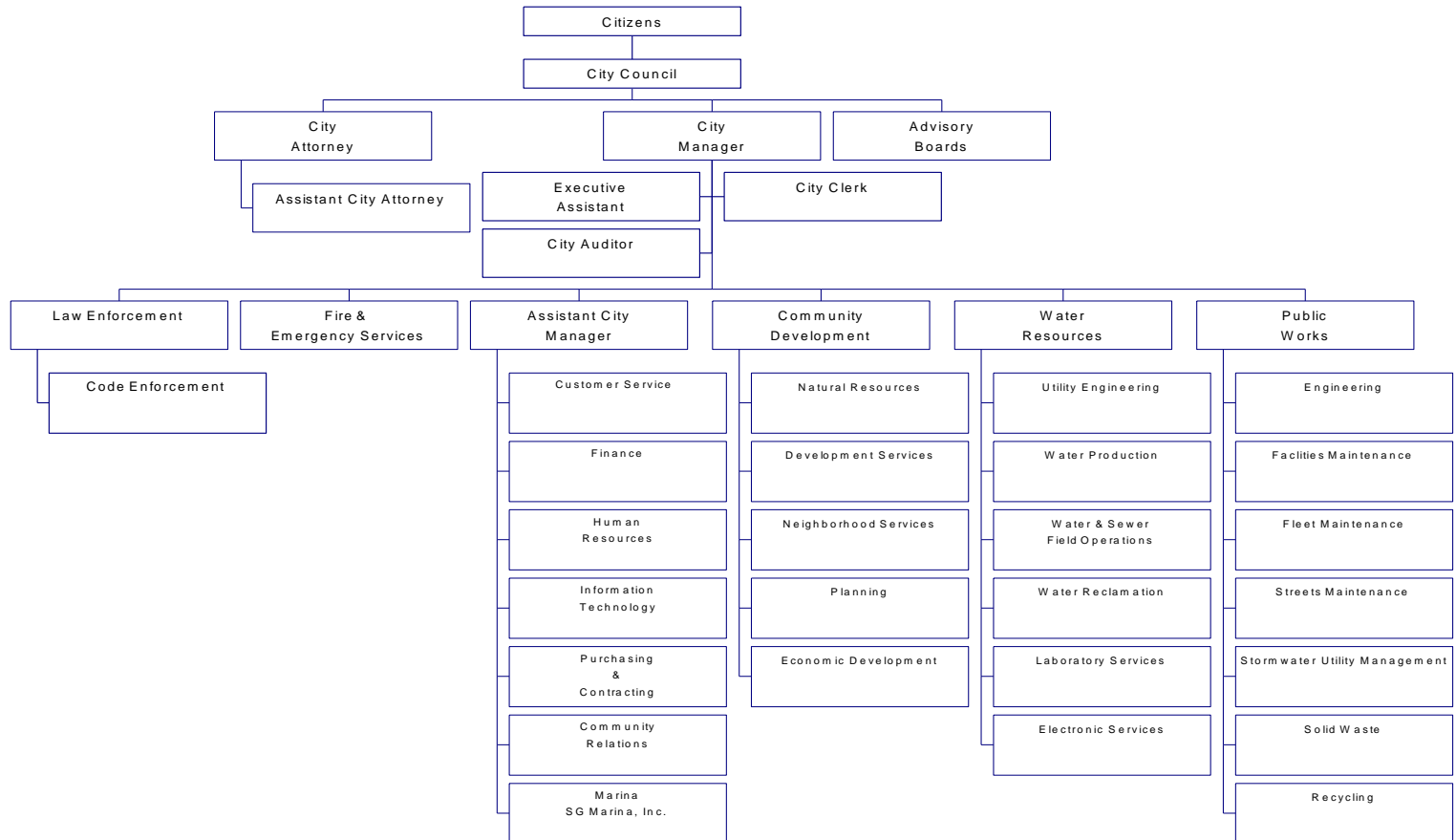
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2016**

*Christopher P. Morrell*

Executive Director/CEO

# City-Wide Organization Chart



**CITY OF TITUSVILLE, FLORIDA**  
**List of Elected and Appointed Officials**

**CITY COUNCIL**

Walt Johnson, Jr., Mayor

Matt Barringer, Vice-Mayor  
Sarah Stoeckel, Member

Dan Diesel, Member  
Jo Lynn Nelson, Member

**ADMINISTRATION**

**CITY MANAGER**

William S. Larese

**CITY ATTORNEY**

Richard C. Broome

**CITY CLERK**

Wanda F. Wells

**WATER RESOURCES DIRECTOR**

Sean Stauffer

**ASSISTANT CITY MANAGER**

Thomas A. Abbate

**FINANCE DIRECTOR**

Bridgette Clements

**FIRE CHIEF**

Michael Woodward

**POLICE CHIEF**

John Lau

**PUBLIC WORKS DIRECTOR**

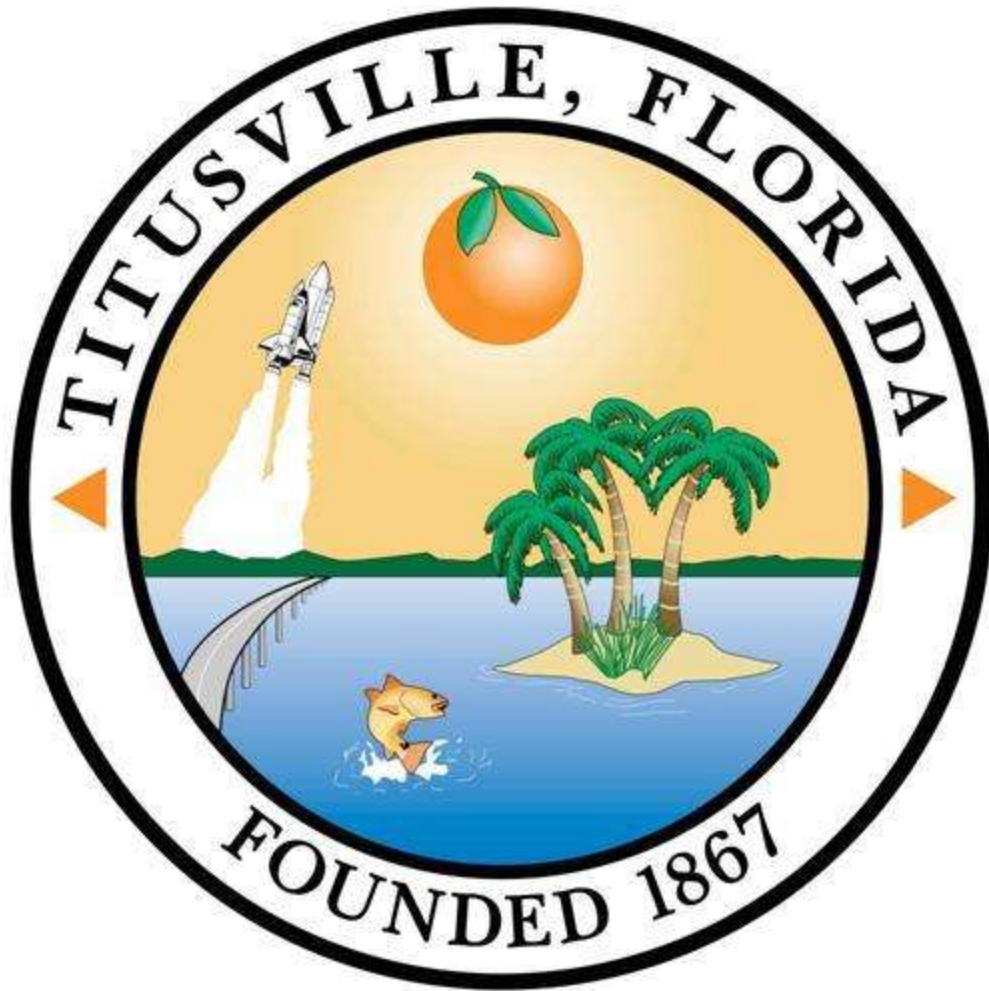
Kevin Cook

**PLANNING & GROWTH  
MANAGEMENT DIRECTOR**

Peggy Busacca

**COMMUNITY DEVELOPMENT  
ENGINEER**

Kwabena Oforu



This page is left intentionally blank



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council Members  
of the City of Titusville, 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 Titusville, Florida, (the City), as of and for the year ended September 30, 2017, 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*

The City's 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 TIFA, LLC, a joint venture project in which the City has a 50% ownership interest and represents approximately 5% of the assets and 2% of the revenues of the business-type activities and water and sewer utility funds, respectively. The joint venture was audited by another auditor whose report has been furnished to us and our opinions, insofar as they relate to the amounts included for the investment in TIFA, LLC, are based solely on the report of the other auditor. 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. 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 auditor's 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.

121 Executive Circle Daytona Beach, FL 32114-1180 Telephone: 386-257-4100	133 East Indiana Avenue DeLand, FL 32724-4329 Telephone: 386-738-3300	5931 NW 1st Place Gainesville, FL 32607-2063 Telephone: 352-378-1331	2477 Tim Gamble Place, Suite 200 Tallahassee, FL 32308-4386 Telephone: 850-386-6184
---	---	--	---

Website: [www.jmco.com](http://www.jmco.com) | Email: [info@jmco.com](mailto:info@jmco.com) | Member of AGN International with offices in principal cities worldwide



## ***Opinions***

In our opinion, based on our audit and the report of the 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 City of Titusville, Florida, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Change in Accounting Principle***

As discussed in Note 1(D) to the financial statements, in 2017, the City adopted Governmental Accounting Standards Board (GASB) *Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The effects of this standard have also been applied to the financial statements as of September 30, 2016. See Note 5(B) for additional required disclosures and Note 1(D) for the effect of GASB 75 on beginning net position. Our opinion is not modified with respect to this matter.

### ***Required Supplementary Information***

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

### ***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 other schedules, fiduciary fund schedules, statistical section, and schedule of expenditures of federal awards and state financial assistance as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 other schedules, fiduciary fund schedules, and schedule of expenditures of federal awards and state financial assistance 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 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 financial statements as a whole.

The introductory and statistical sections 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2018 on our consideration of City of Titusville, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, slightly slanted style.

Daytona Beach, Florida  
March 23, 2018

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

---

The City of Titusville, Florida's ("the City") Management's Discussion and Analysis (the "MD&A") presents this overview and analysis of the financial activities of the City of Titusville for the fiscal year ended September 30, 2017. Please read it in conjunction with the letter of transmittal in the introductory section and the City's financial statements following the MD & A.

### **Financial Highlights**

- The City has \$103.1 million invested in capital assets, restricted net position of \$5.8 million for capital improvement projects, debt service and special revenues, and the remaining unrestricted net position of negative \$32.0 million due to a combination of GASB 75 implementation as well as significant change in City's policy for retiree healthcare funding.
- There was a net decrease of \$40.6 million in net position reported in connection with the City's governmental activities due to restatement of OPEB for GASB 75 which caused some funds to show a deficit balance. The Fleet fund deficit of \$1,578,269 represents consequences due to the restatement of the OPEB liability. The City will seek to reduce the OPEB liability by reforming health care cost and also contributing to the OPEB trust fund. The Worker Comp fund deficit of \$7,276 will be eliminated as this fund is closed.
- There was a net decrease of \$14.5 million in net position reported in connection with the City's business-type activities, which include the Water/Sewer Utility, Solid Waste System, Municipal Marina, and Stormwater Utility. There is a deficit in the Solid Waste Fund of \$1,834,592 which represents consequences due to the restatement of OPEB liability.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements have three components:

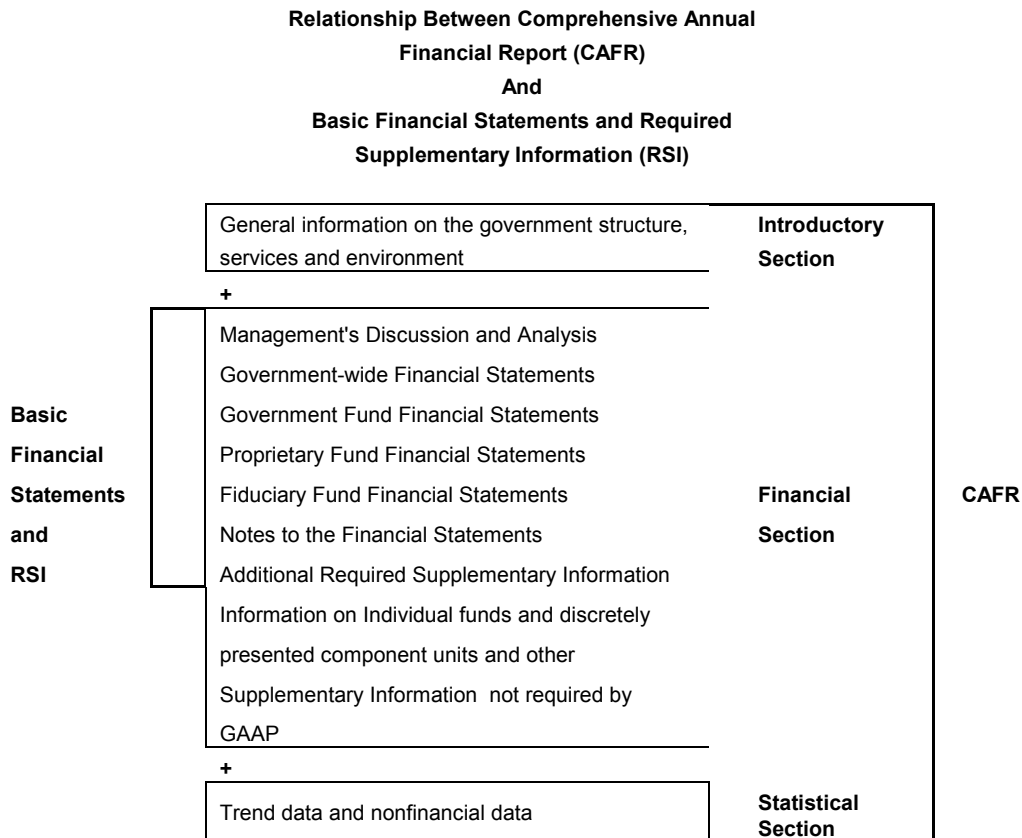
1. Government-wide financial statements
2. Fund financial statements and
3. Notes to the financial statements.

This report also contains other supplementary information which is in addition to the basic financial statements.

The financial statement focus is on both the City as a whole (government-wide) and on the major individual funds. The following graph shows the relationship between the Comprehensive Annual Financial Report (CAFR) and the basic financial statements and the Required Supplementary Information ("RSI").

## Management's Discussion and Analysis

---



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

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases and 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 in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave).

## Management's Discussion and Analysis

---

Both of these 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 legislative, executive, legal counsel, community development, public works, public safety, support services and general administrative. The business-type activities of the City include the water/sewer utility, solid waste system, stormwater utility and municipal marina.

The government-wide financial statements include not only the City of Titusville itself (known as the *primary government*), but also the legally separate Community Redevelopment Agency for which the City of Titusville is financially accountable. The Community Redevelopment Agency, although legally separate, functions for all practical purposes as a part of the Community Development department of the City and, therefore, has been included as an integral part of the primary government as a Major Fund. The government-wide financial statements can be found immediately following the MD & A on pages 30-32 of this report.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial 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 City'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. These reconciliations can be found on pages 35 and 37.

The City maintains fourteen individual governmental funds. Information for major funds is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances, located on pages 34 and 36 of this report. General Fund, Downtown Community Redevelopment Agency Fund and Capital Improvement Bond Series 2017 are considered major funds. Financial data for the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is presented in the form of *combining statements* in this report on pages 120-121.

The City adopts annual appropriated budgets for its *governmental funds*. Budgetary comparison schedules for the major and non-major funds have been provided in this report on pages 115-116 and 117-134, respectively, to demonstrate compliance with the budget.

## Management's Discussion and Analysis

---

**Proprietary funds.** The City maintains two 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 enterprise funds to account for its water/sewer utility, solid waste system, stormwater utility and municipal marina. *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 its fleet of vehicles, management information systems and consolidated risk management and insurance activities. Because these services predominately benefit governmental activities rather than business-type functions; the internal service funds have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements separate information for each of the City's major enterprise funds and one non-major enterprise fund and can be found on pages 38-43 of this report. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* and can be found on pages 135-141 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of fiduciary funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements can be found on pages 44-45 & 142-145 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 46-103 of this report.

**Other information.** In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 104-110 of this report. The combining statements referred to previously in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining statements and budgetary comparison schedules can be found on pages 115-134 of this report.

## Government-Wide Position Analysis

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$76.9 million at the close of fiscal year 2017.

As shown in the table below, the largest portion of the City's net position, 80%, reflects its investment in capital assets (i.e., land, easements, construction work in progress, buildings, improvements other than buildings, utility plant and furniture & equipment), less any related debt used to acquire those assets, that is still outstanding. The City used

## Management's Discussion and Analysis

these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Some of the highlights of capital spending include Rail to Trails project, repairs to the Main Street East Coast Crossing, the Harrison Street East Coast Crossing and the roadway resurfacing and sidewalk preparations throughout the City. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Titusville's Statement of Net Position (in whole dollars)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 18,101,799	\$ 18,600,593	\$ 36,084,710	\$ 34,628,659	\$ 54,186,509	\$ 53,229,252
Capital Assets	65,514,445	63,295,381	82,287,506	83,906,007	147,801,951	147,201,388
Non-current assets	-	-	5,240,305	5,421,365	5,240,305	5,421,365
Total Assets	\$ 83,616,244	\$ 81,895,974	\$ 123,612,521	\$ 123,956,031	\$ 207,228,765	\$ 205,852,005
Deferred outflow of resources	\$ 1,074,097	\$ 6,758,315	\$ 1,398,057	\$ 637,342	\$ 2,472,154	\$ 7,395,657
Current Liabilities	\$ 5,572,880	\$ 4,534,520	\$ 6,752,596	\$ 6,578,139	\$ 12,325,476	\$ 11,112,659
Non-Current Liabilities	63,447,463	29,664,324	48,297,821	36,830,898	111,745,284	66,495,222
Total Liabilities	\$ 69,020,343	\$ 34,198,844	\$ 55,050,417	\$ 43,409,037	\$ 124,070,760	\$ 77,607,881
Deferred Inflows of resources	\$ 5,840,461	\$ -	\$ 2,923,751	\$ -	\$ 8,764,212	\$ -
Net Position:						
Invested in capital assets	50,852,623	54,951,652	52,212,889	50,397,886	103,065,512	105,349,538
Restricted *						
Roads & Streets	1,482,415	3,094,217	-	-	1,482,415	3,094,217
Public Safety	695,797	504,938	-	-	695,797	504,938
City Hall	7,070	4,412	-	-	7,070	4,412
Community Development	3,056,708	1,196,249	-	-	3,056,708	1,196,249
Water Conservation	-	-	302,986	317,727	302,986	317,727
Debt Service	157,256	107,123	-	-	157,256	107,123
Capital Projects	138,820	753,842	-	-	138,820	753,842
Unrestricted	(46,561,152)	(10,200,449)	14,520,535	30,866,489	(32,040,617)	20,666,040
Total Net Position	\$ 9,829,537	\$ 50,411,984	\$ 67,036,410	\$ 81,582,102	\$ 76,865,947	\$ 131,994,086

The City has restricted net position of \$5.8 million for capital improvement projects, debt service, and special revenues.

There was a net decrease of \$40.6 million in net position reported in connection with the City's governmental activities due to a combination of GASB 75 implementation as well as significant change in City's policy for health care . A detailed explanation is provided, beginning on page 20 of this report.

## City of Titusville, Florida

### Management's Discussion and Analysis

There was a net decrease of \$14.5 million in net position reported in connection with the City's business-type activities, which include the Water/Sewer Utility, Solid Waste System, Municipal Marina, and Stormwater Utility. A detailed explanation is provided beginning on page 22 of this report.

There was an overall decrease in the City's net position of negative \$55.1 million. A comparative analysis of government-wide changes in net position is presented in the following table:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 5,006,624	\$ 5,979,421	\$ 30,181,436	\$ 29,048,653	\$ 35,188,060	\$ 35,028,074
Operating grants and contributions	1,463,814	989,072	-	-	1,463,814	989,072
Capital grants and contributions	652,698	3,194,258	704,285	2,221,174	1,356,983	5,415,432
General Revenues:						
Taxes:						
Property	12,999,764	12,502,147	-	-	12,999,764	12,502,147
Local option gas tax	1,185,532	1,072,899	-	-	1,185,532	1,072,899
Utility and franchise taxes	8,785,489	8,640,128	-	-	8,785,489	8,640,128
Intergovernmental	6,066,481	4,300,071	365,125	3,821	6,431,606	4,303,892
Investment earnings	114,824	136,352	646,181	372,001	761,005	508,353
Miscellaneous revenue	117,284	682,420	344,540	165,435	461,824	847,855
Total revenues	36,392,510	37,496,768	32,241,567	31,811,084	68,634,077	69,307,852
<b>Expenses</b>						
Program Activities:						
Governmental Activities:						
Legislative	77,155	68,246	-	-	77,155	68,246
Executive	1,093,220	901,634	-	-	1,093,220	901,634
Legal counsel	514,173	433,632	-	-	514,173	433,632
Community development	3,738,409	4,089,732	-	-	3,738,409	4,089,732
Public works	3,663,000	3,693,211	-	-	3,663,000	3,693,211
Public safety	22,514,517	18,428,899	-	-	22,514,517	18,428,899
Support services	3,846,468	3,925,823	-	-	3,846,468	3,925,823
General government	5,817,554	4,444,741	-	-	5,817,554	4,444,741
Interest on debt	423,457	250,221	-	-	423,457	250,221
Business-type activities:						
Water/sewer utility	-	-	18,572,285	18,501,812	18,572,285	18,501,812
Solid waste system	-	-	4,905,446	4,713,042	4,905,446	4,713,042
Municipal marina	-	-	1,054,554	998,834	1,054,554	998,834
Stormwater utility	-	-	2,262,651	2,035,386	2,262,651	2,035,386
Total expenses	41,687,953	36,236,139	26,794,936	26,249,074	68,482,889	62,485,213
Excess before transfers	(5,295,443)	1,260,629	5,446,631	5,562,010	151,188	6,822,639
Transfers	2,080,049	1,578,081	(2,247,406)	(1,578,081)	(167,357)	-
Increase in net position	(3,215,394)	2,838,710	3,199,225	3,983,929	(16,169)	6,822,639
Cumulative effect of accounting change	(37,367,053)	-	(17,744,921)	-	(55,111,974)	-
Net position-beginning	50,411,984	47,573,274	81,582,102	77,598,173	131,994,086	125,171,447
Net position-ending	\$ 9,829,537	\$ 50,411,984	\$ 67,036,406	\$ 81,582,102	\$ 76,865,943	\$ 131,994,086



## Management's Discussion and Analysis

---

### Governmental Activities

As mentioned previously, governmental activities decreased the City's net assets by \$40.6 million. The key elements of the activities decrease are as follows:

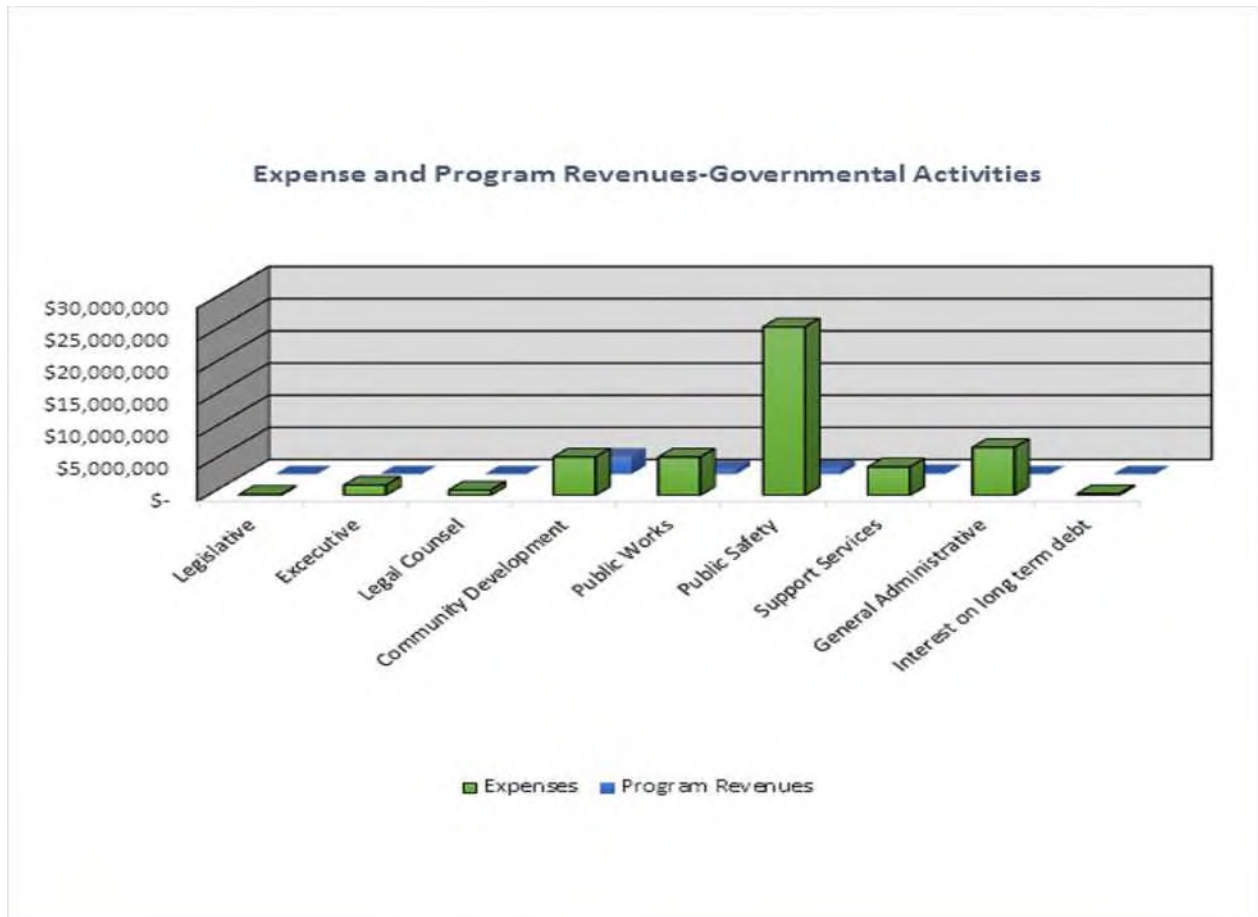
- Capital grants decreased by \$(2.5) million or (80)% reflecting an increase of federal and state funded grant projects.
- Property tax revenues increased by \$0.5 million or 4.0%.
- Charges for services decreased by \$(1.0) million or (16.3)% due to community development services activities.
- Intergovernmental revenues decreased \$(1.8) million or (41.1)%.
- Investment earnings increased by \$0.02 million due to market changes.
- Miscellaneous revenues decreased by \$0.6 million.
- OPEB liability increased by 33.7 million to implement GASB 75.

The following tables show expenses & program revenue and the components of program & general revenues, respectively, as a percentage of totals for governmental activities:

#### Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expenses) Revenue
Legislative	\$ 77,155	0.19 %	\$ -	0.0%	\$ (77,155)
Executive	1,093,220	2.62 %	-	0.0%	(1,093,220)
Legal counsel	514,173	1.23 %	-	0.0%	(514,173)
Community development	3,738,409	8.97 %	2,752,173	38.6%	(986,236)
Public works	3,663,000	8.79 %	855,604	12.0%	(2,807,396)
Public safety	22,514,517	54.01 %	932,543	13.1%	(21,581,974)
Support services	3,846,468	9.23 %	210,094	2.9%	(3,636,374)
General administrative	5,817,554	13.96 %	2,372,722	33.3%	(3,444,832)
Interest on long-term debt	423,457	1.02 %	-	0.0%	(423,457)
	<u>\$ 41,687,953</u>	<u>100.0%</u>	<u>\$ 7,123,136</u>	<u>100.0%</u>	<u>\$ (34,564,817)</u>

## Management's Discussion and Analysis



### Revenue by Source - Governmental Activities

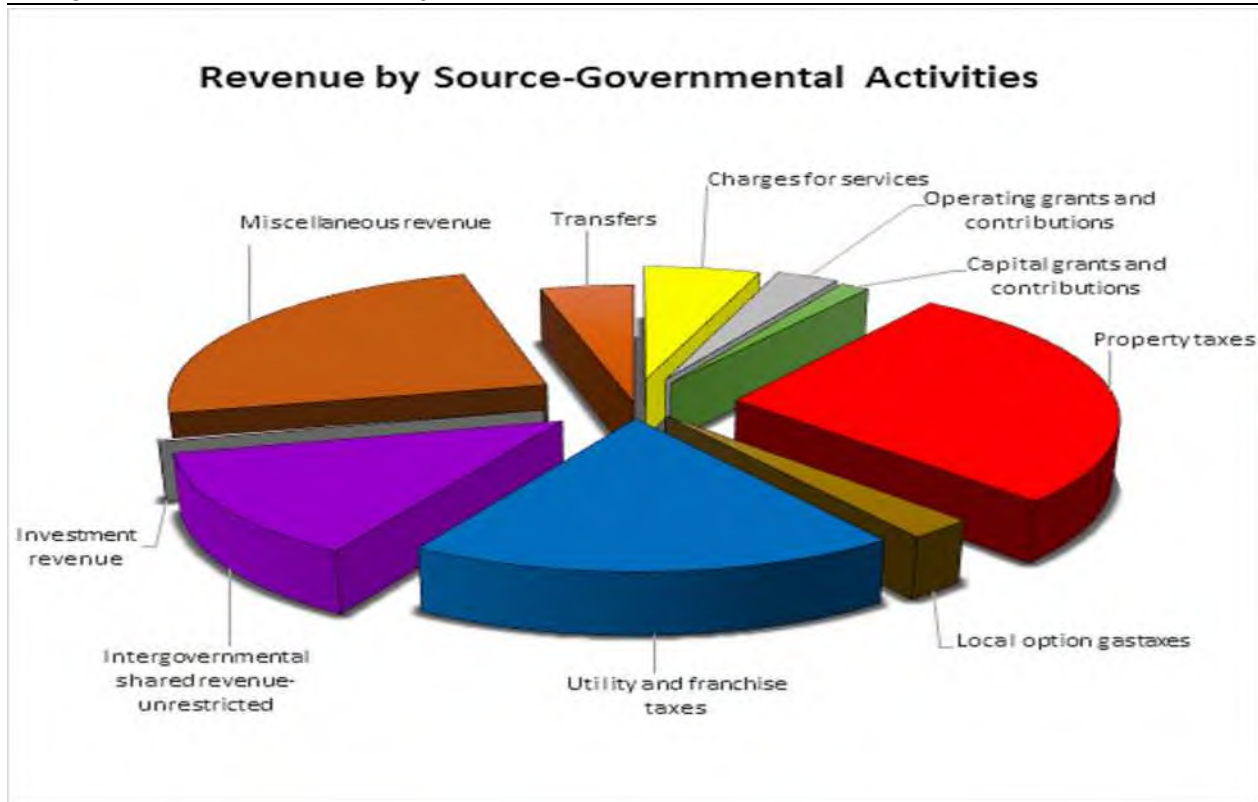
#### Program revenues:

Charges for services	\$ 5,006,624	13.01%
Operating grants and contributions	1,463,814	3.80%
Capital grants and contributions	652,698	1.70%

#### General revenues:

Property taxes	12,999,764	33.79%
Local option gas tax	1,185,532	3.08%
Utility and franchise taxes	8,785,489	22.84%
Intergovernmental shared revenue - unrestricted	6,066,481	15.77%
Investment earnings	114,824	0.30%
Miscellaneous revenue	117,284	0.30%
Transfers	2,080,049	5.41%
<b>Total</b>	<b>\$ 38,472,559</b>	<b>100.00%</b>

## Management's Discussion and Analysis



### Business-Type Activities

As mentioned, business-type activities net position decreased by \$(14.5) million. This compared to an increase in 2016 of \$4.0 million, before considering the cumulative effect of an accounting change. Key elements of the change in business-type activities are as follows:

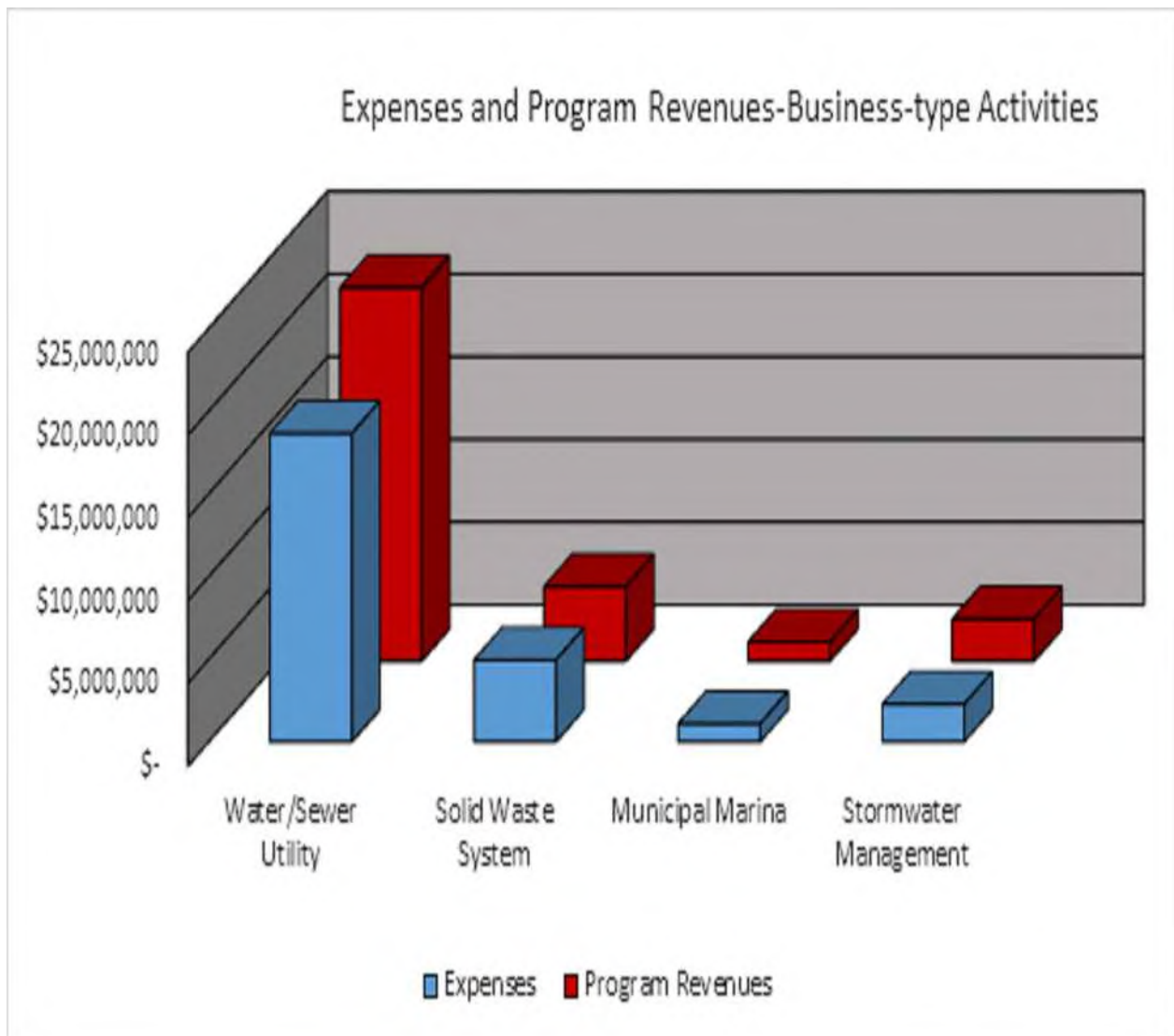
- An increase in Stormwater grant revenue of \$1.59 million;
- An increase in operating revenue of \$0.7 million;
- A decrease in interest expense of \$0.3 million;
- A decrease in operating expense of \$2.2 million;
- OPEB liability increased by 16.2 million to implement GASB 75;

The following tables show expenses & program revenues and the components of program & general revenues, respectively, as a percentage of totals for business-type activities:

Management's Discussion and Analysis

Expenses and Program Revenues - Business-type Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expenses) Revenue
Water / Sewer Utility	\$ 18,572,285	69.3%	\$ 22,567,227	73.1%	\$ 3,994,942
Solid Waste System	4,905,446	18.3%	4,472,488	14.5%	(432,958)
Municipal Marina	1,054,554	3.9%	1,157,687	3.7%	103,133
Stormwater Management	2,262,651	8.4%	2,688,319	8.7%	425,668
	\$ 26,794,936	100%	\$ 30,885,721	100%	\$ 4,090,785

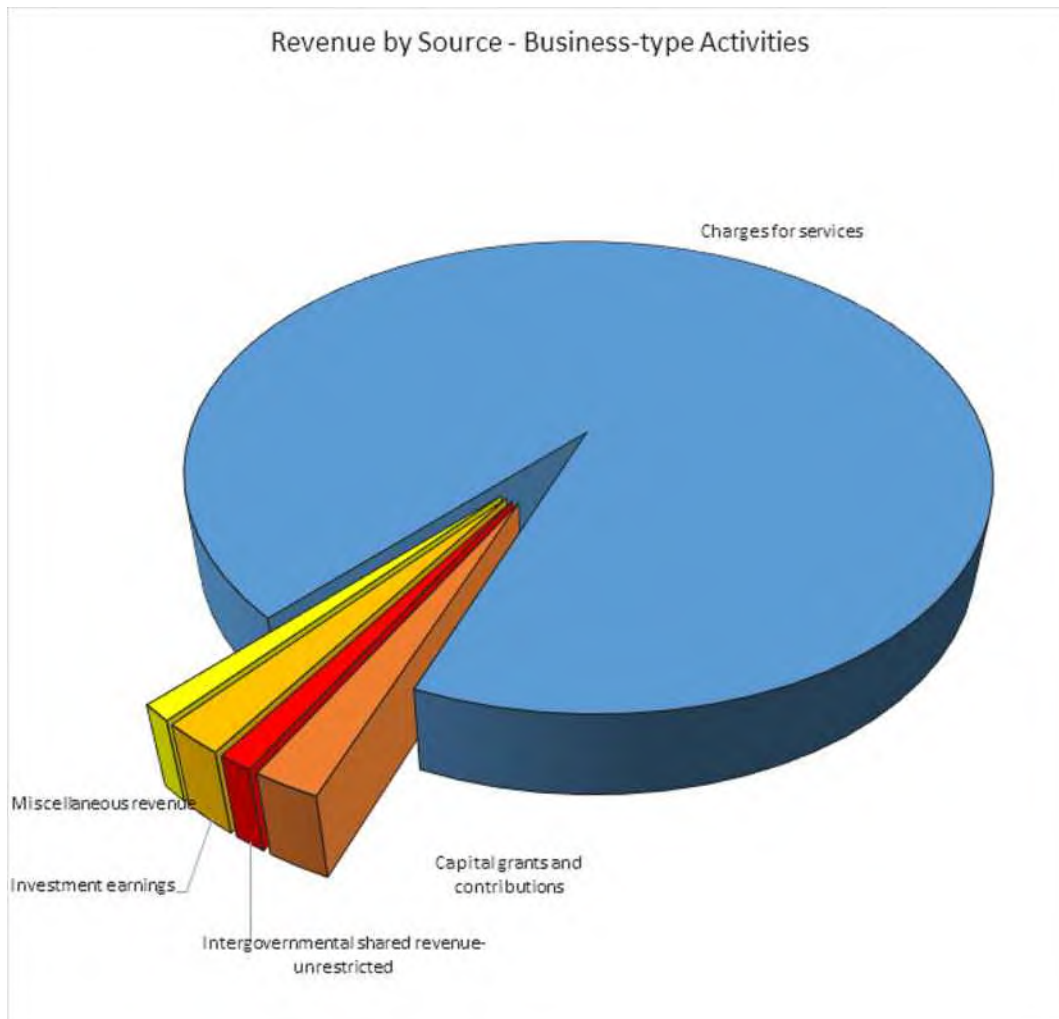


Management's Discussion and Analysis

---

**Revenue by Source - Business-type Activities**

Revenue		
Charges for services	\$ 30,181,436	100.1%
Capital grants and contributions	704,285	2.3%
Intergovernmental shared revenue -unrestricted	365,125	1.2%
Investment earnings	646,181	2.1%
Miscellaneous revenue	344,540	1.1%
Transfers	(2,080,049)	-6.9%
	<u>\$ 30,161,518</u>	<u>100.0%</u>



## Management's Discussion and Analysis

---

### Financial Analysis of the City's Funds

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

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

As of the end of fiscal year 2017, the City's governmental funds reported combined ending fund balances of \$10.9 million, which is an increase of \$1.7 million when compared to the prior year. Intergovernmental revenue decreased by \$(2.0) million and taxes increased by \$0.5 million, with the total expenditures decreased by \$8.2 million. Unassigned fund balance is \$0.3 million and is available for spending, subject to regulatory, statutory, and budgetary restrictions. The remainder of the fund balances is \$0.01 million for nonspendable inventories, \$5.4 million is restricted, \$5.0 million is committed and \$0.18 million is assigned.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2017, unassigned fund balance of the General Fund was \$0.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 0.9% of the total fund expenditures, which is a decrease of 86.9% from fiscal year 2016. The fund balance of the City's General Fund increased by \$1.8 million during the current fiscal year due to increases in revenues of \$(0.6) million and increases of expenses of \$8.2 million, which are outlined in the General Fund budgetary highlights beginning on page 26 of this report.

**Proprietary funds.** The City's proprietary funds include the business-type activities enterprise funds and the governmental activities internal service funds. They provide the same type of information found in the government-wide financial statements, but in more detail.

The City has four enterprise funds, of which the Water/Sewer Utility, Solid Waste System and Stormwater Utility are the major funds. Unrestricted net position of the enterprise funds at the end of the year was \$14.8 million or 22.0% of total net position. The total unrestricted net position decreased by \$(16.1) million a result of operations. The Solid Waste Fund reported an operating loss of \$470 thousand for the fiscal year of 2017 versus an operating loss of \$475 thousand in 2016 due to additional operating costs. The Municipal Marina reported an operating loss of \$113 thousand for the fiscal year 2017 as compared to an operating loss of \$73 thousand in 2016. The Stormwater Utility reported a net position decrease of \$(0.3) million for fiscal year 2017 primarily due to implementation of GASB 75. Stormwater utility operating income was \$268 thousand in 2017 versus \$429 thousand in 2016. Water/Sewer utility income before capital contributions and transfer was \$4.6 million in 2017 versus \$3.3 million in 2016.

## Management's Discussion and Analysis

---

### General Fund Budgetary Highlights

The General Fund expenditure budget totals \$37.4 million, representing a decrease of \$(2.6) million or (6.5)% from fiscal year 2016. The budget continues existing City services while taking measures to ensure fiscal stability. Some of the significant changes in programs funded in this year's budget include:

- Investing in employees through pay adjustments, restoring work hours and reinstating adequate staffing levels.
- Preserving long term fiscal sustainability through retiring the Multi-Purpose Revenue Refunding Note, Series 2009.
- Preserving and enhancing municipal revenues.
- Investing in the City's infrastructure including road resurfacing, utilities, heavy equipment and other rolling stock and technology.
- Investment in the long-term vision of the City through increased efforts in natural resource and economic development activities.
- Continuing process improvement efforts City-wide by LEAN principles, additional emphasis on performance measurement and cross training.

Revenues were less than budgeted amounts by \$1.1 million. The City realized revenues in utility and franchise taxes, as well as licenses and permits.

General Fund departments met their total bottom line budget at the major department level. Total General Fund expenses were less than budget by \$0.9 million because of salary savings and timing of capital purchases.

Any differences between the Original and Final Budgets were approved by City Council in accordance with our Budget Policies. The most significant changes occurred because of department reorganizations, reassignments, and capital outlay purchases associated with these changes.

### Capital Asset and Debt Administration

**Capital assets.** At September 30, 2017, the City had \$147.8 million invested in various capital assets, net of accumulated depreciation, for all activities as reflected on the following schedule. This represents a net increase (including additions and deductions) of \$0.6 million over the prior year. The increase in the City's investment in capital assets resulted from more construction in progress projects throughout the City and the retirement and/or sale of assets, net of depreciation. See Footnote 4E for further details on capital assets.

## City of Titusville, Florida

### Management's Discussion and Analysis

City of Titusville's Capital Assets (net of depreciation) (in whole dollars)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 29,836,869	\$ 29,836,869	\$ 4,477,859	\$ 4,477,859	\$ 34,314,728	\$ 34,314,728
Buildings	1,378,486	1,476,115	5,963	6,266	1,384,449	1,482,381
Easements	199,220	199,220	99,554	99,554	298,774	298,774
Improvements other than buildings	27,553,340	25,165,343	19,801,215	17,777,922	47,354,555	42,943,265
Machinery and equipment	3,695,910	2,451,536	4,917,464	5,192,885	8,613,374	7,644,421
Utility plant	-	-	49,906,278	51,120,389	49,906,278	51,120,389
Construction in progress	2,850,620	4,166,298	3,079,173	5,231,132	5,929,793	9,397,430
Total	\$ 65,514,445	\$ 63,295,381	\$ 82,287,506	\$ 83,906,007	\$ 147,801,951	\$ 147,201,388

Major events include the following:

- TFD Fire training tower totaling \$0.5 million.
- Continuation of Road Resurfacing program totaling \$1.5 million.
- Continuation of Rails to Trails Project totaling \$0.3 million.
- Dirt Roads totaling \$0.1 million.
- Outlay of \$3.5 million to improve and maintain the infrastructure in the Water & Sewer Utility.
- Completed \$0.6 million in Stormwater Capital Projects.

**Long-term bonded debt.** Additional information on the City's long-term debt and other non-current liabilities can be found in Note 4F of the notes to the financial statements on pages 72-75 of this report.

City of Titusville's Long-term Bonded Debt (in whole dollars)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds Series 2015	\$ 5,037,000	\$ 5,618,000	\$ -	\$ -	\$ 5,037,000	\$ 5,618,000
Public Improvement Revenue Note Series 2009	1,185,000	1,250,000	-	-	1,185,000	1,250,000
Capital Improvement Revenue Bond, Series 2017	6,535,000	-	-	-	6,535,000	-
State Revolving Fund Loan Series 2010	-	-	3,589,771	3,827,793	3,589,771	3,827,793
2010 Water/Sewer Refunding	-	-	25,275,000	27,800,000	25,275,000	27,800,000
Total	\$ 12,757,000	\$ 6,868,000	\$ 28,864,771	\$ 31,627,793	\$ 41,621,771	\$ 38,495,793



**Management's Discussion and Analysis**

---

**Economic Factors and Next Year's Budgets and Rates**

Fiscal Year 2017 saw continued economic recovery in many facets of the City. The City continued to realize an increase in its property tax roll thus building on the foundation of growth from the prior year. Likewise, the City continues to realize growth in other revenue sources, such as building and development fees, which are viewed as strong economic indicators.

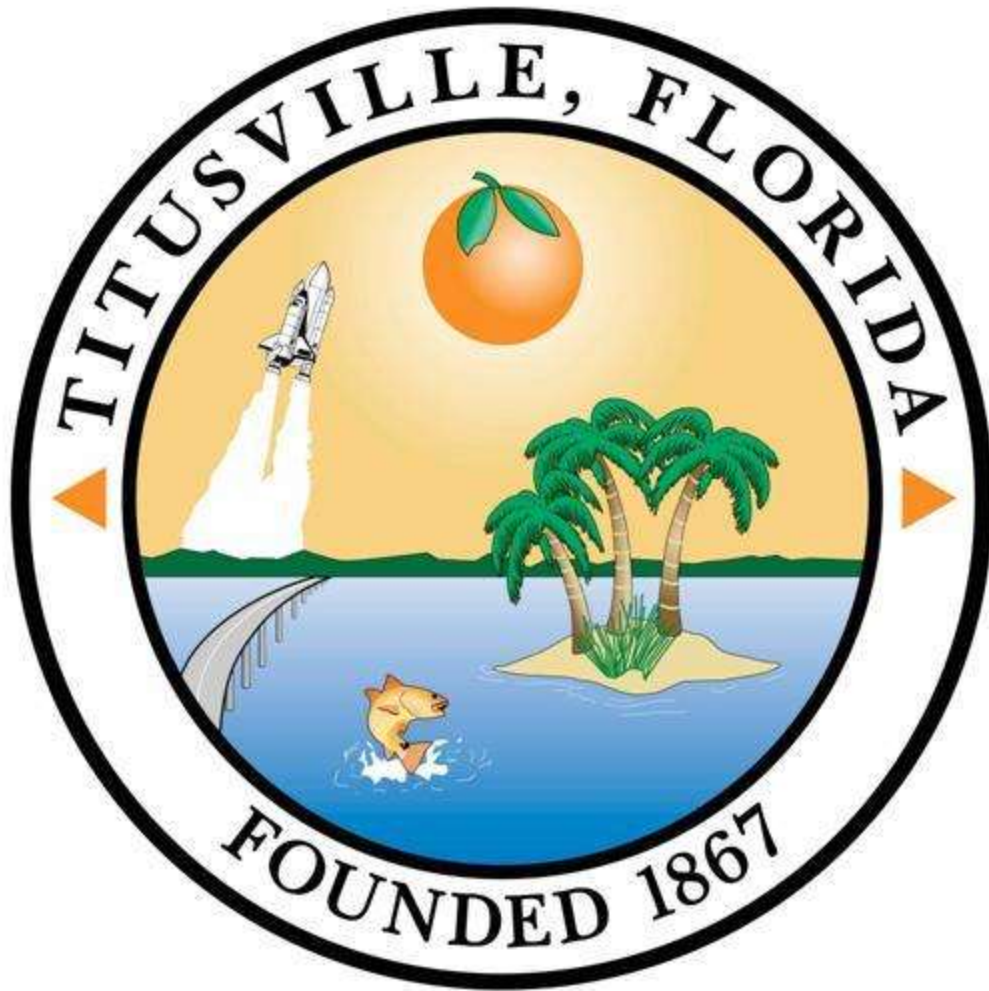
Continued efforts in economic development has generated both new industry and expansion of long-established businesses during fiscal year 2017. Through collaborating with the North Brevard Economic Development Zone and Brevard County, the City has been able to generate multi-million dollar investments in projects to create jobs and improve amenities in the local area. Growth in highly technical, recreational and service industries provides a catalyst as the City furthers its revitalization efforts. Increased marketing efforts are expected to improve the City's visibility and in turn impact long-term fiscal sustainability.

As the City benefits from steady economic growth, further emphasis continues to be on the overall improvement of the quality of life for its citizens. Projects such as Lean Six Sigma improve operational efficiencies when providing essential City services; the redevelopment of the mall and other vacant properties provide opportunities for revitalization of blighted areas with economic benefits; and the continual commitment to maintaining infrastructure ensures the City's thoroughfares and facilities can support the ever increasing demands. This is an exciting time as the City continues to grow and define itself. With the continued support of Mayor and Council, we will continue to improve upon the high levels of service needed to further the long-term goals of the City.

All of these factors were considered in preparing the City's budget for fiscal year 2018.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Titusville's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Titusville, P.O. Box 2806, Titusville, Florida 32781-2806.



This page is left intentionally blank

**City of Titusville, Florida**

**Statement of Net Position  
September 30, 2017**

	<b>Governmental Type Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	\$ 3,386,636	\$ 1,521,157	\$ 4,907,793
Investments	10,915,927	26,140,426	37,056,353
Restricted Assets:			
Cash	192,000	3,357,202	3,549,202
Investments	-	302,986	302,986
Receivables, net	3,452,440	4,061,376	7,513,816
Internal balances	27,414	(27,414)	-
Inventories	127,382	728,977	856,359
Total Current Assets	18,101,799	36,084,710	54,186,509
<b>Noncurrent Assets:</b>			
Restricted:			
Investment in TIFA, LLC	-	5,240,305	5,240,305
Capital assets not being depreciated:			
Land and land rights	29,836,869	4,477,859	34,314,728
Easements	199,220	99,554	298,774
Construction in progress	2,850,620	3,079,173	5,929,793
Capital assets, net of depreciation			
Buildings and improvements	1,378,486	5,963	1,384,449
Improvements other than buildings	27,553,340	19,801,215	47,354,555
Furniture and equipment	3,695,910	4,917,464	8,613,374
Utility plant	-	49,906,278	49,906,278
Total Noncurrent Assets	65,514,445	87,527,811	153,042,256
<b>Total Assets</b>	<b>83,616,244</b>	<b>123,612,521</b>	<b>207,228,765</b>
<b>DEFERRED OUTFLOWS</b>			
Deferred loss on refunding	-	566,526	566,526
Deferred pension outflows	1,062,997	826,260	1,889,257
Deferred OPEB outflows	11,100	5,271	16,371
	1,074,097	1,398,057	2,472,154

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

**City of Titusville, Florida**

**Statement of Net Position  
September 30, 2017**

	<b>Governmental Type Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable and other current liabilities	\$ 1,315,539	\$ 834,489	\$ 2,150,028
Accrued liabilities	780,588	266,427	1,047,015
Accrued interest payable	39,286	619,125	658,411
Payable from Restricted Assets:			
Deposits	-	1,693,631	1,693,631
Claims payable	954,314	-	954,314
Compensated absences	1,033,134	380,085	1,413,219
Bonds payable	661,000	2,898,827	3,559,827
Capital leases payable	789,019	60,012	849,031
Total Current Liabilities	<u>5,572,880</u>	<u>6,752,596</u>	<u>12,325,476</u>
<b>Noncurrent Liabilities:</b>			
Claims payable	920,800	-	920,800
Compensated Absences	1,674,005	339,217	2,013,222
Net OPEB liability	40,715,195	19,559,281	60,274,476
Net Pension Liability	7,014,940	930,804	7,945,744
Bonds Payable	12,096,000	27,268,146	39,364,146
Capital Leases Payable	1,026,523	200,373	1,226,896
Total Noncurrent Liabilities	<u>63,447,463</u>	<u>48,297,821</u>	<u>111,745,284</u>
<b>Total Liabilities</b>	<u>69,020,343</u>	<u>55,050,417</u>	<u>124,070,760</u>
<b>DEFERRED INFLOWS</b>			
Deferred inflows/pension	2,898,661	1,526,745	4,425,406
Deferred OPEB inflows	2,941,800	1,397,006	4,338,806
	<u>5,840,461</u>	<u>2,923,751</u>	<u>8,764,212</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	50,852,623	52,212,889	103,065,512
Restricted			
Roads and streets	1,482,415	-	1,482,415
Public safety	695,797	-	695,797
City hall	7,070	-	7,070
Community development	3,056,708	-	3,056,708
Water conservation	-	302,986	302,986
Debt service	157,256	-	157,256
Capital projects	138,820	-	138,820
Unrestricted	(46,561,152)	14,520,535	(32,040,617)
<b>Total Net Position</b>	<u>\$ 9,829,537</u>	<u>\$ 67,036,410</u>	<u>\$ 76,865,947</u>

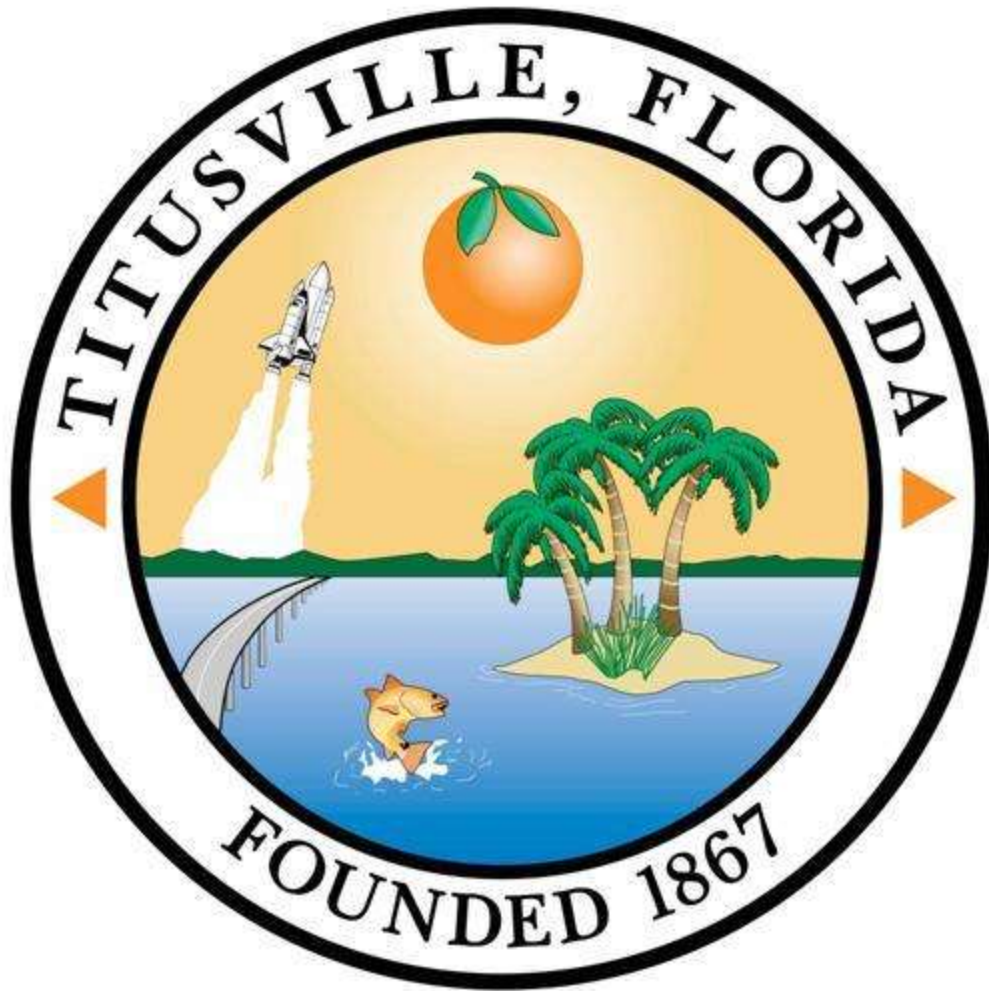
The notes to the financial statements are an integral part of this statement.

City of Titusville, Florida

Statement of Activities  
For the Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
Legislative	\$ 77,155	\$ -	\$ -	\$ -	\$ (77,155)	\$ -	\$ (77,155)
Executive	1,093,220	-	-	-	(1,093,220)	-	(1,093,220)
Legal counsel	514,173	-	-	-	(514,173)	-	(514,173)
Community development	3,738,409	1,739,291	662,654	350,228	(986,236)	-	(986,236)
Public works	3,663,000	-	726,843	128,761	(2,807,396)	-	(2,807,396)
Public safety	22,514,517	684,559	74,317	173,667	(21,581,974)	-	(21,581,974)
Support services	3,846,468	210,094	-	-	(3,636,374)	-	(3,636,374)
General administrative	5,817,554	2,372,680	-	42	(3,444,832)	-	(3,444,832)
Interest on long-term debt	423,457	-	-	-	(423,457)	-	(423,457)
Total Governmental Activities	41,687,953	5,006,624	1,463,814	652,698	(34,564,817)	-	(34,564,817)
Business-type Activities:							
Water / sewer utility	18,572,285	22,022,657	-	544,570	-	3,994,942	3,994,942
Solid waste system	4,905,446	4,472,488	-	-	-	(432,958)	(432,958)
Stormwater utility	2,262,651	2,528,604	-	159,715	-	425,668	425,668
Municipal marina	1,054,554	1,157,687	-	-	-	103,133	103,133
Total Business-type Activities	26,794,936	30,181,436	-	704,285	-	4,090,785	4,090,785
Total Primary Government	\$ 68,482,889	\$ 35,188,060	\$ 1,463,814	\$ 1,356,983	(34,564,817)	4,090,785	(30,474,032)
General Revenues:							
Property Tax					12,999,764	-	12,999,764
Local Option Gas Tax					1,185,532	-	1,185,532
Utility and Franchise Taxes					8,785,489	-	8,785,489
Intergovernmental Shared Revenue - unrestricted					6,066,481	365,125	6,431,606
Investment Earnings					114,824	646,178	761,002
Miscellaneous					117,284	344,540	461,824
Transfers					2,080,049	(2,247,406)	(167,357)
Total General Revenues and Transfers					31,349,423	(891,563)	30,457,860
Change in Net Position					(3,215,394)	3,199,222	(16,172)
Net Position - Beginning, Restated					13,044,931	63,837,188	76,882,119
Net Position - Ending					\$ 9,829,537	\$ 67,036,410	\$ 76,865,947

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



This page is left intentionally blank

City of Titusville, Florida

**Balance Sheet**  
**Governmental Funds**  
**September 30, 2017**

	<b>Major Funds</b>				
	<b>General Fund</b>	<b>Downtown Community Redevelopment Agency</b>	<b>Capital Improv Series 2017</b>	<b>Non Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash	\$ 2,539,388	\$ 37,216	\$ 4,962	\$ 554,028	\$ 3,135,594
Investments	3,000,526	704,166	-	4,101,944	7,806,636
Receivables, net	2,249,498	-	-	247,636	2,497,134
Advances to other funds	91,883	-	-	-	91,883
Inventories	11,233	-	-	-	11,233
<b>Total assets</b>	<b>7,892,528</b>	<b>741,382</b>	<b>4,962</b>	<b>4,903,608</b>	<b>13,542,480</b>
<b>Liabilities</b>					
Accounts payable	847,187	17,401	-	251,955	1,116,543
Accrued liabilities	738,494	2,936	-	-	741,430
Advances from other funds	-	64,469	-	-	64,469
<b>Total liabilities</b>	<b>1,585,681</b>	<b>84,806</b>	<b>-</b>	<b>251,955</b>	<b>1,922,442</b>
<b>Deferred Inflow of Resources</b>					
Unavailable resources	602,420	-	-	147,095	749,515
<b>Fund balance</b>					
Nonspendable	11,233	-	-	-	11,233
Restricted	233,673	656,576	4,962	4,504,558	5,399,769
Committed	4,951,732	-	-	-	4,951,732
Assigned	180,122	-	-	-	180,122
Unassigned	327,667	-	-	-	327,667
<b>Total fund balance</b>	<b>5,704,427</b>	<b>656,576</b>	<b>4,962</b>	<b>4,504,558</b>	<b>10,870,523</b>
<b>Total liabilities, deferred inflows and fund balance</b>	<b>\$ 7,892,528</b>	<b>\$ 741,382</b>	<b>\$ 4,962</b>	<b>\$ 4,903,608</b>	<b>\$ 13,542,480</b>

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

City of Titusville, Florida

**Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
September 30, 2017**

<b>Total governmental funds fund balance</b>	<b>\$</b>	<b>10,870,523</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities, less accumulated depreciation are not financial resources and, therefore, are not reported in the funds.		64,963,658
The net OPEB liability resulting from overfunding (underfunding) in the OPEB trust are not reported in the funds as they are not available to pay current period expenditures.		(38,953,624)
Deferred Inflows of Resources that are unavailable to pay current period expenditures at the fund level are revenue on the entity wide statements. Net Position is increased by this amount.		749,515
Deferred Inflows of Resources related to Pensions and OPEB are not payable in the current period and, accordingly, are not reported in the governmental fund level statements (excludes internal service funds).		(5,478,459)
Deferred Outflows of Resources related to Pensions and OPEB are not available to cover current liabilities and therefore are not considered revenue in the fund level statements (excludes internal service funds).		941,556
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. Long-term liabilities at year-end consist of:		
Accrued interest payable	\$	(39,286)
Compensated absences		(2,576,363)
Net Pension Liability (excluding internal service funds)		(6,864,173)
Capital leases		(1,769,125)
Bonds and notes payable		<u>(12,757,000)</u>
		(24,005,947)
Internal service funds are used by management to charge the costs of fleet, information technology systems and risk management activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>742,314</u>
Total net position of governmental activities	<u><u>\$</u></u>	<u><u>9,829,537</u></u>

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



City of Titusville, Florida

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended September 30, 2017**

	Major Funds				
	General Fund	Downtown Community Redevelopment Agency	Capital Improv Series 2017	Non Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes:					
Property taxes	\$ 11,487,418	\$ 793,838	\$ -	\$ 718,508	\$ 12,999,764
Local option gas tax	1,185,532	-	-	-	1,185,532
Utility and franchise taxes	8,785,489	-	-	-	8,785,489
Intergovernmental	4,924,838	-	-	1,141,643	6,066,481
Licenses and permits	1,705,748	-	-	-	1,705,748
Charges for services	4,439,720	-	-	5,667	4,445,387
Fines and forfeitures	282,275	-	-	96,849	379,124
Investment earnings (loss)	99,073	6,226	-	5,827	111,126
Impact fees	-	-	-	173,667	173,667
Miscellaneous revenue	331,217	-	-	48,196	379,413
<b>Total revenues</b>	<b>33,241,310</b>	<b>800,064</b>	<b>-</b>	<b>2,190,357</b>	<b>36,231,731</b>
<b>Expenditures</b>					
Current:					
Legislative	65,233	-	-	-	65,233
Executive	924,681	-	-	-	924,681
Legal counsel	434,923	-	-	-	434,923
Community development	2,458,018	253,529	-	578,969	3,290,516
General administrative services	4,889,996	-	-	163	4,890,159
Public works	3,096,985	-	-	-	3,096,985
Public safety	18,581,072	-	-	53,603	18,634,675
Support Services	3,253,027	-	-	-	3,253,027
Debt Service					
Principal	746,801	-	-	646,000	1,392,801
Interest	38,127	-	-	156,674	194,801
Debt cost/administration fees	500	-	30,037	-	30,537
Capital Outlay/Improvements	1,989,413	275,522	6,500,001	2,238,292	11,003,228
<b>Total expenditures</b>	<b>36,478,776</b>	<b>529,051</b>	<b>6,530,038</b>	<b>3,673,701</b>	<b>47,211,566</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,237,466)</b>	<b>271,013</b>	<b>(6,530,038)</b>	<b>(1,483,344)</b>	<b>(10,979,835)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,284,706	-	-	2,475,325	3,760,031
Transfers out	(659,431)	(140,482)	-	(1,075,711)	(1,875,624)
Capital leases	849,000	-	-	-	849,000
Debt proceeds	-	-	6,535,000	-	6,535,000
<b>Total other financing sources (uses)</b>	<b>1,474,275</b>	<b>(140,482)</b>	<b>6,535,000</b>	<b>1,399,614</b>	<b>9,268,407</b>
<b>Net change in fund balances</b>	<b>(1,763,191)</b>	<b>130,531</b>	<b>4,962</b>	<b>(83,730)</b>	<b>(1,711,428)</b>
Beginning fund balances	7,467,618	526,045	-	4,588,288	12,581,951
Ending fund balances	\$ 5,704,427	\$ 656,576	\$ 4,962	\$ 4,504,558	\$ 10,870,523

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

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended September 30, 2017**

**Net change in fund balances - total governmental funds** **\$ (1,711,428)**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditure for capital assets	\$ 4,521,242	
Less current year depreciation	<u>(2,141,529)</u>	2,379,713

The net effect of disposals of capital assets is to decrease net position	369,449
---	---------

Deferred Inflow for Unavailable Resources decreased in the current Period	748,975
---	---------

The internal service funds are used by management to charge costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.	(215,165)
--	-----------

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 net pension and OPEB liability	789,199	
Change in net pension liability	1,740,254	
Change in compensated absences	(213,676)	
Change in accrued interest	<u>7,518</u>	2,323,295

The issuance of bonds and similar long-term debt provides current financial resources to government funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:

Proceeds from capital lease	(849,000)	
Proceeds from issuance of debt	<u>(6,535,000)</u>	
Principal repayments	<u>273,766</u>	<u>(7,110,234)</u>

**Change in net position of governmental activities** **\$ (3,215,394)**

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

# City of Titusville, Florida

## Statement of Net Position Proprietary Funds September 30, 2017

Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds		
	Water/Sewer Utility	Solid Waste System	Stormwater Utility	Municipal Marina	Total	Governmental Activities Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 1,331,836	\$ 125	\$ -	\$ 189,196	\$ 1,521,157	\$ 274,813
Investments	22,631,541	331,581	3,177,304	-	26,140,426	3,109,291
Receivables, net	3,120,139	773,794	166,398	1,045	4,061,376	955,306
Inventories	704,830	-	-	24,147	728,977	116,149
Restricted current assets:						
Current restricted cash and cash equivalents	3,357,202	-	-	-	3,357,202	192,000
Investments	302,986	-	-	-	302,986	-
<b>Total current assets</b>	<b>31,448,534</b>	<b>1,105,500</b>	<b>3,343,702</b>	<b>214,388</b>	<b>36,112,124</b>	<b>4,647,559</b>
Noncurrent assets:						
Investment in TIFA, LLC	5,240,305	-	-	-	5,240,305	-
Advances to other fund	-	180,000	-	-	180,000	-
Capital assets:						
Land and land rights	3,490,359	-	987,500	-	4,477,859	-
Easements	90,485	-	9,069	-	99,554	-
Buildings and improvements	3,958,514	-	-	98,468	4,056,982	104,206
Improvements other than buildings	22,968,453	-	10,829,618	4,523,410	38,321,481	148,541
Furniture and equipment	8,637,074	6,921,234	1,818,236	170,423	17,546,967	4,486,961
Utility plant	115,135,156	-	1,456,969	-	116,592,125	-
Construction in progress	1,819,081	-	1,260,092	-	3,079,173	-
Less accumulated depreciation	(91,506,360)	(4,776,701)	(3,595,708)	(2,007,866)	(101,886,635)	(4,188,921)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>64,592,762</b>	<b>2,144,533</b>	<b>12,765,776</b>	<b>2,784,435</b>	<b>82,287,506</b>	<b>550,787</b>
<b>Total noncurrent assets</b>	<b>69,833,067</b>	<b>2,324,533</b>	<b>12,765,776</b>	<b>2,784,435</b>	<b>87,707,811</b>	<b>550,787</b>
<b>Total assets</b>	<b>101,281,601</b>	<b>3,430,033</b>	<b>16,109,478</b>	<b>2,998,823</b>	<b>123,819,935</b>	<b>5,198,346</b>
<b>Deferred outflows of resources</b>						
Deferred loss on refunding	566,526	-	-	-	566,526	-
Deferred pension outflow	599,532	154,655	72,073	-	826,260	121,441
Deferred OPEB outflow	3,413	1,053	529	276	5,271	484
<b>Total deferred outflows of resources</b>	<b>\$ 1,169,471</b>	<b>\$ 155,708</b>	<b>\$ 72,602</b>	<b>\$ 276</b>	<b>\$ 1,398,057</b>	<b>\$ 121,925</b>

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

# City of Titusville, Florida

## Statement of Net Position (Continued) Proprietary Funds September 30, 2017

Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds		
	Water/Sewer Utility	Solid Waste System	Stormwater Utility	Municipal Marina	Total	Governmental Activities Internal Service Funds
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	\$ 361,142	\$ 911	\$ 157,553	\$ 41,242	\$ 560,848	\$ 124,308
Interest payable from restricted assets	619,125	-	-	-	619,125	-
Accrued payroll liabilities	165,874	74,092	26,461	-	266,427	39,158
Contracts payable	163,985	2,038	104,563	3,055	273,641	98,466
Customer deposits	1,067,423	581,491	-	44,717	1,693,631	-
Self-insured claims payable	-	-	-	-	-	953,547
Capital leases payable	-	-	60,012	-	60,012	32,538
Compensated absences	248,351	98,454	33,280	-	380,085	46,920
Current revenue bonds payable/restricted assets	2,898,827	-	-	-	2,898,827	-
<b>Total current liabilities</b>	5,524,727	756,986	381,869	89,014	6,752,596	1,294,937
Noncurrent liabilities:						
Compensated absences	325,550	-	13,667	-	339,217	83,856
Noncurrent claims payable	-	-	-	-	-	920,800
Advance from other funds	-	-	-	207,414	207,414	-
Net OPEB liability	12,590,632	3,923,285	1,973,688	1,071,676	19,559,281	1,761,571
Long-term capital leases payable	-	-	200,373	-	200,373	13,879
Long-term debt payable	27,268,146	-	-	-	27,268,146	-
Net pension liability	697,782	165,340	67,682	-	930,804	151,527
<b>Total noncurrent liabilities</b>	40,882,110	4,088,625	2,255,410	1,279,090	48,505,235	2,931,633
<b>Total liabilities</b>	46,406,837	4,845,611	2,637,279	1,368,104	55,257,831	4,226,570
<b>Deferred inflows of resources</b>						
Deferred Pension Inflow	1,085,323	295,509	145,913	-	1,526,745	223,169
Deferred OPEB inflow	904,487	279,213	140,172	73,134	1,397,006	128,218
<b>Total deferred inflows of resources</b>	1,989,810	574,722	286,085	73,134	2,923,751	351,387
<b>Net Position</b>						
Net investment in capital assets	34,663,763	2,142,496	12,379,333	2,787,531	51,973,123	415,085
Restricted:						
Water Conservation	302,986	-	-	-	302,986	-
Unrestricted	19,087,676	(3,977,088)	879,383	(1,229,670)	14,760,301	327,229
<b>Total net position</b>	\$ 54,054,425	\$ (1,834,592)	\$ 13,258,716	\$ 1,557,861	\$ 67,036,410	\$ 742,314

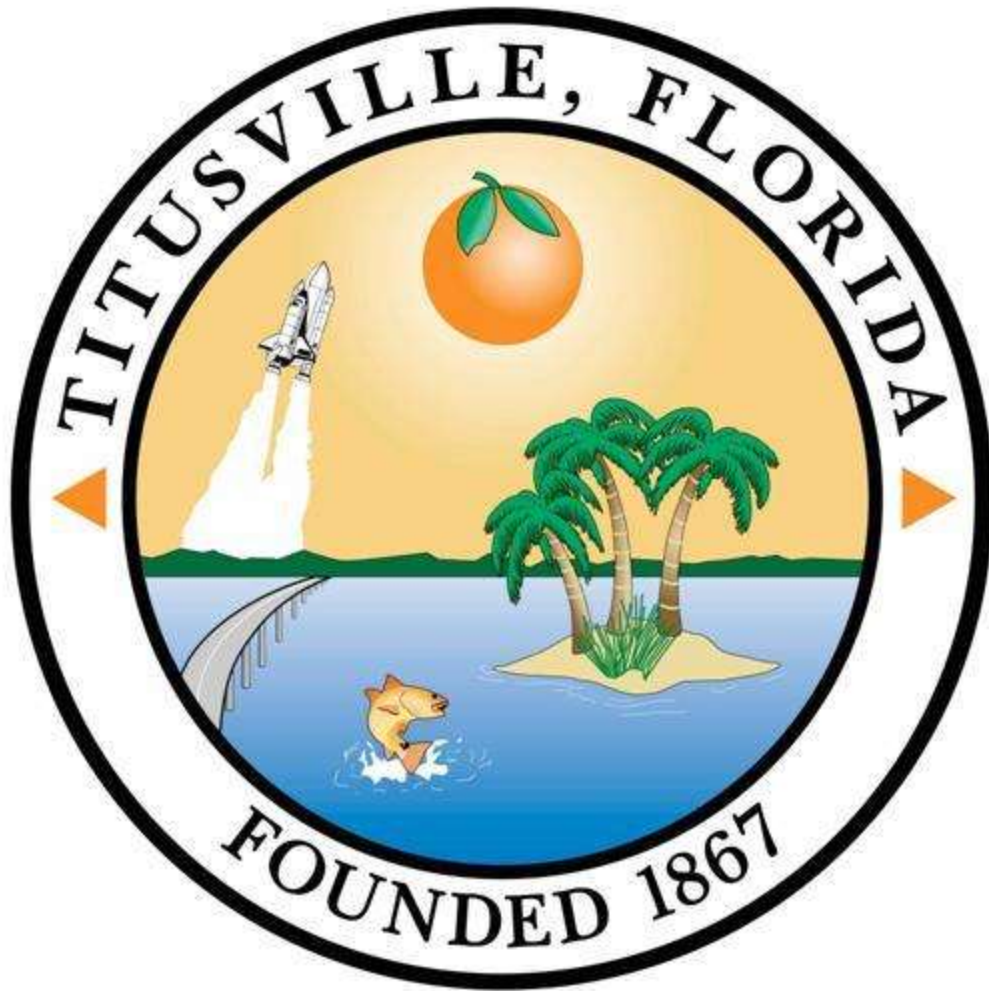
The notes to the financial statements are an integral part of this statement.

# City of Titusville, Florida

## Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds For the Fiscal Year Ended September 30, 2017

	Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds			
	Water/Sewer Utility	Solid Waste System	Stormwater Utility	Municipal Marina	Total		Governmental Activities Internal Service Funds
Operating revenues:							
Charges for sales and services	\$ 22,022,657	\$ 4,472,488	\$ 2,528,604	\$ 1,157,687	\$ 30,181,436	\$	13,330,139
Claims settlements	-	-	-	-	-		326,708
Total operating revenues	22,022,657	4,472,488	2,528,604	1,157,687	30,181,436		13,656,847
Operating expenses:							
Salaries and employee benefits	6,020,196	2,033,878	895,841	26,843	8,976,758		1,267,194
Supplies and materials	1,083,179	132,838	53,219	344,138	1,613,374		2,088,779
Contract services	184,692	86,532	75,988	365,892	713,104		628,651
Other services and charges	5,794,238	1,945,560	663,069	141,803	8,544,670		9,699,337
Depreciation	4,382,379	744,092	583,104	165,395	5,874,970		365,482
Total operating expenses	17,464,684	4,942,900	2,271,221	1,044,071	25,722,876		14,049,443
Operating income (loss)	4,557,973	(470,412)	257,383	113,616	4,458,560		(392,596)
Nonoperating revenues (expenses):							
Investment earnings	640,305	(3,327)	9,200	-	646,178		3,698
Miscellaneous	78,787	50,039	118,155	3,059	250,040		11,637
Intergovernmental revenue	101,233	259,446	-	4,446	365,125		-
Interest expense	(1,217,692)	(1,292)	(9,950)	(10,483)	(1,239,417)		(33,588)
Gain (loss) on disposal of assets	18,090	29,520	46,890	-	94,500		42
Total nonoperating revenues (expenses)	(379,277)	334,386	164,295	(2,978)	116,426		(18,211)
Income/(loss) before transfers and capital contributions	4,178,696	(136,026)	421,678	110,638	4,574,986		(410,807)
Capital contributions	544,570	-	159,715	-	704,285		-
Transfers in	-	108,029	-	65,687	173,716		556,796
Transfers out	(1,183,930)	(138,746)	(931,089)	-	(2,253,765)		(361,154)
Change in net position	3,539,336	(166,743)	(349,696)	176,325	3,199,222		(215,165)
Total net position - beginning, restated	50,515,089	(1,667,849)	13,608,412	1,381,536	63,837,188		957,479
Total net position - ending	\$ 54,054,425	\$ (1,834,592)	\$ 13,258,716	\$ 1,557,861	\$ 67,036,410	\$	742,314

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



This page is left intentionally blank

City of Titusville, Florida

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2017**

	Business-type Activities - Enterprise Funds					Governmental Activities
	Major Funds			Non-Major Fund	Total	
	Water/ Sewer Utility	Solid Waste System	Stormwater Utility	Municipal Marina		
Cash flows from operating activities:						
Receipts-customers and users	\$ 22,036,968	\$ 4,191,765	\$ 3,959,813	\$ 1,229,862	\$ 31,418,408	\$ 12,793,082
Payments-suppliers	(8,044,940)	(1,842,093)	(878,064)	(1,019,894)	(11,784,991)	(12,403,666)
Payments-employees	(5,595,950)	(1,774,685)	(791,127)	(59,870)	(8,221,632)	(1,401,398)
Net cash provided (used) by operating activities	8,396,078	574,987	2,290,622	\$ 150,098	11,411,785	(1,011,982)
Cash flows from noncapital financing activities:						
Transfers to other funds	(1,183,930)	(138,746)	(931,089)	-	(2,253,765)	(361,154)
Transfers from other funds	-	108,029	-	65,687	173,716	556,796
Intergovernmental and Impact fees	180,020	309,485	111,753	7,505	608,763	11,637
Internal balances	-	10,000	-	-	10,000	-
Repayment of advance	-	-	-	(109,132)	(109,132)	-
Net cash provided (used) by noncapital financing activities	(1,003,910)	288,768	(819,336)	(35,940)	(1,570,418)	207,279
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(2,318,027)	(780,995)	(1,895,478)	(15,514)	(5,010,014)	(190,908)
Interest payments on debt	(1,210,001)	(1,292)	(9,950)	(10,483)	(1,231,726)	(1,050)
Capital contributions	544,570	-	159,715	-	704,285	-
Proceeds from sale of property	18,090	29,520	3,951	34,486	86,047	14,704
Payment - capital lease	-	-	(1,818)	-	(1,818)	-
Principal paid on debt	(2,949,052)	-	-	(2,394)	(2,951,446)	(72,971)
Proceeds from debt issued	-	-	-	-	-	-
Net cash (used) by capital and related financing activities	(5,914,420)	(752,767)	(1,743,580)	6,095	(8,404,672)	(250,225)
Cash flows from investing activities:						
Investment earnings(loss)	640,305	(3,327)	9,200	-	646,178	3,696
Investment in joint venture	181,060	-	-	-	181,060	-
Purchase of investment securities	(1,247,118)	(107,786)	-	-	(1,354,904)	(163,270)
Sale of investment securities	-	-	263,094	-	263,094	1,173,811
Net cash provided (used) by investing activities	(425,753)	(111,113)	272,294	-	(264,572)	1,014,237
Net increase (decrease) in cash and cash equivalents	1,051,995	(125)	-	120,253	1,172,123	(40,690)
Beginning cash and cash equivalents	3,358,497	250	-	68,943	3,427,690	390,503
Ending cash and cash equivalents	\$ 4,410,492	\$ 125	\$ -	\$ 189,196	\$ 4,599,813	359,381

City of Titusville, Florida

**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2017**

	Business-type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund		Governmental Activities
	Water/ Sewer Utility	Solid Waste System	Stormwater Utility	Municipal Marina	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 4,557,973	\$(470,412)	\$ 257,383	\$ 113,616	\$ 4,458,560	\$(392,596)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	4,382,379	744,092	583,104	165,395	5,874,970	365,482
Net deferred Outflows	(312,684)	(85,711)	43,489	(33,289)	(388,195)	(57,207)
Net deferred inflows	1,359,781	406,943	204,973	49,942	2,021,639	227,472
(Increase) decrease in assets						
Accounts receivables, net	(15,369)	(292,048)	1,431,209	57,735	1,181,527	(863,765)
Inventories	(2)	-	-	4,031	4,029	42,336
Increase (decrease) in liabilities						
Accounts payable	133,017	1,605	73,028	(104,486)	103,164	(133,277)
Accrued liabilities	75,166	41,013	9,315	-	125,494	180,464
Customer deposits	29,680	11,325	-	14,440	55,445	-
Net OPEB liability	(698,013)	531,225	(153,063)	(49,680)	(369,531)	(171,074)
Net pension liability	(1,115,850)	(313,045)	(158,816)	(67,606)	(1,655,317)	(209,817)
<b>Total adjustments</b>	<b>3,838,105</b>	<b>1,045,399</b>	<b>2,033,239</b>	<b>36,482</b>	<b>6,953,225</b>	<b>(619,386)</b>
<b>Net cash provided/(used) by operating activities</b>	<b>\$ 8,396,078</b>	<b>\$ 574,987</b>	<b>\$ 2,290,622</b>	<b>\$ 150,098</b>	<b>\$ 11,411,785</b>	<b>\$ (1,011,982)</b>
Noncash investing, capital and financing activities:						
Transfer of assets to joint venture, net of proceeds	181,060	-	-	-	181,060	-
Change in fair value of investments	\$ 1,247,118	\$ 107,786	\$(263,094)	\$ -	1,091,810	\$(1,014,235)

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



# City of Titusville, Florida

## Statement of Fiduciary Net Position

### Pension and Other Post Employment Benefits Trust Funds

September 30, 2017

	Trust Funds	Agency Funds
<b>Assets</b>		
Cash	\$ 40,316	\$ 132,890
Interest Receivable	156,787	
Investments		
Cash with fiscal agent	2,476,925	-
Money market	808,172	-
Federal agency bonds/notes	2,834,163	-
U.S. Treasury bond/notes	6,715,648	-
Municipal bonds/notes	959,151	-
Corporate bonds	7,968,435	-
Corporate stock	58,696,205	-
Mutual fund - bonds	6,556,854	-
Mutual fund - equity	18,465,032	-
Real estate	13,889,235	-
Total investments	119,369,820	-
Total assets	119,566,923	132,890
<b>Liabilities</b>		
Accounts payable	11,034	132,890
Total liabilities	11,034	132,890
<b>Net Position</b>		
Restricted for pension other post-employment	\$ 119,555,889	\$ -

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

# City of Titusville, Florida

## Statement of Changes in Fiduciary Net Position Pension and Other Post Employment Benefits Trust Funds For the Fiscal Year Ended September 30, 2017

	Trust Funds
Additions	
Contributions:	
Employer	\$ 5,691,294
Employee	1,215,181
State of Florida	681,740
<b>Total contributions</b>	<b>7,588,215</b>
Investment earnings:	
Interest & dividends	2,290,006
Net change in the fair value of investments	13,004,169
<b>Total investment income</b>	<b>15,294,175</b>
Less investment related expense	(62,149)
Miscellaneous revenue	290,118
<b>Total</b>	<b>23,110,359</b>
Deductions	
Pension and other employee benefits	11,581,630
Administrative expenses	531,484
<b>Total</b>	<b>12,113,114</b>
<b>Change in net position</b>	<b>10,997,245</b>
Net position - beginning of year	108,558,644
Net position - end of year	\$ 119,555,889

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

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 1. Summary of Significant Accounting Policies**

The accompanying financial statements present the financial position, results of operations, and cash flows of the applicable fund types governed by the City Council of the City of Titusville, Florida ("City") and are prepared in conformity with Generally Accepted Accounting Principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below:

**A. Financial Reporting Entity**

The City of Titusville was founded in 1867 and incorporated on July 13, 1887 as a political subdivision of the State of Florida and a municipal corporation with a five-member Council, including a Mayor and Vice-Mayor. The registered voters of the City of Titusville elect the Mayor and the City Council. The entire Council selects the Vice-Mayor. The Council appoints the City Manager, who in turn performs as the administrator of the everyday operations of the City. The City provides a full range of municipal services as directed by the City Charter including general government, public safety, public improvements, planning and zoning, water and sewer service, refuse collection, a recycling program, a stormwater utility program, and related general and administrative services to 44,206 residents.

The accompanying basic financial statements present the City of Titusville and its component unit, entities for which the City of Titusville is considered financially accountable in accordance with GASB Statement No. 61, *The Financial Reporting Entity*, as amended. Blended component units are, in substance, a part of the City's operations although they are legally separate entities. The blended component unit is reported as part of the major governmental funds.

Blended Component Unit. The Downtown Community Redevelopment Agency ("CRA") was created by Resolution 25-1982 pursuant to Florida Statutes Chapter 163.357. Membership consists of all five members of the Titusville City Council and two citizen members. The CRA has two units of revenue which are Ad Valorem Taxes paid by Brevard County, Florida and the Ad Valorem Taxes paid by the City of Titusville. The uses for these two sources of funding are the restoration/redevelopment and elimination/prevention of slum and blighted areas and may include clearance, rehabilitation, and /or conservation in the redevelopment area in accordance with their respective community redevelopment plans as authorized by the CRA Board. The former plan was created in 1985 and CRA is reported as a major fund of the City.

Equity Interest in Joint Venture. On May 24, 2010, the City entered into a joint venture with Farmton Water Resources LLC (Farmton) for establishing a cooperative arrangement for the construction, installation and operation of a well field for the supply of water to the benefit of existing and future customers. The partnership created a limited liability company TIFA LLC (TIFA) for that purpose. The City and Farmton are required to contribute 50% each to the cost of constructing and maintaining the well field. A management committee manages the business operations and the affairs of TIFA. The management committee designated by the City and by Farmton, respectively, is made up of two members. Distribution of the amount equal to all cash receipts less all cash expenditures will be made, no less frequently than annually, based on membership interest at the time.

Notes to the Financial Statements  
September 30, 2017

---

**Note 1. Summary of Significant Accounting Policies (continued)**

On dissolution, the members' capital of TIFA will be distributed based on the membership interest at the time. At September 30, 2017, the City's membership interest was 50%. The City's investment in TIFA as of December 31, 2016, TIFA's latest financial statements during the City's fiscal year, is reported as a business-type activity noncurrent asset in the statement of net position. TIFA's activities for the year ended December 31, 2016 are separately presented on the financial statements for TIFA and can be obtained at the City of Titusville, Mourning Dove Water Treatment Plant, 2386 Garden Street, Titusville, Florida 32796.

The Titusville City Council makes appointments to the membership of the following agencies and, in some cases, approves funding assistance on an annual basis. However, since these organizations are governed by a separate autonomous body and do not meet the criteria for inclusion as a component unit, the agencies listed below have been excluded as a part of the reporting entity.

***Titusville Housing Authority*** consists of nine members appointed by the City's Mayor with approval required by City Council but otherwise has no substantive relationship with the City. The Housing Authority has the power to purchase property, lease property, construct or rehabilitate property, hire employees and, in general, transact their official affairs much like the City Council. The Authority has the responsibility to initiate housing programs that will lead to a safe, sanitary, and healthy dwelling unit for low-income families at rents that such persons can afford. The Housing Authority is partially funded by Brevard County and the Federal government and is responsible for preparing its own annual financial statements.

***North Brevard Parks and Recreation Commission*** consists of nine members, four of which are appointed by the Titusville City Council, four appointed by the Brevard County Board of County Commissioners ("County"), and one appointed by the Brevard County Board of Public Instruction. The objective of this commission is to provide, administer, and maintain joint parks and recreational and cultural facilities for use by and benefit of the Brevard County Commission District I and participating municipalities. Although the City Council may approve funding assistance by means of a funding agreement and though the services are provided within the City's geographical area, the County is responsible for budget adoption, fiscal management, financial reporting, etc.

***North Brevard Hospital District Board*** consists of nine members; three of which are appointed by the Titusville City Council, three appointed by the Brevard County Board of County Commissioners ("County"), and the remaining three are also appointed by the County but are subject to confirmation by the City. The hospital district is charged with the responsibility of establishing, constructing, equipping, operating, maintaining, repairing, and/or leasing a hospital(s). This board operates as an independent special district created by the Florida Legislature and is responsible for its own financial activities and ensuring that an annual independent audit be conducted.

***North Brevard Library District Board*** consists of seven members; the Titusville City Council appoints five and the County appoints two. The Library board has no substantive relationship with the City; it is charged with the responsibility of operating the City and County libraries within the North Brevard District. This board operates as a dependent district of the County. The County funds the operations of this board; controls surplus funds, and is responsible for funding deficits and financial reporting.

Notes to the Financial Statements  
September 30, 2017

---

**Note 1. Summary of Significant Accounting Policies (continued)**

***North Brevard Economic Development Zone Board*** consists of nine members, the City of Titusville appoints three, the District 1 County Commissioner ("County") appoints three, and the Board of County Commissioners ("County") appoint three with the approval of the Titusville City Council. This board provides economic development assistance which are valuable tools available to the County, the City and their respective Economic Development agencies for attracting business to all parts of North Brevard County. All economic development activities, operations, services, acquisitions and functions performed by the Board are funded from the Tax Increment established, levied and collected in accordance with the Tax Increment Ordinance or other revenues or funds available to the Board.

**B. Government-wide and Fund Financial Statements**

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

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

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

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

The government-wide, proprietary fund and trust fund financial statements use a flow of economic resources measurement focus to determine net income and financial position. Agency funds do not measure results of operations, but assets and liabilities are measured on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 1. Summary of Significant Accounting Policies (continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due. Expenditures related to pensions and OPEB are recognized when the City has made a decision to fund those obligations with current available resources.

Property taxes are levied for governmental revenue when eligibility requirements are met. Franchise taxes, certain other tax revenues, licenses, charges for services, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

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

The *Downtown Community Redevelopment Agency Fund* is to account for revenues provided by an incremental increase in Ad Valorem taxes levied each year and donations from private sources, which are restricted to the redevelopment of designated areas within the City's downtown area.

The *Capital Improvement Series 2017 Fund* is to account for the revenue provided by debt for the production of the Titusville Landing project. The expenses will be reimbursed to the City by the North Brevard Economic Development Board.

The City reports the following major proprietary funds:

- The *Water and Sewer Utility Fund* is used to account for the activities of the City's water and wastewater systems, which are financed similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed through user charges.
- The *Solid Waste System Fund* accounts for the activities of the City's refuse collection and recycling services.
- The *Stormwater Utility Fund* accounts for the activities of the City's stormwater management, conservation, protection, control, use and enhancement of stormwater.

Additionally, the City reports the following fund types as non-major and fiduciary funds:

- Special Revenue Funds account for specific revenue resources that are restricted by law or administrative action to expenditures for specific purposes..

Notes to the Financial Statements  
September 30, 2017

---

**Note 1. Summary of Significant Accounting Policies (continued)**

- Debt Service Funds account for the accumulation of resources for and the payment of principal and interest on certain long-term debt.
- *Capital Projects Funds* account for financial resources segregated for the acquisition or construction of capital facilities.
- *Internal Service Funds* account for fleet management services, management information systems, and employees' group and self-insured loss activities (workers compensation and liability).
- *Fiduciary Trust Funds* account for the activities of the Police Officers' and Firefighters' Pension Trust, the General Employees' Pension Trust and the Other Post-Employment Benefits (OPEB) Trust, which accumulate resources for retirement and other post-employment benefit payments to qualified employees.
- *Agency Funds* account for the collection and payments of Performance Bonds held by the City in escrow.

As a rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include:

1. Charges to customers or applicants for goods, services, or privilege provided,
2. Operating grants and contributions, and
3. Capital grants and contributions.

Internal, dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Utility Fund, the Solid Waste System Fund, the Stormwater Utility Fund and the Municipal Marina Fund and of the City's Internal Service Funds are charges to customers for sales and services. The Water and Sewer Utility Fund also recognize as operating revenue the portion of tap connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for the Enterprise Fund and Internal Service Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Notes to the Financial Statements  
September 30, 2017

---

**Note 1. Summary of Significant Accounting Policies (continued)**

The preparation of the basic financial statements in conformity with the accounting principles generally accepted in the United States requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from estimates.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources before unrestricted resources.

**D. Accounting Standards Adopted and Restatement of Net Position**

Effective December 15, 2015, the City adopted the provisions of GASB Statement No. 77, *Tax Abatement Disclosures*. The City enters into property tax abatement agreements with local business under Florida Statue Chapter 196.1995 (Economic Development AD Valorem Tax Exemption Regulation of Titusville, Florida, Ordinance No. 3-1995). Under the Ordinance, localities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining business within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City.

For the fiscal year ending September 30, 2017, the City abated property taxes totaling \$71,927 under this program, including the following tax abatement agreements that each exceeded the 10% of the total amount abated:

- 100% property tax abatement to an industrial business for increasing its size and employment = \$10,868
- 90% property tax abatement to a direct marketing company for increasing its size and employment = \$52,607
- 85% property tax abatement to a manufacturing facility for purchasing and opening an empty business, and increasing its size and employment = \$8,452

Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*; was issued January 2015 and was early implemented for the City, beginning with its year ending September 30, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. This Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as well as the requirements of GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plan, for OPEB*, as they relate to OPEB liabilities being recorded in the statements of net position.

The City's implementation of this Statement has required the restatement of certain liabilities as deferred outflows or deferred inflows of resources in the Statement of Net Position. Statement No. 75 established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. Recognition of these liabilities requires a restatement of the prior year's net position in both governmental activities and business-type activities.



## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 1. Summary of Significant Accounting Policies (continued)

The impact of the restatement on the governmental activities and business-type activities beginning net position at September 30, 2017, are as follows:

	Government Activities	Business Type Activities
Beginning Net Position as previously reported at September 30, 2016	\$ 50,411,984	\$ 81,582,102
Prior period restatement - implementation of GASB 75		
Recording of Net OPEB liability	(37,367,053)	(17,744,921)
Ending Net position restatement	\$ 13,044,931	\$ 63,837,181

#### E. Assets, Liabilities, and Net Position

##### 1. *Deposits and Investments*

The City's cash consists of cash on hand, demand deposits, and equity in pooled cash. The equity in pooled cash represents a fund's share of a cash pool maintained by the City for the use of all funds except the trust funds and funds that require separate bank accounts.

Florida Statutes and/or the respective investment policies authorize, limit and restrict the City's investments and the investments of the City's pension funds (General Employees' and the Police Officers' and Firefighters'). Investments are stated at fair value (based on quoted market price).

##### 2. *Receivables and Payables*

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds". The current portion of the advances to/from other funds represents the amount of the receivable/payable that is due within one year, and the remaining outstanding balance is the non-current portion of these interfund loans. Accounts receivable balances are shown net of the allowance for uncollectibles. The allowances are determined based on management estimates of uncollectible amounts considering the customers' ability to pay and historical experience.

##### 3. *Inventories*

Inventories are valued at the lower of cost or market, using the first-in/first-out ("FIFO") method or the weighted-average method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Payments made to vendors for services that will provide benefit beyond the current fiscal year are recorded as prepaid items.

Notes to the Financial Statements  
September 30, 2017

---

**Note 1. Summary of Significant Accounting Policies (continued)**

**4. Restricted Assets**

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets in the government-wide financial statements and the enterprise fund statements because their use is limited by applicable legal indentures imposed by bond covenants. The restricted assets are used to report resources set aside to provide a reserve for debt service and for the acquisition of capital assets.

**5. Capital Assets**

In the government-wide and proprietary fund financial statements, property, infrastructure, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of greater than one year. General infrastructure assets (such as roads, bridges, and similar items) are reported at actual cost or are reported at estimated historical cost using deflated replacement costs. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the asset or materially extend the assets' useful lives are not capitalized.

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

Buildings and improvements, improvements other than buildings, and furniture and equipment (including assets depreciated under lease purchase contracts) are depreciated using the straight-line method over the following estimated useful lives:

	Years
Infrastructure	10 - 40
Buildings and improvements	20 - 25
Improvements other than buildings	20 - 50
Furniture and equipment	4 - 15
Utility plant	20 - 50

In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures and are not capitalized or depreciated.

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 1. Summary of Significant Accounting Policies (continued)**

*6. Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows/inflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City currently has a deferred loss on refunding and a deferred net difference between projected and actual earnings on pension plan investments that meet this criterion.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then.

The City currently has two items qualify for reporting as deferred outflow/inflows of resources, in both the government-wide statement of the financial position and the proprietary funds statement of the financial position. The first item is the deferred outflows/inflows related to pension. The deferred outflows/inflows related to pensions and OPEB are calculated in accordance with GASB Statement No. 68 and GASB Statement No. 75. The deferred outflows/inflows related to pension and OPEB will be recognized as a component of pension/OPEB expense in future reporting years. Details on the composition of deferred outflows/inflows related to pensions and OPEB are reported in subsequent notes.

*7. Compensated Absences*

The City records the vested portion of accumulated unused compensated absences at year-end based on each employee's earned, unused vacation and sick hours and current rate of pay, including the City's share of Social Security and Medicare taxes. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements as accrued liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences in the enterprise fund types is liquidated in the enterprise fund in which the liability originally incurred. The estimated obligation recorded in the government-wide statements, for governmental activities, is to be funded from future financial resources from the general fund.

*8. Long-Term Obligations*

In the government-wide financial statements and the proprietary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which is not materially different than the interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

# City of Titusville, Florida

## Notes to the Financial Statements September 30, 2017

### Note 1. Summary of Significant Accounting Policies (continued)

#### 9. Fund Equity and Net Position

Fund Balance Stabilization Policy: The City's policy is to maintain a General Fund Stabilization Fund Balance to provide for severe economic downturns where more than 20% of revenues supporting critical basic operations are projected to decline for more than two years or permanently or when there are unreimbursed expenditures for major natural disasters affecting the safety of citizens (hurricanes, wildfires, tornadoes). The City Council has adopted a resolution establishing a committed fund balance reserve of \$4,560,597 for the Stabilization Fund, which is equal to 60 days of annually budgeted operating expenditures.

Below is a table of fund balance categories and classifications at September 30, 2017 for the City's governmental funds:

	General Fund	Downtown Community Redevelopment Agency	Capital Improv Series 2017	Non Major Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Inventories	\$ 11,233	-		-	\$ 11,233
Restricted for:					
Public Safety	\$ 123,308	-		572,489	695,797
Community Development	103,295	656,576	4,962	2,292,400	3,057,233
Debt Service	-	-		157,256	157,256
Roadway Improvements	-	-		1,343,595	1,343,595
Riverfront Acquisitions	-	-		5,281	5,281
U.S. Flag Memorial Services	6,803	-		-	6,803
U.S. Flag Replacement	267	-		-	267
SHIP	-	-		133,539	133,539
Committed to:					
Stabilization/Disaster Fund	4,560,597	-		-	4,560,597
Tree/Landscape Mitigation	391,135	-		-	391,135
Assigned to:					
Economic Development	179,716	-		-	179,716
Student Advisory Council	406	-		-	406
Unassigned:	327,667	-		-	327,667
<b>Total Fund Balances</b>	<b>\$ 5,704,427</b>	<b>\$ 656,576</b>	<b>\$ 4,962</b>	<b>\$ 4,504,560</b>	<b>\$ 10,870,523</b>

Notes to the Financial Statements  
September 30, 2017

---

**Note 1. Summary of Significant Accounting Policies (continued)**

In the Government-wide and Proprietary Fund Financial Statements, net positions are classified in the following categories:

**Net Investment in Capital Assets** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets will reduce this category.

**Restricted Net Position** – This category represents the net position of the City which are restricted by constraints placed on the use by external groups such as creditors, grantors, contributors or laws or regulations of other governments or through constitutional provisions or enabling legislation.

**Unrestricted Net Position** – This category represents the net position of the City which is not restricted for any project or other purpose.

In the Fund Financial Statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

**Nonspendable Fund Balance** - includes that portion of fund equity that is not in a spendable form (such as inventories) or is required to be maintained intact (such as principal of an endowment fund).

**Restricted Fund Balance** - includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example grant providers), constitutionally, or through legislation (that is, legislation that creates a new revenue source and restricts its use). Restrictions may be changed or lifted only with the consent of the resource providers.

**Committed Fund Balance** - includes amounts that can be used only for the specific purposes determined by a formal action of the highest level of decision-making authority, which is generally adoption of a City ordinance but may also be through adoption of a City resolution in certain cases. The formal action needed to commit fund balance amounts could be a resolution or ordinance. The adoption of the resolution or ordinance occurs during formal City Council meetings, with the Council determining whichever is the highest authority required for the subject matter. The resolution or ordinance remain in effect until the City Council changes or revokes them. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**Assigned Fund Balance** - comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. Assignments may be made only by City Council or, as provided by Resolution 29-2011, the Finance Director.

Notes to the Financial Statements  
September 30, 2017

---

**Note 1. Summary of Significant Accounting Policies (continued)**

***Unassigned Fund Balance*** - is the residual classification for the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund. The City considers unassigned amounts as spent when an expense is incurred.

Spending order of fund balance per Resolution 29-2011: The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use restricted fund balance, followed by committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 2. Reconciliation of Government-wide and Fund Financial Statements**

***Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position:***

The Governmental Fund Balance Sheet includes a reconciliation between *fund balance - total governmental funds and net position - governmental activities* as reported in the Government-wide Statement of Net Position.

***Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities:***

The Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance includes a reconciliation between *net changes in fund balance - total governmental funds and changes in net position of governmental activities* as reported in the Government-wide Statement of Activities.

**Note 3. Stewardship, Compliance and Accountability**

A. Budgetary Information

The annual operating budgets are adopted by City Council using the following procedures:

- Annual budgets are adopted for all funds of the City except for the Pensions and OPEB Trust funds. These three funds are effectively monitored by governing agreements and by related City Ordinances. The annual operating budgets are prepared on a basis consistent with generally accepted accounting principles. Annual budget appropriations lapse at the end of each fiscal year, except for unexpended appropriations on open grant programs and capital projects, which are reappropriated in subsequent annual budgets.
- Encumbrance accounting is employed in governmental funds. Encumbrances represent open purchase orders and other commitments for goods/services that are not yet received and are recorded to reserve that portion of the applicable appropriation. Encumbrances are recognized as expenditures in the period in which the actual goods/services are received and a liability is incurred. Encumbrances outstanding at year-end are canceled and re-appropriated in the succeeding year's budget; such amounts, if material, are disclosed in the notes as commitments.
- Prior to the first day of August of each year, the City Manager prepares a recommended budget for the next succeeding fiscal year and submits it to the City Council. The recommended budget includes proposed expenditures and the source of receipts to finance them.
- City Council holds a series of special budget workshops in addition to a minimum of two public hearings on the proposed budget and adopts the official annual budget of the City, by ordinance, prior to September 30.
- The budget, as adopted, may only be amended through formal approval by City Council. Budgetary integration is established in the accounting records for control purposes at the object of expenditure level; however, the City Charter establishes the level at which expenditures may not legally exceed the budget at the major department level. Therefore, the City Manager may transfer budgeted amounts within a department of the City without formal approval by City Council.

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 3. Stewardship, Compliance and Accountability (continued)**

**B. Ad Valorem Property Taxes**

Under Florida law, the assessment of all properties and the collections of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. Florida Statutes regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten (10) mills. The millage rate in effect for the fiscal year ended September 30, 2017, was 7.6575 and the Series 2015 General Obligation Bond voted debt millage was 0.5020 for a total millage of 8.1595.

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

Property taxes are levied in November and attached as a lien on property as of January 1 of each year. 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% for payments received in the month of November, 3% for payments received in the month of December, 2% for payments received in the month of January and 1% for payments received in the month of February. The taxes paid in March are not subject to discount. Tax certificates on all property for which taxes are delinquent are sold on or about June 1 of each year.

**C. Connection Fees and Impact Fees**

Water and sewer connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities. These fees are recorded as operating revenue at the time of service. Impact fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as non-operating revenue in the period earned in the appropriate enterprise fund.

**D. Administrative Service Charges**

Administrative services are provided by various departments within the general fund to other funds of the City. Charges for these services are based on a formal independent third-party cost allocation plan review that is based on work unit factors relative to the funds involved. The administrative service charges are recorded as revenues in the general fund and as operating expenses in the fund being charged.



**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 3. Stewardship, Compliance and Accountability (continued)**

E. Transportation Impact Fees

The City entered into an interlocal agreement with Brevard County, Florida to ensure that the transportation impact fees necessary for adequate provision of roadways are imposed upon and collected from new development in an equitable and fair manner, and are appropriated and expended in accordance with the applicable laws. All transportation impact fees collected by the County within the City are deposited by the County in a trust fund and may be used for eligible improvements within the City's corporate limits at the County's discretion. There were no appropriations of transportation impact fees this fiscal year by the County due to an approved moratorium on these fees in an effort to promote economic development.

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 4. Detailed Notes on all Funds**

A. Deposits

At September 30, 2017, the carrying amount of the City's bank deposits and petty cash for governmental and business-type activities was \$8,456,995 and the trust funds' carrying amount of bank deposits was \$35,631. The bank balance at September 30, 2017 was \$5,113,100, all of which is held by a bank that qualifies as a public depository, as required by Chapter 280 of the Florida Statutes. All of the deposits were covered by the FDIC or collateralized in accordance with the "Florida Security for Public Deposits Act". Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral having a market value equal to 50% of the average daily balance for each month that all public deposits are in excess of any applicable deposit insurance. If the public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a saving association, the required collateral shall have a market value equal to 125% of the deposits. Of the bank balance, no amount was uninsured and uncollateralized in banks not qualifying under the Act at September 30, 2017.

B. Investments

*Government-wide*

On May 12, 2009, the City Council approved Resolution 25-2009, updating the City's investment policy. Pursuant to Section 218.415, Florida Statutes, the City's investment policy establishes permitted investments, asset allocation limits and issuer limits, credit rating requirements and maturity limits to protect the City's cash and investment assets. The City maintains a cash and investment pool for the use of all funds except the pension & OPEB trust funds and funds that require separate bank accounts.

The City's investment policy allows for the following investments: United States Government Securities, United States Government Agencies, Federal Instrumentalities, Repurchase Agreements, Commercial Paper, Corporate Notes, Corporate Obligations, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Money Market Mutual Funds) and Intergovernmental Investment Pool.

Interest Rate Risk

The City's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements and investments of current operating funds that will have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants, but should not exceed five (5) years.

**Notes to the Financial Statements**  
**September 30, 2017**

**Note 4. Detailed Notes on all Funds (continued)**

As of September 30, 2017, the City's governmental and business-type activities had the following investments and effective duration presented in terms of years:

Government-wide Investment Type	Investment Maturities (in Years)		
	Fair Value	Less Than 1	1-5
Investments Subject to Rate Risk:			
Money Market Mutual Funds	\$ 88,650	\$ 88,650	\$ -
Commercial Paper	272,597	272,597	-
Federal Agency Bonds/Notes	15,562,025	-	15,562,025
Municipal Bonds/Notes	402,020	402,020	-
U.S. Treasury Bonds/Notes	13,154,898	-	13,154,898
Corporate Debt	7,878,095	3,259,769	4,618,326
Total Investments	\$ 37,358,285	\$ 4,023,036	\$ 33,335,249

Money market mutual funds are valued at amortized cost. All other investments are valued by fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Above investments measured at fair value are based on Level 2 inputs.

The City has the following recurring fair value measurements as of September 30, 2017:

- U.S. Treasury Bonds of \$13.2 million are valued using a matrix pricing model (Level 2 inputs)
- Corporate Debt of \$7.9 million are valued using a matrix pricing model (Level 2 inputs).
- Federal Agency Bond of \$15.6 million are valued using a matrix pricing model (Level 2 inputs)
- Municipal Bonds of \$402,020 are valued using a matrix pricing model (Level 2 inputs)

**Credit Risk**

The City's investment policy permits investments, which are limited to credit quality ratings from nationally recognized rating agencies as follows:

Commercial Paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). Corporate Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a minimum long term debt rating, at the time of purchase, of "Aa" by Moody's and "AA" by Standard & Poor's. Bankers' Acceptances issued by a domestic bank which, at the time of purchase, has an unsecured, uninsured and unguaranteed obligation rating of at least "Prime-1" by Moody's or "A-1" Standard & Poor's and is ranked in the top fifty (50) United States banks in terms of total assets by the American Banker's yearly report. State and/or local Government Taxable and/or Tax-Exempt Debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt. Money market funds shall be rated "AAAm" by Standard & Poor's or the equivalent by another rating agency.

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 4. Detailed Notes on all Funds (continued)

Intergovernmental Investment Pools shall be rated "AAA" by Standard & Poor's or the equivalent by another rating agency.

As of September 30, 2017, the City had the following credit exposure as a percentage of total investments:

Security Type	Credit Rating	% of Portfolio Subject to Credit Risk
Federal Instrumentalities Bonds/Notes	AA+	46.12%
Corporate Debt	BBB+	1.34%
Corporate Debt	AA	6.86%
Municipal Bonds/Notes	A	16.41%
Commercial Paper	AA	1.00%
Municipal Bonds/Notes	A-1	5.00%
U.S. Treasury Bonds/Notes	AA+	23.27%
Total		<u>100.00%</u>

#### Custodial Credit Risk

City's investment policy pursuant to Section 218.415(18), Florida Statutes requires securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

As of September 30, 2017, the City's investment portfolio was uninsured and held with a third-party custodian in the City's name as required by the City's investment policy.

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 4. Detailed Notes on all Funds (continued)**

Concentration of Credit Risk

The City's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the City's investment portfolio. At September 30, 2016, the City had no asset allocations or issuers in excess of these limits. The City had no investments in any one issuer that exceeded five percent or more of the total investments held by the City, other than those exempted under GASB Statement No. 40. A maximum of 100% of available funds may be invested in United States Government Securities, 50% of available funds may be invested in United States Government Agencies with a 25% limit on individual issuers, 80% of available funds may be invested in Federal Instrumentalities with a 40% limit on individual issuers, 25% of available funds may be directly invested in Corporate Notes with a 5% limit on individual issuers, 50% of available funds may be invested in Corporate Obligations with a 25% limit on individual issuers, 50% of available funds may be invested in Interest Bearing Time Deposit or Saving Accounts with a 25% limit on individual issuers, 50% of available funds may be invested in Repurchase Agreements with a 25% limit on individual issuers, 25% of available funds may be directly invested in Commercial Paper with a 15% limit on individual issuers, 35% of available funds may be directly invested in Bankers' Acceptances with a 20% limit on individual issuers, 20% of available funds may be invested in State and/or Local Government Taxable and/or Tax-Exempt Debt, and 50% of available funds may be invested in Registered Investment Companies (Money Market Mutual Funds) with a 25% limit of individual issuers and 25% of available funds may be invested in Intergovernmental Investment Pools.

*Fiduciary Funds*

Investments of the General Employees' and the Police Officers' & Firefighters' Pension Trust Funds (Pension Trust Funds) are limited by Florida Statutes, Chapters 112, 175 & 185 and by investment policies adopted by the Trusts' Board of Trustees. The allowable investment instruments include time deposits, savings and money market deposit accounts of a national bank, a state bank insured by the Bank Insurance Fund, a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund; obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government; stocks, commingled funds, mutual funds and bonds or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or the District of Columbia; bonds issued by the State of Israel; foreign stocks traded on the official exchange as recognized by the government where the exchange is located or on any of the major equivalent electronic exchanges; real estate investments made through participation in diversified commingled funds of real properties; commercial paper; and bankers acceptances.

The Other Post-Employment Benefits (OPEB) Trust's assets are invested in a manner consistent with the standards set forth in Chapters 112 & 518 of the Florida Statutes, City of Titusville Ordinances and/or the Trust's Investment Policy. The authorized investments include commingled and mutual funds that comply with the Investment Company Act of 1940's diversification requirement, cash equivalents, common stock, preferred stock, publicly traded Real Estate Investment Trusts and U.S. Treasury, Federal Agencies and U.S. Government guaranteed obligations, investment grade municipal or corporate issues including convertibles.

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

#### Note 4. Detailed Notes on all Funds (continued)

##### Interest Rate Risk

The Pension Trust Funds and the OPEB Trust Fund do not have formal investment policies that limit investment maturities as a means of managing exposure to fair market value losses arising from increased interest rates. Information about the sensitivity of the fair values of pension investments to market interest rate fluctuations is shown below. As of September 30, 2017, the Pension Trust Funds and the OPEB Trust Fund had the following investments and effective duration (based upon the fiscal year-end date) presented in terms of years:

Fiduciary Funds Investment Type	Investment Maturities (in Years)				
	Carrying Value	Less Than 1	1-5	6-10	More Than 10
Investments Subject to Rate Risk:					
Cash with Fiscal Agent	\$ 2,476,925	\$ 2,476,925	\$ -	\$ -	\$ -
Money Market Mutual Funds	808,172	808,172	-	-	-
Federal Agency Bonds/Notes	2,834,163	2,121	346,739	992,692	1,492,611
U.S. Treasury Bonds/Notes	6,715,648	310,039	2,687,008	3,054,045	664,556
Municipal Bonds/Notes	959,151	100,064	593,706	265,381	-
Corporate Debt	7,968,435	460,375	3,858,020	2,546,745	1,103,295
	<u>\$ 21,762,494</u>	<u>\$ 4,157,696</u>	<u>\$ 7,485,473</u>	<u>\$ 6,858,863</u>	<u>\$ 3,260,462</u>
Other Investments:					
Corporate Stock	58,696,205				
Mutual Funds - Bonds	6,556,854				
Mutual Funds - Equity	18,465,032				
Real Estate Funds	13,889,235				
Total Investments	<u>\$ 119,369,820</u>				

The carrying value of cash with fiscal agent and money market mutual funds is based on amortized cost. The City has the following recurring fair value measurements as of September 30, 2017:

- U.S. Treasury Bonds of \$6.7 million are valued using a matrix pricing model (Level 2 inputs)
- Corporate Debt of \$7.9 million are valued using a matrix pricing model (Level 2 inputs).
- Federal Agency Bond of \$2.8 million are valued using a matrix pricing model (Level 2 inputs)
- Municipal Bonds of \$959,151 are valued using a matrix pricing model (Level 2 inputs)

The Pension Trust Funds and OPEB Trust Fund include investments in mutual bond funds that are not rated by nationally recognized rating agencies. These investments maintain an average maturity of 1-10 years and represent 5.5% of the plan net position.

##### Credit Risk

As a means of limiting exposure to credit risk, the pension trust funds are diversified by security type and institution, and holdings are limited in any one type of investment with any one single issuer with various durations of maturities.

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

#### Note 4. Detailed Notes on all Funds (continued)

The following table discloses credit ratings of debt securities by investment type, as of September 30, 2017, as applicable:

Security Type	Credit Rating	% of Portfolio Subject to Credit Risk
Agency MBS	AAA	11.3%
Agency MBS	AA+	3.9%
Corporate Bonds	AA+	0.5%
Corporate Bonds	AA	0.5%
Corporate Bonds	A+	0.7%
Corporate Bonds	A	0.8%
Corporate Bonds	A-	0.5%
Corporate Bonds	BBB+	0.7%
Corporate Notes	AAA	0.5%
Corporate Notes	AA+	2.5%
Corporate Notes	AA	1.1%
Corporate Notes	A+	2.5%
Corporate Notes	A	7.8%
Corporate Notes	A-	10.4%
Corporate Notes	BBB+	10.2%
Corporate Notes	BBB	4.9%
Corporate Notes	BBB-	0.7%
Federal Agency Bonds	AA+	10.3%
Municipal Bonds	AA+	0.5%
Municipal Bonds	AA-	1.2%
Municipal Bonds	A+	0.8%
U.S. Government Bonds	AA+	27.6%
Total		100.0%

#### Custodial Credit Risk

As of September 30, 2017, the Pension Trust Funds and the OPEB Trust investments were uninsured, and held with a third-party custodian in the particular Trusts' names, as required by the respective investment policies.

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 4. Detailed Notes on all Funds (continued)**

Concentration of Credit Risk

The investment policies of the Pension Trust Funds and the OPEB Trust include limitations on the amount that can be invested in any one issuer, as well as maximum portfolio allocation percentages. At September 30, 2017, the fiduciary funds had no investments in excess of their respective policy limits. The City had no investments in any one issuer that exceeded five percent or more of the total investments held by the City, other than those exempted under GASB Statement No. 40.

C. Receivables

Receivables as of year-end, including the applicable allowances for uncollectibles accounts, are as follows:

<i>Governmental Funds</i>	General Fund	Downtown CRA	Non-major Funds	Total
Receivables:				
Accounts	\$ 1,239,860	\$ -	\$ 43,243	\$ 1,283,103
Special Assessments	-	-	10,267	10,267
Intergovernmental	1,114,484	-	194,126	1,308,610
Gross receivables	2,354,344	-	247,636	2,601,980
Less: allowance for uncollectibles	(104,846)	-	-	(104,846)
Net total receivables	\$ 2,249,498	\$ -	\$ 247,636	\$ 2,497,134

<i>Business-Type Funds</i>	Water and Sewer	Solid Waste	Stormwater	Non-major Marina Fund	Total
Receivables:					
Accounts	\$ 5,749,047	\$ 1,062,721	\$ 1,020,047	\$ -	\$ 7,831,815
Intergovernmental	114,744	259,446	151,457	1,045	526,692
Gross receivables	5,863,791	1,322,167	1,171,504	1,045	8,358,507
Less: Allowance for uncollectibles	(2,743,652)	(548,373)	(1,005,106)	-	(4,297,131)
Net total receivables	\$ 3,120,139	\$ 773,794	\$ 166,398	\$ 1,045	\$ 4,061,376



**City of Titusville, Florida**

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 4. Detailed Notes on all Funds (continued)**

**D. Interfund Receivables, Payables and Transfers**

The composition of Interfund Balances as of September 30, 2017, is as follows:

Fund	Receivable	Payable
Major Funds:		
General Fund	\$ 91,883	\$ -
CRA	-	64,469
Solid Waste	180,000	-
Municipal Marina	-	207,414
Total	<u>\$ 271,883</u>	<u>\$ 271,883</u>

The advances from the General Fund relate to working capital loans for capital outlays and capital improvements scheduled to be repaid in one to seven years. The amount payable by the Community Redevelopment Agency represents funds used for the purchase of YMCA property. The amount receivable by Solid Waste System Fund represents advances to the Municipal Marina due to a number of operational factors.

City of Titusville, Florida

Notes to the Financial Statements  
September 30, 2017

Note 4. Detailed Notes on all Funds (continued)

	Transfers In						
	General Funds	Nonmajor Governmental Funds	Solid Waste	Municipal Marina	Internal Service Funds	Total	
Transfers Out: General Fund	\$ -	\$ 217,000	\$ -	\$ 65,687	\$ 376,744	\$ 659,431	
Downtown Community Development	14,716	124,225	-	-	1,541	140,482	
Nonmajor Governmental Funds	70,611	1,005,100	-	-	-	1,075,711	
Water and Sewer	1,073,839	-	-	-	110,091	1,183,930	
Solid Waste	-	100,000	-	-	38,746	138,746	
Stormwater	125,540	679,000	108,029	-	18,520	931,089	
Internal Service Funds	-	350,000	-	-	-	350,000	
Total	\$ 1,284,706	\$ 2,475,325	\$ 108,029	\$ 65,687	\$ 545,642	\$ 4,479,389	

The funds transferred to the General Fund are to finance various programs that the City must account for in accordance with budgetary authorizations such Administrative Costs. The transfer to Nonmajor Governmental Funds is related to funding the maintenance of streets & sidewalks. The Marina from General Fund is to cover Retiree Healthcare Costs. The transfer for Internal Service is due to additional cost for health insurance.

# City of Titusville, Florida

## Notes to the Financial Statements September 30, 2017

### Note 4. Detailed Notes on all Funds (continued)

#### E. Capital Assets

Capital asset activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities: (includes Internal Service Funds)</i>				
Capital assets not being depreciated:				
Land	\$ 29,836,869	\$ -	\$ -	\$ 29,836,869
Easements	199,220	-	-	199,220
Construction in progress	4,166,298	2,513,357	(3,829,039)	2,850,615
Total assets not being depreciated	34,202,387	2,513,357	(3,829,039)	32,886,704
Capital assets being depreciated:				
Buildings and improvements	4,937,887	-	-	4,937,887
Improvement other than buildings	100,378,585	3,829,039	-	104,207,624
Furniture and equipment	14,029,114	2,230,173	(384,814)	15,874,473
Total assets being depreciated	119,345,586	6,059,212	(384,814)	125,019,984
Less accumulated depreciation for:				
Buildings and improvements	(3,461,772)	(97,629)	-	(3,559,401)
Improvement other than buildings	(75,213,242)	(1,441,042)	-	(76,654,284)
Furniture and equipment	(11,577,578)	(983,705)	382,720	(12,178,563)
Total accumulated depreciation	(90,252,592)	(2,522,376)	382,720	(92,392,248)
Total capital assets, being depreciated, net	29,092,994	3,536,836	(2,094)	32,627,736
Governmental activities capital assets, net	\$ 63,295,381	\$ 6,050,193	\$ (3,831,133)	\$ 65,514,440
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 4,477,859	\$ -	\$ -	\$ 4,477,859
Easements	99,554	-	-	99,554
Construction in progress	5,231,132	3,562,837	(5,714,797)	3,079,172
Total assets not being depreciated	9,808,545	3,562,837	(5,714,797)	7,656,585
Capital assets being depreciated:				
Buildings and improvements	4,056,982	-	-	4,056,982
Improvement other than buildings	34,997,459	3,324,022	-	38,321,481
Furniture and equipment	16,865,841	1,062,971	(381,846)	17,546,966
Utility Plant	114,563,655	2,028,470	-	116,592,125
Total assets being depreciated	170,483,937	6,415,463	(381,846)	176,517,554
Less accumulated depreciation for:				
Buildings and improvements	(4,050,715)	(304)	-	(4,051,019)
Improvement other than buildings	(17,219,536)	(1,300,730)	-	(18,520,266)
Furniture and equipment	(11,672,957)	(1,331,356)	374,810	(12,629,503)
Utility Plant	(63,443,267)	(3,242,580)	-	(66,685,847)
Total accumulated depreciation	(96,386,475)	(5,874,970)	374,810	(101,886,635)
Total capital assets, being depreciated, net	74,097,462	540,493	(7,036)	74,630,919
Business-type activities capital assets, net	\$ 83,906,007	\$ 4,103,330	\$ (5,721,833)	\$ 82,287,504

**City of Titusville, Florida**

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 4. Detailed Notes on all Funds (continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Legislative	\$	4,152
Executive		58,398
Legal Counsel		27,446
Community Development		155,113
Public Works		197,124
Public Safety		1,178,932
Support Services		205,965
General Administrative		314,399
Capital Assets held by the government's internal service fund are charged to the various functions based on their usage of the assets		380,847
		<u>365,482</u>
Total depreciation expense - governmental activities	\$	<u>2,522,376</u>

Business-type activities:

Water Sewer Utility	\$	4,382,379
Solid Waste System		744,092
Stormwater System		583,104
Municipal Marina		165,395
Total depreciation expense - business-type activities	\$	<u>5,874,970</u>

City of Titusville, Florida

Notes to the Financial Statements  
September 30, 2017

Note 4. Detailed Notes on all Funds (continued)

F. Long-term Liabilities

Changes in long-term liabilities for Governmental Activities for the fiscal year ended September 30, 2017 are as follows:

	Balance 10/1/2016	Additions	Deletions	Balance 9/30/2017	Due Within One Year (Current)
<i>Governmental Activities</i>					
Bonds Payable:					
Capital Improvement Revenue Bond, Series 2017	\$ -	\$ 6,535,000	\$ -	\$ 6,535,000	\$ -
General Obligation Bonds Series 2015	5,618,000	-	(581,000)	5,037,000	591,000
Public Improvements Revenue Note, Series 2009	1,250,000	-	(65,000)	1,185,000	70,000
Total bonds payable	6,868,000	6,535,000	(646,000)	12,757,000	661,000
Compensated absences	2,473,684	1,141,860	(908,405)	2,707,139	1,033,134
Capital leases	1,475,049	2,005,147	(778,468)	2,701,728	789,019
Total governmental activities	\$ 10,816,733	\$ 9,682,007	\$ (2,332,873)	\$ 18,165,867	\$ 2,483,153

Changes in long-term liabilities for Business-type Activities for the fiscal year ended September 30, 2017 are as follows:

	Balance 10/1/2016	Additions	Deletions	Balance 09/30/2017	Due Within One Year (Current)
<i>Business-Type Activities</i>					
Bonds Payable:					
2010 Water/Sewer Bonds	\$ 27,800,000	\$ -	\$ (2,525,000)	\$ 25,275,000	\$ 2,655,000
State Revolving Fund Loans	3,827,793	-	(238,022)	3,589,771	243,827
Unamortized bond premiums	1,488,232	-	(186,030)	1,302,202	-
Total bonds payable	33,116,025	-	(2,949,052)	30,166,973	2,898,827
Compensated absences	668,523	373,134	(322,355)	719,302	380,085
Capital leases	433,615	-	(173,230)	260,385	60,012
Total business-type activities	\$ 34,218,163	\$ 373,134	\$ (3,444,637)	\$ 31,146,660	\$ 3,338,924

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 4. Detailed Notes on all Funds (continued)**

*Governmental Activities Debt*

During 2017, the City issued \$6,535,000 in Capital Improvement Revenue Bonds, Series 2017. The Bonds were issued to provide funds relating to the financing of public improvements for the Miracle City Mall Redevelopment Project (Titus Landing Project). The Bonds constitute obligations of the City, with an Interlocal Agreement between the City of Titusville and The North Brevard Economic Development District (NBEDD). NBEDD is to provide for the transfer to the City, of a pledged portion of its tax increment for repayment of principal and interest of the Bond. The interest rate on the Series 2017 Bonds is a fixed rate of 2.28%. The amount payable is \$6,535,000 at September 30, 2017, with payments due annually in November for principal and interest and May for interest.

During 2015, the City issued \$6,220,000 in General Obligation Bonds, Series 2015. The Bonds were issued to provide funds sufficient, together with other available monies to: (1) finance the purchase, acquisition and improvement of real property on the Indian River with the City for public use and, (2) pay certain costs and expenses resulting to the issuance of the Bonds. The Bonds constitute general obligations of the City, and the full faith, credit of the City and a special limited Ad Valorem tax levy at a rate not to exceed 0.5930 mills per annum (for a period not to exceed 20 years) on all taxable property therein to pay the principal and interest on the Bonds. The interest rate on the Series 2015 Bonds is a fixed rate of 1.82%. The amount payable is \$5,037,000 at September 30, 2017, with payment due annually in January for interest and July for principal and interest.

On May 29, 2009, the City issued a \$2,535,000 Public Improvement Revenue Note (PIRN), Series 2009, maturing on October 1, 2029, bearing interest at a per annum rate equal to 4.47%, payable semi-annually on April 1 and October 1 commencing October 1, 2009. Principal is payable annually on October 1, commencing October 1, 2010. Proceeds from the Note are being used for downtown street, curb and parking lot improvements. The principal and interest on the 2009 Note shall be a special obligation of the City payable from and collateralized by non-ad valorem revenues budgeted and appropriated pursuant to the Note Purchase and Loan Agreement between the City and Branch Banking and Trust Company (BB&T). The non-Ad Valorem revenues to pay the PIRN Note are from a department transfer from Community Redevelopment Agency. On March 12, 2013 the City Council approved the amendment of the 2009 PIRN Note, to execute prepayment of \$830,000 and the 2% corresponding prepayment penalty, to reduce the debt service. A name change in FY2014 for the Community Redevelopment Agency (CRA) and Bank Loan 2009 also known as Public Improvement Revenue Note, Series 2009 (PIRN) to Community Redevelopment Agency/Public Improvement Revenue Note, Series 2009 (CRA/PIRN2009) was made. The amount payable is \$1,185,000 at September 30, 2017.

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 4. Detailed Notes on all Funds (continued)**

*Business-Type Activities Debt*

On February 25, 2010, the City issued \$40,385,000 Water and Sewer Revenue Refunding Bonds, Series 2010, maturing on October 1, 2024, bearing a true interest cost at a per annum rate equal to 3.997%. Principal is paid annually on October 1, 2010 through October 1, 2024. Interest is paid semi-annually on April 1 and October 1, commencing April 1, 2010. Proceeds from the Water and Sewer Revenue Refunding Bonds, Series 2010 were used to refund all of the City's Water and Sewer Revenue Bonds, Series 1998 outstanding of \$43,030,000. They paid the costs of issuance associated with this refunding. The 2010 Bonds possess an underlying credit rating of "A+" from Standard & Poor's. In addition, the 2010 Bonds possess an "AAA" rating from Standard & Poor's based on the Assured Guaranty Insurance Policy. The amount payable is \$25,275,000 at September 30, 2017.

*State Revolving Fund Loans*

On December 18, 2009, the City entered into a financing agreement for construction of approximately 75,000 linear feet of new 20-inch diameter transmission main that will convey raw water from the Area IV Well Field to the City's Mourning Dove Water Treatment Plant. The City received financing through the State Revolving Fund Loan for this project. As part of that program, the City would be obligated to only pay back 57% of the amount received; the remaining 43% is "forgiven".

On December 28, 2012, the City closed out the project and received the final amendment to the loan agreement with payments being made semi-annually on June 15 and December 15. Payments are based on an amortization schedule from The Florida Department of Environmental Protection.

Each of the loans through the Florida Department of Environmental Protection, as described above, are federal grants and are recorded in the financial statements as current and noncurrent liabilities. The balance as of September 30, 2017 is \$3,589,771.

The City is required to maintain rates and charges for the services furnished by the Water and Sewer Systems which will be sufficient to provided pledged revenues equal to or exceeding 1.15 times the sum of the semi-annual loan payments due in each fiscal year. The City shall satisfy the coverage requirements of all senior and parity debt obligations. As of September 30, 2017, management believes the City complies with this covenant.

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 4. Detailed Notes on all Funds (continued)

##### *Debt Service Requirements on All Outstanding Debt*

The annual requirements to pay principal and interest on all long-term debt outstanding at September 30, 2017, excluding interfund advances and compensated absences, to maturity are as follows:

Year Ending	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2018	\$ 661,000	\$ 279,439	\$ 2,898,819	\$ 1,193,986	\$ 5,033,244
2019	1,265,000	281,697	3,039,808	1,048,496	5,635,001
2020	1,293,000	253,082	3,180,948	896,107	5,623,137
2021	1,316,000	223,782	3,337,241	736,064	5,613,087
2022	1,347,000	193,907	3,493,691	590,864	5,625,462
2023-2027	5,821,000	506,831	12,000,506	760,011	19,088,348
2028-2031	1,054,000	36,010	913,758	55,205	2,058,973
Total	\$ 12,757,000	\$ 1,774,748	\$ 28,864,771	\$ 5,225,528	\$ 48,677,252

#### G. Leases

##### *Capital Leases*

On September 15, 2014, the City entered into a lease-purchase agreement in the amount of \$540,000 with SunTrust Leasing Corporation for the acquisition of one ambulance, one dump truck, one tractor and one backhoe. The agreement has a five year fixed term rate of 1.9046% and calls for bi-annual payments of \$48,611. The cost of the equipment and depreciation expense has been recorded in Governmental Activities.

On May 14, 2015, the City entered into a lease-purchase agreement in the amount of \$709,463 with SunTrust Leasing Corporation for the acquisition of one bucket truck, one patch truck, ten public safety vehicles and four code enforcement vehicles. The agreement has a five year fixed term rate of 2.275% and calls for bi-annual payments of \$74,975. The cost of the equipment and depreciation expense has been recorded in Governmental Activities.

On March 7, 2016, the City entered into a lease-purchase agreement in the amount of \$383,727 with Environmental Products of Florida Corporation for the acquisition of one Vactor Sewer Cleaner. This agreement has a six year fixed term rate of 3.12% and calls for annual payments of \$68,144 with a final payment of \$77,000. The cost of the equipment and depreciation expense has been recorded in Stormwater Fund.

On May 12, 2016, the City entered into a lease-purchase agreement in the amount of \$540,515 with SunTrust Leasing Corporation for the acquisition of eleven public safety vehicles and one tractor. The agreement has a five year fixed term rate of 1.99% and calls for bi-annual payment of \$56,772. The cost of the equipment and depreciation expense has been recorded in Governmental Activities.

On May 26, 2017, the City entered into a lease-purchase agreement in the amount of \$749,771 with SunTrust Leasing Corporation for the acquisition of twenty public safety vehicles, 10 public safety radios, one fire truck, one fire vehicle and four water resource vehicles. The agreement has a five year fixed term rate of 2.080% and calls for bi-annual payments of \$171,496. The cost of the equipment and depreciation expense has been recorded in Governmental Activities.



**City of Titusville, Florida**

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 4. Detailed Notes on all Funds (continued)**

The following is a schedule of future minimum lease payments:

Year Ending September 30,	Governmental Activities	Business-Type Activities
2018	\$ 841,621	\$ 68,144
2019	773,337	68,144
2020	635,838	68,144
2021	399,765	77,000
2022	171,496	-
Total minimum lease payments	2,822,057	281,432
Less: amount representing interest	(120,329)	(21,048)
Present value of minimum lease payments	<u>\$ 2,701,728</u>	<u>\$ 260,384</u>

Assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Assets:		
Equipment	\$ 3,851,763	\$ 983,487
	3,851,763	983,487
Less: Accumulated depreciation	(1,442,187)	(524,685)
Assets net of accumulated depreciation	<u>\$ 2,409,576</u>	<u>\$ 458,802</u>

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 4. Detailed Notes on all Funds (continued)

##### *Operating Leases*

The City leases copier equipment and certain vehicles under operating leases with varying duration. The total cost of Governmental Activity Leases was \$138,609 for the year ended September 30, 2017. Based on non-renewal options, future minimum lease payments for such operating leases were nominal in amount at September 30, 2017.

The City leases copier equipment and certain vehicles under operating leases with varying duration. The total cost of Business-type Activity Leases was \$107,271 for the year ended September 30, 2017. Based on non-renewal options, future minimum lease payments for such operating leases were nominal in amount at September 30, 2017.

The following are future minimum operating lease payments:

Year Ending September 30,	Governmental Activities	Business-type Activities
2018	\$ 138,609	\$ 107,271
2019	138,609	107,271
Total minimum lease payments	<u>\$ 277,218</u>	<u>\$ 214,542</u>

##### *Arbitrage Rebate*

Certain City long-term debt obligations are subject to Section 148 of the Internal Revenue Code that requires that interest earned on debt proceeds from tax-exempt debt be rebated to the federal government to the extent that those earnings exceed the interest cost on the related tax-exempt debt. The City has no arbitrage rebate liability at September 30, 2017.

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 5. Other Matters**

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. During fiscal year 2017:

- There were no significant reductions in insurance coverage from the previous year.
- No settlements in excess of insurance coverage in the three fiscal years ended September 30, 2017.

Liabilities of the funds (Loss Fund and G.R.I.T. Fund) are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR's) if such information is available. The result of the process to estimate the claims liability is not an exact amount as it depends on many factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent settlement trends and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other adjustment expenses regardless of whether allocated to specific claims. An estimated recovery, for example subrogation, is another component of the claims liability estimate. An excess coverage insurance policy covers individual property and liability claims in excess of \$50,000.

In 1998, the City established the Self-Insured Loss Fund covering workers compensation, and various lines of property and liability policies and claims for the City. The program provides for self-insurance coverage for property and liability insurance up to \$50,000 and \$350,000 for workers compensation, per claim. The Self-Insured Loss Fund is accounted for as an Internal Service Fund and is funded by the charges to other funds in amounts determined to finance the claims, including administration, and to pay excess insurance policy premiums.

Charges under the Self-Insured Loss Fund for the years ended September 30, 2017 and 2016 are summarized as follows:

	Self-Insured Loss Fund	
	FY2017	FY2016
General Fund	\$ 745,748	\$ 704,828
Special Revenue Funds	113	104
Enterprise Funds	862,195	804,940
Internal Service Funds	87,179	78,715
Trust Funds	300	300
Total Charges	1,695,535	1,588,887
Claims Settlements	326,708	238,892
Total Charges/Claims Settlements	\$ 2,022,243	\$ 1,827,779

City of Titusville, Florida

Notes to the Financial Statements  
September 30, 2017

---

**Note 5. Other Matters (continued)**

Changes in the balance of claims liability during the past three years based on actuarial analysis and discounted at a rate of 3.5% are as follows:

	Self-Insured Loss Fund	
	FY2017	FY2016
Unpaid claims, beginning of the year	\$ 1,124,997	\$ 1,235,000
Incurred claims (including IBNR's)	761,627	1,294,422
Claim payments	(711,624)	(1,404,425)
Unpaid claims, end of year	<u>\$ 1,175,000</u>	<u>\$ 1,124,997</u>

The City's G.R.I.T. Fund is accounted for as an Internal Service Fund. At this time, the fund has one remaining recipient with no known expiration. The changes in the balance in the last two years are:

	Workers Comp G.R.I.T. Fund	
	FY2017	FY2016
Unpaid claims, beginning of the year	\$ 15,683	\$ 15,683
Incurred claims (including IBNR's)	-	32,583
Claim payments	(15,683)	(32,583)
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ 15,683</u>

# City of Titusville, Florida

## Notes to the Financial Statements September 30, 2017

### Note 5. Other Matters (continued)

In October 2009, the City entered into an agreement with The Crowne Group, Care Here and Parrish Medical Center to establish an employer health center program with a shift to a Partially Self-Insured Health Fund cost arrangement, which provides medical insurance benefits to its employees and their eligible dependents. In accordance with Section 112.0801 of the Florida Statutes, the City is also required to provide retirees with the opportunity to participate in this plan. The Partially Self-Insured Health Fund is accounted for as an Internal Service Fund. Premiums are paid into the fund and are available to pay claims, claims reserves and administrative costs of the program.

	Partially Self- Insured Health	
	FY2017	FY2016
General Fund	\$ 2,514,531	\$ 2,103,982
Enterprise Funds	1,466,810	1,227,323
Internal Service Funds	209,544	175,332
Employees / Retirees	962,626	951,396
Total Charges	5,153,511	4,458,033
Miscellaneous	-	293,869
Total Charges/Miscellaneous	\$ 5,153,511	\$ 4,751,902

The City purchased a Stop-Loss Policy to reduce the City's exposure to large losses on health insurance claims. This policy reimburses the City for expenses related to claims exceeding \$135,000. Settlements for Partially Self-Insured Health Insurance Fund have not exceeded coverage for each of the three fiscal years ended September 30, 2017. Changes in the balance during the past two year's based on an actuarial analysis are as follows:

	Partially Self-Insured Health	
	FY2017	FY2016
Unpaid claims, beginning of the year	\$ 502,038	\$ 502,038
Incurred claims (including IBNR's)	4,875,902	5,591,800
Claim payments	(4,775,940)	(5,591,800)
Unpaid claims, end of year	\$ 602,000	\$ 502,038

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 5. Other Matters (continued)

In addition, the City has a Self-Insured Dental Fund, also accounted for as an Internal Service Fund. Premiums are paid into the fund and are available to pay claims, claim reserves and administrative costs of the program. Resources accumulated in the Self-Insured Dental Fund are dedicated to pay future dental claims of employees.

	Self-Insured Dental	
	FY2017	FY2016
General Fund	\$ 200,999	\$ 199,463
Special Revenue Funds	3,590	3,562
Enterprise Funds	114,856	113,978
Internal Service Funds	14,358	14,248
Employees	25,124	23,932
Total Charges	<u>\$ 358,927</u>	<u>\$ 355,183</u>

City Council approved a reserve of \$70,000 to be set aside for future dental claims. Changes in the balance of claims liability during the past two years are as follows:

	Self-Insured Dental	
	FY2017	FY2016
Unpaid claims, beginning of the year	\$ 82,431	\$ 86,923
Incurred claims (including IBNR's)	266,277	281,430
Claim payments	(267,043)	(285,922)
Unpaid claims, end of year	<u>\$ 81,665</u>	<u>\$ 82,431</u>

#### B. Other Post-Employment Benefits

##### Post-Employment Benefits Other than Pension Benefits (OPEB)

Effective for the fiscal year ended September 30, 2009, the City implemented the requirements of GASB Statement No. 43, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans and GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions, on a prospective basis. The GASB 74/75 disclosure results are developed using an October 1, 2016 valuation date. For purposes of GASB 75 reporting, the measurement date is September 30, 2017, with the measurement period equal to the fiscal year reporting period (consistent with the GASB 68 methodology used for the pension plan).

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 5. Other Matters (continued)

##### *Summary of Significant Accounting Policies*

The financial statements of the City's Other Post-Employment Benefits (OPEB) Fiduciary Trust Fund are prepared on the accrual basis of accounting. Plan members and employer contributions are recognized as revenues in the period in which the contributions are due; benefits are recognized as expenses when they are payable. The City established a new OPEB Fiduciary Trust Fund (the Trust) under Ordinance No. 1-2009 on January 27, 2009 pursuant to the requirements of implementing GASB 43 and GASB 45 for fiscal year 2009 governed by Section 115 of Internal Revenue Code. The OPEB Trust Fund is accounted for as a separate fiduciary fund of the City and governed by a five-member board of trustees (the Board) solely responsible for the oversight of the assets of the Trust; the Board does not have any other expressed or implied authority regarding the OPEB Plan. The City Council is solely responsible for the OPEB Plan itself.

##### *Plan Description*

The City of Titusville's Retiree Health Care Plan (Plan) is a single-employer defined benefit post employment health care plan that covers eligible retired employees. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical and dental coverage as a participant in the City's plan.

*Employees covered by benefit terms. At October 1, 2016, the following employees were covered by the benefit terms:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	313
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Active Plan Members	<u>396</u>
	<u>709</u>

##### *Benefits Provided*

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the City of Titusville are eligible to receive post-employment health care benefits. Coverage for retirees and their spouses and dependents is provided for the life of the retiree. The Trust was established to advance fund benefits provided under the Plan.

##### *Contributions*

The City of Titusville adopted health-related benefit changes during 2013 with effective dates varying by employee class (December 2013 for service workers represented by LIUNA, April 2014 for Fire and Non- represented employees, and June 2014 for Police employees).

For employees who retire after the effective dates listed above, the City of Titusville will contribute the greater of 50% of the active health premium or \$8/month for every year of service for retirees participating in the City's group insurance plans. This benefit is capped at \$500 a month.

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 5. Other Matters (continued)

For retirees who were hired after 10/1/2003, the City provides a credit of \$8/month for every year of service, up to a maximum of \$200/month, toward the premium of the City's group insurance plans. The retiree is responsible for 100% of the costs of dental coverage.

For all retirements prior to the effective dates listed above, the City of Titusville will continue to contribute a portion (either 75% or 100%) of the active health and dental premiums for retirees participating in the City's group insurance plans who were hired prior to 10/1/2003. The City's subsidy is no longer capped for these retirees, per the City Council's decision to rescind the cap at its May 9, 2017 meeting. For retirees who were hired after 10/1/2003, the City provides a credit of \$8/month for every year of service, up to a maximum of \$200/month, toward the premium of the City's group insurance plans.

Retirees may purchase spouse coverage through the City's group insurance plans at their own expense.

An employer-provided implicit subsidy for the health plan will still exist even for those participants receiving 50%, 75% or 100% of the premium paid by the City.

In future years, contributions are assumed to increase at the same rate as premiums.

Note that the projected premiums for the dental benefit are assumed to cover the entire cost of the program.

#### Net OPEB Liability

The measurement date for GASB 75 reporting is September 30, 2017.

The measurement period for the OPEB expense was October 1, 2016 to September 30, 2017.

The reporting period is October 1, 2016 through September 30, 2017.

The Sponsor's Net OPEB Liability was measured as of September 30, 2017.

The Total OPEB Liability used to calculate the Net OPEB Liability was determined as of that date.

Note - The Sponsor's Net OPEB Liability for the City of Titusville's ledger adjustment was measured as of September 30, 2016 using a discount rate of 3.06%. The Total OPEB Liability was "rolled-forward" from September 30, 2016 at 3.06%, thus producing no experience gain or loss for the period ending September 30, 2017.

#### *Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of October 1, 2016 using the following actuarial assumptions.

Inflation	2.50%
Salary increases	6.00%
Discount rate	3.64%
Investment rate of return	7.00%
Healthcare cost trend rates	4.00% - 8.75%



## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 5. Other Matters (continued)

##### *Mortality Rate Healthy Lives:*

For general employees, mortality rates were based on the RP-2000 mortality tables. For female lives, 100% of the white collar table was used. For male lives, a 50% white collar table, 50% blue collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB. For disabled lives, mortality rates were based on the RP-2000 sex-distinct disabled mortality tables with female lives set forward two (2) years, males lives set back four (4) years. Disabled mortality has not been adjusted for mortality improvements.

For police and fire employees, mortality rates were also based on various RP-2000 mortality tables. For female lives, 100% of the white collar table was used. For male lives, a 10% white collar table, 90% blue collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB. For disabled female lives, a blend of 60% of the RP-2000 disabled female mortality table set forward two (2) years, and 40% of the white collar table with no setback was used. For disabled male lives, a blend of 60% of the RP-2000 disabled male mortality table set back four (4) years and 40% of the white collar table with not setback was used. Disabled mortality has not been adjusted for mortality improvements.

The long-term expected rate of return on OPEB Plan investments was determined using the Investment Policy approved by council on March 14, 2017.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Actual Allocation	Long Term Expected Real Rate of Return
Domestic Equity	42%	45%	7.50%
International Equity	23%	23%	8.50%
Fixed Income	35%	30%	2.50%
Cash Equivalent	0%	2%	0.00%
Total	100.00%	100.00%	

Asset Class allocations were provided by the City. Long term expected real rates of return by asset class match those used in the pension valuation for the respective asset classes.

##### Discount Rate:

The City contributes a portion of the ARC to the fund annually, but otherwise funds benefits on a pay-as-you-go basis. The expected rate of return on trust investments is 7.00%. This rate was used to discount projected benefit payments for 0 years at which point the trust will become insolvent. The remaining projected benefit payments were discounted at a municipal bond rate. The high quality municipal bond rate, 3.64% was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Services's Aa2 rating and Standard & Poor's Corp's AA.

City of Titusville, Florida

Notes to the Financial Statements  
September 30, 2017

Note 5. Other Matters (continued)

City of Titusville, Florida  
Schedule of Changes in Net OPEB Liability  
Other Post-Employment Benefits Trust Fund  
For fiscal year ended September 30, 2017

	Total OPEB Liability	Net Plan Position	Net OPEB Liability
Reporting Period Ending Sept. 30, 2016	\$ 67,515,138	\$ 2,069,368	\$ 65,445,770
Changes for the Year:			
Service Cost	1,097,474	-	1,097,474
Interest	2,062,341	-	2,062,341
Changes of Assumptions	(5,423,507)	-	(5,423,507)
Explicit Contributions - Employer	-	1,657,884	(1,657,884)
Implicit Contributions - Employer	-	566,062	(566,062)
Explicit Contributions - Employee	-	443,463	(443,463)
Net Investment Income	-	284,346	(284,346)
Explicit Benefit Payments	(1,884,080)	(1,884,080)	-
Implicit Benefit Payments	(566,062)	(566,062)	-
Administrative Expense	-	(23,689)	23,689
Current year amortization of change in assumptions	-	-	-
Difference between projected & actual earnings on OPEB investments	-	(20,464)	20,464
Current Year Amortization	-	-	-
Net Changes	(4,713,834)	457,460	(5,171,294)
Balance at September 30, 2017	\$ 62,801,304	\$ 2,526,828	\$ 60,274,476

The following presents the Net OPEB Liability of the Sponsor, as well as what the Sponsor's Net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Sensitivity of the Net Pension Liability to the Changes in the Discount Rate

	1% Decrease 2.64%	Current Discount Rate 3.64%	1% Increase 4.64%
Net OPEB Liability	\$ 70,101,016	\$ 60,274,476	\$ 52,408,711

**City of Titusville, Florida**

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 5. Other Matters (continued)**

The following presents the Net OPEB Liability of the Sponsor, as well as what the Sponsor's Net OPEB Liability would be if it were calculated using a healthcare cost trend rates that is one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Sensitivity of the Net Pension Liability to the Changes in the Healthcare Cost Trend Rates

	1% Decrease 3.00% - 7.75%	Current Discount Rate 4.00% - 8.75%	1% Increase 5.00% - 9.75%
Net OPEB Liability	\$ 52,775,437	\$ 60,274,476	\$ 69,317,563

For the year ended September 30, 2017, the City recognized OPEB expense of \$1,375,087. On September 30, 2017, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred inflows of resources	Deferred outflows of resources
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	4,338,806	-
Net difference between projected and actual earnings on OPEB plan investments	-	16,371
Total	\$ 4,338,806	\$ 16,371

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

Year ending September 30,	
2018	\$ (1,080,608)
2019	\$ (1,080,608)
2020	\$ (1,080,608)
2021	\$ (1,080,611)
2022	\$ -

Money-Weighted Rate of Return:

For the fiscal year ended September 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 12.18%.

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 5. Other Matters (continued)

##### C. Employee Retirement Pension Plans

The City maintains two contributory single-employer defined benefit pension plans, which are maintained as pension trust funds and are reported herein as components of the City's reporting entity. Separate stand-alone financial statements for the two plans are not prepared. Separate boards of trustees independently govern each system.

Assets may not be transferred from one plan to another or used for any purpose other than to benefit each system's participants as defined in their authorizing ordinances.

##### *Summary of Significant Accounting Policies*

Basis of accounting: The City's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative expenses and fees attributable to each plan are deducted from the plan assets.

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

##### General Employees' Pension Plan

###### ***Plan Description***

The Plan is a single-employer defined pension plan administered by a Board of Trustees comprised of: three full-time General Employees of the system elected by the membership, one General Employee appointed by the Board and confirmed by the City Manager, one citizen selected by the Board and appointed by the City Council as a ministerial duty.

###### *Plan Membership as October 1, 2016:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	343
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	96
Active Plan Members	285
	<u>724</u>

The General Employees' Pension Plan covers all permanent, full-time City employees (excluding firefighters and sworn police officers). Civilians, clerical, and other non-combat employees of the police and fire departments are also included in the General Employees' Pension Plan. The City is required to contribute funds as necessary to maintain the plan actuarially.

The annual required contribution for the current year was determined as part of the October 1, 2016 actuarial valuation report, which incorporated any changes to the pension plan provisions, using the entry age normal

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 5. Other Matters (continued)**

actuarial cost method with the initial unfunded actuarial accrued liability determined by the entry age actuarial cost method, and amortization of unfunded past service liability over a 29 year period. The actuarial assumptions included: (a) 8% investment rate of return (net of administrative expenses), (b) projected salary increase of 5% per year, and (c) 2.5% annual inflation. The assumptions did not include post-retirement benefit increases.

*Benefits Provided*

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

Normal Retirement:

*For the frozen accrued benefit for all Members and for all benefits for Members with at least 10 Years of Service as of August 26, 2013:*

Date: First of the month coinciding with or following the earlier of: 1) age 58 and the completion of 7.5 years of Credited Service, or 2) the completion of 28 years of Credited Service, regardless of age.

Benefit: 2.482% of Average Final Compensation as of August 26, 2013 times Credited Service through

August 26, 2013 (Members who are eligible for Normal Retirement as of August 26, 2013 continue to accrue benefits under the old benefit structure).

Form of Benefit: Life Annuity (options available).

*For the benefits accrued on and after August 26, 2013:*

Date: First of the month coinciding with or following the earlier of: 1) age 58 and the completion of 7.5 years of Credited Service, or 2) the completion of 28 years of Credited Service, regardless of age.

Benefit: 2.0% of Average Final Compensation times Credited Service on and after August 26, 2013.

Form of Benefit: Life Annuity with 120 payments guaranteed (options available).

*For the benefits accrued on and after August 26, 2013 for Members with less than 10 Years of Service as of that date:*

Date: First of the month coinciding with or following the earlier of: 1) age 62 and the completion of 10 years of Credited Service, or 2) the completion of 30 years of Credited Service, regardless of age.

Early Retirement:

*For the frozen accrued benefit for all Members and for all benefits for Members with at least 10 Years of Service as of August 26, 2013:*

Date: Later of age 48 and the completion of 7.5 years of Credited Service.

Benefit: Same as for Normal Retirement but reduced 3% for each year that Early Retirement precedes Normal Retirement.

**City of Titusville, Florida**

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 5. Other Matters (continued)**

*For benefits accrued on and after August 26, 2013 for Members with less than 10 Years of service as of that date:*

Date: Later of age 52 and the completion of 10 years of Credited Service.

Benefit: Same as for Normal Retirement but actuarially reduced for Early Retirement.

Vesting:

Schedule: 0% for less than 10 years, 100% after 10 years. Members are 100% vested in their frozen accrued benefit as of August 26, 2013.

Benefit: Vested accrued benefit (determined as for Normal Retirement) paid beginning at the otherwise Normal Retirement Date.

Disability:

Eligibility: Total and permanent (as determined by the Board) after completion of 10 years of Credited Service.

Benefit: Accrued Benefit (determined as for Normal Retirement).

Maximum: Total of Plan, Workers Compensation, and Social Security benefits shall not exceed 100% of Average Final Compensation.

Death Benefits:

Vested: Beneficiary receives a monthly benefit which is the actuarial equivalent of 50% of the Member's accrued benefit at the date of death.

Prior to Vesting: None.

Contributions

Members: 2.5% of Salary

City: Remaining amount necessary to pay the Normal Cost and fund the accrued, past service liability over 30 years.

Net Pension Liability

The measurement date is September 30, 2017.

The measurement period for the pension expense was October 1, 2016 to September 30, 2017.

The reporting period is October 1, 2016 through September 30, 2017.

The Sponsor's Net Pension Liability was measured as of September 30, 2017.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 5. Other Matters (continued)

##### *Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary increases	5.00%
Discount rate	8.00%
Investment rate of return	8.00%

##### *Mortality Rate Healthy Lives:*

RP2000 Fully Generational with Scale BB, with collar and annuitant adjustments as follows:

Males - 50% Annuitant White Collar, 50% Annuitant Blue Collar.

Females - 100% Annuitant White Collar.

##### *Mortality Rate Disabled Lives:*

Mortality Table - RP2000 without projection, with the following adjustments:

Males - 100% Disabled Male with four year setback.

Females - 100% Disable Female with two year set forward.

The most recent actuarial experience study used to review the other significant assumptions was dated August 6, 2009.

##### Investments:

##### *Investment Policy*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017 are summarized in the following table:

Asset Class	Target Allocations	Long Term Expected Real Rate of Return
All Cap Value Equity	15.00%	8.00%
Broad Growth Equity	15.00%	8.00%
Index Core	15.00%	8.00%
Foreign Equity Securities	15.00%	9.00%
Domestic Fixed Income	15.00%	3.00%
Global Fixed Income	5.00%	4.00%
Global Bond	5.00%	4.00%
Real Estate	10.00%	5.00%
TIPS	5.00%	3.00%
Total	100.00%	

**City of Titusville, Florida**

**Notes to the Financial Statements**  
**September 30, 2017**

**Note 5. Other Matters (continued)**

Discount Rate:

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

City of Titusville, Florida  
Schedule of Changes in Net Pension Liability  
General Employees' Retirement Trust Fund  
For fiscal year ended September 30, 2017

	<b>Total Pension Liability</b>	<b>Net Plan Position</b>	<b>Net Pension Liability</b>
Reporting Period Ending September 30, 2016	\$ 60,459,430	\$ 53,281,168	\$ 7,178,262
Changes for the Year:			
Service Cost	933,328	-	933,328
Interest	4,718,214	-	4,718,214
Difference Expected/Actual Experience	411,551	-	411,551
Changes of Assumptions	-	-	-
Current Year Amortization of Experience Difference	-	-	-
Changes of benefit terms	-	-	-
Current Year Amortization of change in Assumptions	-	-	-
Contributions - Employer	-	2,293,318	(2,293,318)
Contributions - Employee	-	296,609	(296,609)
Contributions buy back	-	-	-
Net Investment Income	-	4,169,404	(4,169,404)
Difference between Projected and Actual Earnings on Pension Plan Investments	-	3,194,832	(3,194,832)
Current Year Amortization	-	-	-
Benefit Payments/Refunds	(4,830,173)	(4,830,173)	-
Administrative Expense	-	(86,989)	86,989
Net Changes	1,232,920	5,037,001	(3,804,081)
Balance at September 30, 2017	\$ 61,692,350	\$ 58,318,169	\$ 3,374,181



**City of Titusville, Florida**

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 5. Other Matters (continued)**

Sensitivity of the Net Pension Liability to the Changes in the Discount Rate

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability	\$ 9,613,322	\$ 3,374,181	\$(1,903,258)

For the year ended September 30, 2017, the City recognized pension expense of \$1,059,790 for the General Employees' Pension Plan. On September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the General Employees Pension Plan from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 276,142	\$ -
Changes of assumptions	529,919	-
Net difference between projected and actual earnings on pension plan investments	-	2,279,417
Total	\$ 806,061	\$ 2,279,417

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

Year ending September 30,	
2018	\$ 77,607
2019	\$ 18,517
2020	\$ (930,514)
2021	\$ (638,966)
2022	\$ -

**Money-Weighted Rate of Return:**

For the fiscal year ended September 30, 2017, the annual money-weighted rate of return on Plan investments was 14.08%.

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 5. Other Matters (continued)

##### Plan Descriptions

##### Police Officers' and Firefighters' Pension Plan

###### *Plan Administration*

###### Board of Trustees:

The Plan is administered by a Board of Trustees comprised of: Police Chief, Fire Chief, Commander designated by Police Chief, Division Chief designated by Fire Chief, two elected members from each department, one citizen selected by a majority of other members and appointed by the City Council as a ministerial duty.

###### *Plan Membership as of October 1, 2016:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	122
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	36
Active Plan Members	130
	<u>288</u>

The Police Officers' and Firefighters' Pension Plan covers all permanent, full-time employees classified as combat firefighters and sworn police officers and became a contributory plan on December 22, 1986. The plan requires participating employees to contribute 8% of gross earnings to the Police Officers' and Firefighters' Pension Fund by its members, and earns interest at the rate of 8% per annum compounded as of the first of January of each calendar year. The payments are deducted from the employees' wages and remitted by the City to the fund bi-weekly. If a police officer or firefighter terminates prior to vesting, he/she is entitled to withdraw their portion of the contributions plus normal interest. The State of Florida also contributes payments to the Police Officers' and Firefighters' Plan as provided in Chapters 175 and 185 of the Florida Statutes. This contribution by the State of Florida is first recognized as revenue in the General Fund before being transferred to the Pension Fund. The City contributes the amount necessary to pay the normal cost and fund the actuarial-accrued liability over not more than a 30 year period.

###### *Benefits Provided*

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

###### Normal Retirement:

###### *Benefit for Service Prior to June 1, 2013:*

Date: First of the month coinciding with or following the earlier of age 55 and the completion of eight (8) years of Credited Service or the completion of twenty-five (25) years of Credited Service regardless of age.

Benefit: 3.0% of Average Final Compensation (Before June 1, 2013) times Credited Service.

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 5. Other Matters (continued)

##### *Benefit Accrued for Service After June 1, 2013:*

Date: Remains the same for those with at least ten (10) years of service as of this date. For members with less than ten (10) years of service, is the earlier of age 55 and the completion of ten (10) years of Credited Service or age 52 with twenty-five (25) years of Credited Service.

Benefit: 2.5% of Average Final Compensation (5-Years) times Credit Service.

Members eligible for retirement prior to June 1, 2013 will continue to follow the same structure as before these amendments were adopted.

##### Early Retirement:

Eligibility: With at least ten (10) years of Credited Service, age 50.

Benefit: Same as for Normal Retirement but reduced by 3% per year prior to age 55 to reflect early payment.

##### Vesting:

Schedule: Before June 1, 2013: 0% for first seven (7) years, 100% after eight (8) years.

After June 1, 2013: 100% for ten (10) years (All members are 100% vested in their frozen accrued benefit as of June 1, 2013).

Benefit: Before June 1, 2013: Frozen vested accrued benefit as of June 1, 2013 paid beginning at age 55.

After June 1, 2013: Vested accrued benefit based on service earned after June 1, 2013.

Terminated vested members may elect a refund of contributions or a monthly annuity payable upon reaching age 55.

Non-vested members receive a refund of contributions.

##### Disability:

Eligibility: Total and permanent (as determined by the Board). Members covered from date of hire (Service incurred) or after completion of ten (10) years of Credited Service (Non-service incurred).

Benefit: Accrued benefit (determined as for Normal Retirement). Benefit shall not be less than 50% of Average Final Compensation for service incurred disability.

Maximum: Total of Plan and Workers Compensation benefits shall not exceed 100% of Average Monthly Wage.

##### Death Benefits:

Service Incurred: Coverage from date of employment; beneficiary receives greater of accrued benefit or 50% of Average Final Compensation for life, with a maximum payment period of twenty-five (25) years for non-spouse beneficiaries only.

Non-Service Incurred: Coverage after eight (8) years of service; same benefit as Service Incurred.

## City of Titusville, Florida

### Notes to the Financial Statements September 30, 2017

---

#### Note 5. Other Matters (continued)

##### Cost of Living Adjustment:

Eligibility: Normal and Early Retirees (and Disability Retirees who otherwise meet the requirements for Normal or Early Retirement at the time of Disability Retirement) hired before June 1, 2013.

Benefit: 1.277% automatic lifetime COLA, beginning the first October 1 following one full year of retirement. For members not eligible for Normal Retirement as of June 1, 2013 shall only apply to credited service earned prior to June 1, 2013.

##### Contributions

Members: Before June 1, 2013: 6.5% of salary.

After June 1, 2013: 8.0% of salary.

State: Tax on premiums for fire and casualty insurance issued to residents of the City as provided in Chapter 175 and 185, Florida Statutes.

City: Remaining amount necessary to pay the normal cost and fund the accrued past service liability over 30 years.

##### Net Pension Liability

The measurement date is September 30, 2017.

The measurement period for the pension expense was October 1, 2016 to September 30, 2017.

The reporting period is October 1, 2016 through September 30, 2017.

The Sponsors' Net Pension Liability was measured as of September 30, 2017.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

##### *Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of October 1, 2016 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary Increases	6.00%
Discount Rate	8.00%
Investment Rate of Return	8.00%

##### *Mortality Rate Healthy Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

##### *Mortality Rate Disabled Lives:*

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four year / 40% Annuitant White Collar with no setback, no projection scale.

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 5. Other Matters (continued)**

The most recent actuarial experience study used to review the other significant assumptions was dated August 10, 2016.

Investments:

Investment Policy

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

Asset Class	Target Allocations	Long Term Expected Real Rate of Return
All Cap Value Equity	15.00%	7.50%
Broad Growth Equity	15.00%	7.50%
Index Core	15.00%	7.50%
Foreign Equity Securities	15.00%	8.50%
Domestic Fixed Income	15.00%	2.50%
Global Fixed Income	5.00%	3.50%
Global Bond	5.00%	3.50%
TIPS	5.00%	2.50%
Real Estate	10.00%	4.50%
Total	100.00%	

Discount Rate:

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

**City of Titusville, Florida**

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 5. Other Matters (continued)**

City of Titusville, Florida  
Schedule of Changes in Net Pension Liability  
Police Officers' and Firefighters' Retirement Trust Fund  
For fiscal year ended September 30, 2017

	<b>Total Pension Liability</b>	<b>Net Plan Position</b>	<b>Net Pension Liability</b>
Reporting Period Ending September 30, 2016	\$ 62,043,178	\$ 53,286,168	\$ 8,757,010
Changes for the Year:			
Service Cost	978,374	-	978,374
Interest	4,845,726	-	4,845,726
Change in Excess State Money	-	-	-
Difference Expected/Actual Experience	125,344	-	125,344
Changes of Assumptions	-	-	-
Current Year Amortization of Experience Difference	-	-	-
Changes of Benefit Terms	-	-	-
Current Year Amortization of change in Assumptions	-	-	-
Contributions - Employer	-	1,662,032	(1,662,032)
Contributions - State	-	681,740	(681,740)
Contributions - Employee	-	475,109	(475,109)
Contributions - Buy Back	-	-	-
Net Investment Income	-	4,176,379	(4,176,379)
Difference between Projected and Actual Earnings on Pension Plan Investments	-	3,221,413	(3,221,413)
Current Year Amortization	-	-	-
Benefit Payments/Refunds	(4,899,952)	(4,899,952)	-
Administrative Expenses	-	(81,782)	81,782
Net Changes	1,049,492	5,234,939	(4,185,447)
Balance at September 30, 2017	\$ 63,092,670	\$ 58,521,107	\$ 4,571,563

City of Titusville, Florida

Notes to the Financial Statements  
September 30, 2017

---

**Note 5. Other Matters (continued)**

Sensitivity to the Net Pension Liability to Changes in the Discount Rate

	1% Decreases 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability	\$ 11,820,678	\$ 4,571,563	\$(1,469,911)

For the year ended September 30, 2016, the City of Titusville recognized pension expense of \$1,236,541 for the Police Officers' and Firefighters' Pension Plan. On September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the Police Officers' and Firefighters' Pension Plan from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 172,042	\$ 273,533
Changes of assumptions	911,154	-
Net difference between projected and actual earnings on pension plan investments	-	1,872,456
Total	\$ 1,083,196	\$ 2,145,989

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

Year ending September 30:	
2018	\$ (17,855)
2019	\$ 559,550
2020	\$ (960,205)
2021	\$ (644,283)
2022	\$ -

Money-Weighted Rate of Return:

For the fiscal year ended September 30, 2016, the annual money-weighted rate of return on Plan investments was 14.17%.

City of Titusville, Florida

Notes to the Financial Statements  
September 30, 2017

Note 5. Other Matters (continued)

City of Titusville, Florida Statement of Fiduciary Net Position Pension Trust Funds September 30, 2017		
	General Employees' Retirement Trust	Police Officers' and Firefighters' Retirement Trust
Assets		
Cash	\$ -	\$ 4,685
Interest Receivable	83,340	73,447
Investments:		
Cash with Fiscal Agent	1,625,656	851,269
Money Market Fund	744,916	20,664
Federal Agency Bonds/Notes	1,552,698	1,281,465
U.S. Treasury Bonds/Notes	2,496,857	4,218,791
Municipal Bonds/Notes	614,110	345,041
Corporate Bonds	4,335,307	3,633,128
Corporate Stock	31,503,992	27,192,213
Mutual Funds - Bonds	2,433,920	3,376,535
Mutual Funds - Equity	6,549,978	10,212,848
Real Estate	6,495,303	7,393,932
Total Investments	58,436,077	58,599,333
Total Assets	58,436,077	58,604,018
Liabilities and Net Position		
Liabilities:		
Accounts Payable	1,570	9,464
Net Position	\$ 58,434,507	\$ 58,594,554



City of Titusville, Florida

Notes to the Financial Statements  
September 30, 2017

Note 5. Other Matters (continued)

City of Titusville, Florida  
Statement of Changes in Fiduciary Net Position  
Pension Trust Funds  
For Fiscal Year Ended September 30, 2017

	General Employees' Retirement Trust	Police Officers' & Firefighters' Retirement Trust
Additions		
Contributions:		
Employer	\$ 2,371,378	\$ 1,662,032
Employee	296,609	475,109
State of Florida	-	681,740
Total Contributions	2,667,987	2,818,881
Investment Income:		
Interest and Dividends	1,020,996	1,220,707
Net Change in Fair Value of Investments	6,511,821	6,276,769
Total investment income (loss)	7,532,817	7,497,476
Less Investment-related Expense (1)	(31,183)	(30,966)
Miscellaneous Revenue	158,275	131,843
Total	10,327,896	10,417,234
Deductions		
Pension and Other Employee Benefits	4,797,175	4,900,375
Administrative Expense	299,322	208,473
Total	5,096,497	5,108,848
Change in Net Position	5,231,399	5,308,386
Net Position – beginning of year	53,203,108	53,286,168
Net Position – end of year	\$ 58,434,507	\$ 58,594,554

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

**Notes to the Financial Statements**  
**September 30, 2017**

---

**Note 5. Other Matters (continued)**

**D. Deferred Compensation Plans**

The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 457; i.e., International City Managers' Association (ICMA) or Nationwide Retirement Solutions (PEBSO). The plans are available to all City employees and permit employees to defer a portion of their salary until future years. Participation in either of the plans is optional. Deferred compensation withdrawals are not available to employees until termination, retirement, death or an unforeseeable emergency.

In accordance with current professional pronouncements, the City has not included such funds in its financial statements.

On June 11, 2013, the City approved Resolution 18-2013 adopting a Money Purchase Defined Contribution Plan that is qualified under Section 401 (a) of the Internal Revenue Code, to eligible employees who participate in the City's 457(b) Deferred Compensation Plan. Effective for plan years beginning June 30, 2013 for Police and Firefighters and August 26, 2013 for General Employees, the City has made matching contributions to the City's 401(a) Money Purchase Defined Contribution Plan on a dollar for dollar basis, up to three percent of the employee base pay that the employee contributes to the City's 457(b) plan.

The Plan will provide for immediate vesting of the employee contributions and earnings on employee contributions to the 457(b) plan, however, employer contributions and earnings on employer contributions to the 401(a) defined contribution plan is vested after five years of participation in the DC Plan.

**E. Equity Interest in Joint Venture**

On May 24, 2010, the City entered into a joint venture with Farmton Water Resources LLC (Farmton) for the purpose of establishing a cooperative arrangement for the construction, installation and operation of a well field for the supply of water to the benefit of existing and future customers. TIFA LLC (TIFA), a limited liability company, was created for that purpose. The City and Farmton are required to contribute 50% each to the cost of constructing and maintaining the well field. Business and affairs of TIFA are managed by a management committee that is made up of two members, designated by the City and Farmton, respectively. Distributions of the amount equal to all cash receipts less all cash expenditures will be made, no less frequently than annually, based on membership interest at the time. On dissolution, the net assets of TIFA will be distributed based on membership interest at the time. If the reader should require further information, such as the financial statements of the joint venture, please contact: Sean Stauffer, 555 S. Washington Avenue, Titusville, Florida 32781.

Notes to the Financial Statements  
September 30, 2017

---

**Note 5. Other Matters (continued)**

**F. Contingent Liabilities**

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

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

**Note 6. Commitments**

The City constructed approximately 75,000 linear feet of new 20-inch diameter transmission main that conveys raw water from the Area IV Well Field to the City's Mourning Dove Water Treatment Plant. The City has been awarded Drinking Water Revolving Fund financial assistance for this project. As part of that program, only 57% of the amount received will have to be paid back; the remaining 43% is "forgiven". With the construction of Phase 1 of the Area IV Well Field completed in December 2012, the City of Titusville began processing water from six wells providing 0.75 MGD (million gallons daily). The TIFA, LLC 2013 budget was forecasted to produce 0.76 MGD at a rate of \$1.86/1000 gallon. Funds for the Area IV Phase II Well Field construction were included in the City's FY2013 budget and construction began the summer of 2013. In October 2015, Phase II of the Area IV Well Field construction was completed and the City began processing water from nine additional wells providing 2.75 MDG to the City. There are no commitments to carry forward of encumbrances for FY2017.

**Note 7. Subsequent Events**

The City was hit by two hurricanes in Fiscal Year 2017, Matthew (October 2016 and Irma (September 2017). Project Worksheets (PW's) have been submitted for Hurricane Matthew for expenses totaling \$618,291 of this amount Federal Emergency Management Agency (FEMA) has obligated \$289,570 in Fiscal Year 2017 and \$277,644 in Fiscal Year 2018, the balance of \$51,077 is being appealed. No PW has been submitted for Hurricane Irma as of the end of Fiscal Year 2017, the estimated expenses recognized on Fiscal Year 2017 financial statement is \$338,405, out of the total estimated expense is \$1,394,121.

**Note 8. New Accounting Pronouncements**

The Governmental Accounting Standards Board ("GASB") has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City's financial statements:

- (a) GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, in March 2016, which requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. GASB 81 enhances comparability of financial statements by providing accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. The provisions in GASB 81 are effective for fiscal years beginning after December 15, 2016.

Notes to the Financial Statements  
September 30, 2017

---

**Note 8. New Accounting Pronouncements (continued)**

- (b) GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, in November 2016. GASB 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs), which are legally enforceable liabilities associated with the retirement of a tangible capital asset. The provisions in GASB 81 are effective for periods beginning after June 15, 2018.
- (c) GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2018.
- (d) GASB issued Statement No. 85, *Omnibus 2017*, in March 2017. GASB 85 improves guidance addressing several different accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements. The provisions in GASB 85 are effective for periods beginning after June 15, 2017.
- (e) GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, in May 2017. GASB 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources. The provisions in GASB 86 are effective for periods beginning after June 15, 2017.
- (f) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions in GASB 87 are effective for periods beginning after December 15, 2019.

City of Titusville, Florida

Required Supplementary Information  
September 30, 2017

Schedule of Funding Progress

Schedule of Changes in Net OPEB Liability and Related Ratios  
Other Post-Employment Benefits Trust Fund  
Last 10 Fiscal Years\*

	9/30/2017
Total Pension Liability	
Service Cost	\$ 1,097,474
Interest	2,062,341
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(5,423,507)
Explicit Benefit Payments	(1,884,080)
Implicit Benefit Payments	(566,062)
Net Change in Total OPEB Liability	\$ (4,713,834)
Total Pension Liability - Beginning	67,515,138
Total Pension Liability - Ending (a)	62,801,304
Plan Fiduciary Net Position	
Explicit Contributions - Employer	1,657,884
Implicit Contributions - Employer	566,062
Explicit Contributions - Employee	443,463
Net Investment Income	263,882
Explicit Benefit Payments	(1,884,080)
Implicit Benefit Payments	(566,062)
Administrative Expense	(23,689)
Net Change in Plan Fiduciary Net Position	457,460
Plan Fiduciary Net Position - Beginning	2,069,368
Plan Fiduciary Net Position - Ending (b)	2,526,828
Net Pension Liability - Ending (a) - (b)	60,274,476
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.02%
Covered Employee Payroll*	\$ 16,889,001
Net Pension Liability as a Percentage of covered Employee Payroll	356.89%

\*10 years of data will be presented as it becomes available

**City of Titusville, Florida**

**Required Supplementary Information**  
**September 30, 2017**

---

No separate financial statements are issued by the Trust Fund; the Trust Fund is reporting herein as a Fiduciary Fund of the City only.

City of Titusville, Florida  
Statement of Fiduciary Net Position  
Other Post-Employment Benefits Trust Fund  
September 30, 2017

Assets	
Cash	\$ 35,631
Investments:	
Money market funds	42,592
Mutual funds-bonds	746,399
Mutual funds-equity	1,702,206
Total investments	<u>2,491,197</u>
Total assets	<u>2,526,828</u>
Net Position	
Restricted for other post-employment benefits	<u><u>\$ 2,526,828</u></u>

City of Titusville, Florida

Required Supplementary Information  
September 30, 2017

---

Statement of Changes in Fiduciary Net Position  
Other Post-Employment Benefits Trust Fund  
For Fiscal Year Ended September 30, 2017

Additions	
Contributions:	
Employer	\$ 1,657,884
Employee	443,463
Total contributions	<u>2,101,347</u>
Investment earnings	
Interest and dividends	48,303
Net change in the fair value of investments	<u>215,579</u>
Total investment income (loss)	<u>263,882</u>
Total	<u>2,365,229</u>
Deductions	
Pension and other employee benefits	1,884,080
Administrative expenses	<u>23,689</u>
Total	<u>1,907,769</u>
Change in net position	<u>457,460</u>
Net position – beginning of year	<u>2,069,368</u>
Net position – end of Year	<u>\$ 2,526,828</u>

City of Titusville, Florida

Required Supplementary Information  
September 30, 2017

General Employees' Pension Trust

Schedule of Changes in Net Pension Liability and Related Ratios  
General Employees' Pension  
Last 10 Fiscal Years\*\*

	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability					
Service Cost	\$ 933,328	\$ 821,468	\$ 738,499	\$ 751,425	\$ 695,764
Interest	4,718,214	4,552,082	4,573,039	4,541,119	4,491,722
Changes of benefit terms	-	(88,592)	-	-	-
Differences between expected and actual experience	411,551	5,321	(870,999)	-	-
Changes of assumptions	-	1,589,756	-	-	-
Contributions - Buy Back	-	11,869	-	4,201	-
Benefit Payments, Including Refunds of Employee Contributions	(4,830,173)	(5,201,251)	(4,192,511)	(5,577,127)	(3,674,232)
Net Change in Total Pension Liability	1,232,920	1,690,653	248,028	(280,382)	1,513,254
Total Pension Liability - Beginning	60,459,430	58,768,777	58,520,749	58,801,131	57,287,877
Total Pension Liability - Ending (a)	61,692,350	60,459,430	58,768,777	58,520,749	58,801,131
Plan Fiduciary Net Position					
Contributions - Employer	2,293,318	2,659,078	3,260,781	3,318,730	2,696,739
Contributions - Employee	296,609	274,825	234,781	217,529	401,924
Contributions - Buy Back	-	11,869	-	4,201	-
Net Investment Income	7,364,236	5,382,430	(10,393)	6,042,957	6,162,982
Benefit Payments, Including Refunds of Employee Contributions	(4,830,173)	(5,201,251)	(4,192,511)	(5,577,127)	(3,674,232)
Administrative Expense	(86,989)	(64,283)	(66,386)	(63,273)	(56,206)
Net Change in Plan Fiduciary Net Position	5,037,001	3,062,668	(773,728)	3,943,017	5,531,207
Plan Fiduciary Net Position - Beginning	53,281,168	50,218,500	50,992,228	47,049,211	41,518,005
Plan Fiduciary Net Position - Ending (b)	58,318,169	53,281,168	50,218,500	50,992,228	47,049,212
Net Pension Liability - Ending (a) - (b)	\$ 3,374,181	\$ 7,178,262	\$ 8,550,277	\$ 7,528,521	\$ 11,751,919
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.53%	88.13%	85.45%	87.14%	80.01%
Covered Employee Payroll*	\$ 11,864,349	\$ 10,993,097	\$ 9,798,102	\$ 8,701,160	\$ 8,550,218
Net Pension Liability as a Percentage of covered Employee Payroll	28.44%	65.30%	87.26%	86.52%	137.45%



**General Employees' Pension Trust (continued)**

**Notes to Schedule:**

\*The Covered Employee Payroll numbers shown are in compliance with GASB 68, except for the 09/30/2015 measurement period which includes DROP payroll.

\*\*Information is not available prior to fiscal year 2013.

*Changes of benefit terms:*

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from presuming passage of a proposed ordinance which clarifies that the normal form of payment for the benefit accrued on and after August 23, 2013 is a life annuity instead of a life annuity which the first 120 payments guaranteed. An Impact Statement was submitted for this proposed clarification.

*Changes of assumptions:*

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by Florida Retirement System.

The inflation assumption rate was lowered from 3.00% to 2.5%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

City of Titusville, Florida

Required Supplementary Information  
September 30, 2017

General Employees' Pension Trust (continued)

**Schedule of Investment Returns**  
**General Employees' Pension**  
**Last 10 Fiscal Years\***

Annual Money-Weighted Rate of Return Net of Investment Expense

2017	14.08%
2016	10.92%
2015	-0.02%
2014	12.97%
2013	14.89%

**Schedule of Contributions**  
**General Employees' Pension**  
**Last 10 Fiscal Years\***

	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially Determined Contribution	\$ 2,293,207	\$ 2,659,078	\$ 3,260,781	\$ 3,318,730	\$ 2,696,739
Contributions in Relation to the					
Actuarially Determined Contributions	2,293,318	2,659,078	3,260,781	3,318,730	2,696,739
Contribution Excess(Deficiency)	\$ (111)	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	11,864,349	10,993,097	9,798,102	8,701,160	8,550,218
Contributions as a Percentage of					
Employee Payroll	19.33%	24.19%	33.28%	38.14%	31.54%

\*Information is not available prior to fiscal 2013.

**Required Supplementary Information**  
**September 30, 2017**

---

**General Employees' Pension Trust Notes to Schedules**

Valuation Date to calculate actuarially determined contributions: 10/01/2015

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the sponsor funding requirement:  
Interest - a half year, based on the current 8.0% assumption.  
Salary - a full year based on the current 5.0% assumption.

Amortization Method: Level percentage of pay, closed.  
Remaining Amortization Period: 30 Years (as of 10/01/2015).

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

Inflation: 3.0% per year.

Salary Increases: 5.0% per year until the assumed retirement age.  
For members eligible for Normal Retirement as of August 26, 2013:  
Projected salary at retirement is increased 25% to account for non-regular compensation.  
For members not eligible for Normal Retirement as of August 26, 2013 with at least ten (10) years of service as of that date: The projected frozen benefit as of August 26, 2013 includes a 25% load for the final year included in the averaging period.  
For members with less than ten (10) years of service as of August 26, 2013: No load is assumed.

Interest Rates: 8% per year compounded annually, net of investment related expenses.

Payroll Growth: Up to the actual ten-year average payroll growth; 0% used for the October 1, 2014 valuation.

Retirement Age: Those with at least ten (10) years of service as of August 26, 2013:  
Earlier of: 1) age 58 and 7.5 years of service or 2) twenty-eight (28) years of service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.  
Those with less than ten (10) years of service as of August 26, 2013:  
Earlier of: 1) age 62 and ten (10) years of service or 2) thirty (30) years of service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.

Early Retirement: Commencing at eligibility for Early Retirement members are assumed to retire with an immediate benefit at the rate of 5% per year.

Mortality: RP2000 Combined Healthy Table (sex distinct), projected to valuation date using scale AA (previously static). Disabled lives are set forward 5 years.

Termination and Disability Rate Tables:

Age	%Terminating During the Year	% Becoming Disabled During the Year
20	38.0%	0.051%
30	24.0%	0.058%
40	13.2%	0.121%
50	7.0%	0.429%

City of Titusville, Florida

Required Supplementary Information  
September 30, 2017

Police Officers' and Firefighter's Pension Trust

Schedule of Changes in Net Pension Liability and Related Ratios  
Police Officers' and Firefighters' Pension  
Last 10 Fiscal Years\*\*

	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability					
Service Cost	\$ 978,374	\$ 937,776	\$ 879,893	\$ 844,189	\$ 781,656
Interest	4,845,726	4,597,357	4,548,755	4,489,894	4,427,655
Change in excess state money	-	(214,112)	-	-	-
Change in benefit terms	-	(4,647)	-	-	-
Differences between expected and actual experience	125,344	156,069	(1,094,130)	-	-
Changes of assumptions	-	1,822,308	-	-	-
Contribution - Buy Back	-	-	45,901	33,664	-
Benefit Payments, Including Refunds of Employee Contributions	(4,899,952)	(3,999,048)	(3,653,202)	(5,682,176)	(3,305,528)
Net Change in Total Pension Liability	1,049,492	3,295,703	727,217	(314,429)	1,903,783
Total Pension Liability - Beginning	62,043,178	58,747,475	58,020,258	58,334,687	56,430,904
Total Pension Liability - Ending (a)	63,092,670	62,043,178	58,747,475	58,020,258	58,334,687
Plan Fiduciary Net Position					
Contributions - Employer	1,662,032	1,925,864	2,320,434	2,445,395	2,200,133
Contributions - State	681,740	731,350	670,201	724,287	671,213
Contributions - Employee	475,109	513,866	495,762	451,474	447,451
Contributions - Buy Back	-	-	45,901	33,664	-
Net Investment Income	7,397,792	5,588,136	(1,138,997)	5,183,029	5,960,691
Benefit Payments, Including Refunds of Employee Contributions	(4,899,952)	(3,999,048)	(3,653,202)	(5,682,176)	(3,305,528)
Administrative Expense	(81,782)	(72,096)	(75,162)	(64,150)	(69,845)
Net Change in Plan Fiduciary Net Position	5,234,939	4,688,072	(1,335,063)	3,091,523	5,904,115
Plan Fiduciary Net Position - Beginning	53,286,168	48,598,096	49,933,159	46,841,636	40,937,521
Plan Fiduciary Net Position - Ending (b)	58,521,107	53,286,168	48,598,096	49,933,159	46,841,636
Net Pension Liability - Ending (a) - (b)	\$ 4,571,563	\$ 8,757,010	\$ 10,149,379	\$ 8,087,099	\$ 11,493,051
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.93	0.86	0.83	0.86	0.80
Covered Employee Payroll*	\$ 6,666,701	\$ 6,423,341	\$ 6,514,768	\$ 6,629,574	\$ 5,990,707
Net Pension Liability as a Percentage of Covered Employee Payroll	0.69	1.36	1.56	1.22	1.92

**Police Officers' and Firefighter's Pension Trust**

**Notes to Schedule:**

\*The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

\*\*Information is not available prior to fiscal year 2013.

*Changes of benefit terms:*

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from an Actuarial Impact Statement dated February 10, 2017.

*Changes of assumptions:*

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.5%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

**Police Officers' and Firefighter's Pension Trust (continued)**

**Schedule of Investment Returns  
Police Officers' and Firefighters' Pension  
Last 10 Fiscal Years\***

Annual Money-Weighted Rate of Return Net of Investment Expense		
	2017	14.17%
	2016	11.65%
	2015	-2.27%
	2014	11.20%
	2013	14.41%

**Schedule of Contributions  
Police Officers' and Firefighters' Pension  
Last 10 Fiscal Years\***

	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially Determined Contribution	\$ 2,378,374	\$ 2,544,678	\$ 2,990,635	\$ 3,169,682	\$ 2,871,346
Contributions in Relation to the Actuarially Determined Contributions	2,343,772	2,657,214	2,990,635	3,169,682	2,871,346
Contribution (Deficiency) Excess	\$ 34,602	\$ (112,536)	\$ -	\$ -	\$ -
Covered Employee Payroll	6,666,701	6,423,341	6,514,768	6,629,574	5,990,707
Contributions as a Percentage of Employee Payroll	35.16%	41.37%	45.91%	47.81%	47.93%

\*Information is not available prior to fiscal 2013.

## City of Titusville, Florida

### Required Supplementary Information September 30, 2017

---

#### Police Officers' and Firefighters' Pension Notes to Schedules

Valuation Date to calculate actuarially determined contributions: 10/01/2014

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor funding requirement:  
Interest - a half year, based on the current 8.0% assumption.  
Salary - a full year, based on the current 6.0% assumption.

Amortization Method: Level percentage of pay, closed.

Remaining Amortization Period: 27 Years (as of 10/01/2014).

Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the four- year geometric average of Market Value returns (net-of-fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.

Inflation: 3.0% per year.

Salary Increases: 6.0% per year until the assumed retirement age.  
For members eligible for retirement on June 1, 2013:  
Projected salary at retirement is increased 25% to account for non-regular compensation.

Interest Rates: 8.0% per year compounded annually, net of related expenses.

Payroll Growth: 1.5%

Retirement Age: Those with at least ten (10) years of service as of June 1, 2013:  
Earlier of: 1) age 55 and (8) years of service or (25) years regardless of age.  
Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.  
Those with less than ten (10) years of service as of June 1, 2013:  
Earlier of age 55 and ten (10) years of service or age 52 with twenty-five (25) years of service.  
Also, any member who has reached Normal Retirement is assumed to continued employment for one additional year.

Early Retirement: Commencing at eligibility for Early Retirement (age 50 with 10 years of service), members are assumed to retire with an immediate benefit at the rate of 5% per year. The assumption is 2% per year for members who have at least ten (10) years of service on June 1, 2013.

Mortality: RP2000 (combined healthy with no projection). Disabled lives are set forward 5 years. Based on a study of over 650 public safety funds, this reflects a 10% margin for future mortality improvements.

Termination and Disability Rate Tables:

Age	%Terminating During the Year	% Becoming Disabled During the Year
20	9.4%	0.14%
30	8.7%	0.19%
40	6.7%	0.32%
50	4.1%	1.10%
52	3.4%	1.31%

City of Titusville, Florida

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the Fiscal Year Ended September 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues				
Property taxes	\$ 11,293,545	\$ 11,487,418	\$ 11,487,418	\$ -
Local option gas tax	1,193,367	1,077,992	1,185,532	107,540
Utility and franchise taxes	8,315,433	8,200,058	8,785,489	585,431
Intergovernmental	5,031,792	4,957,913	4,924,838	(33,075)
Licenses and permits	1,230,400	1,530,400	1,705,748	175,348
Charges for services	4,149,462	4,257,071	4,439,720	182,649
Fines and forfeitures	190,000	190,000	282,275	92,275
Investment earnings (loss)	70,000	70,000	99,073	29,073
Miscellaneous revenue	6,928,720	354,150	331,217	(22,933)
<b>Total revenues</b>	<b>38,402,719</b>	<b>32,125,002</b>	<b>33,241,310</b>	<b>1,116,308</b>
Expenditures				
Current:				
Legislative	75,991	79,528	65,233	14,295
Executive	933,607	955,068	924,681	30,387
Legal counsel	454,753	455,790	434,923	20,867
Community development	2,584,777	2,742,519	2,458,018	284,501
Public works	3,239,655	3,309,986	3,096,985	213,001
Public Safety:				
Law enforcement	11,470,062	11,895,774	12,203,340	(307,566)
Fire and emergency services	6,345,293	6,385,647	6,377,732	7,915
Support Services	3,327,836	3,342,723	3,253,027	89,696
General administrative services	10,141,319	4,992,290	4,889,996	102,294
Debt Service:				
Principal	728,151	759,070	746,801	12,269
Interest	49,981	46,162	38,127	8,035
Debt cost/administration fees	-	-	500	(500)
Capital Outlay/Improvements	1,739,694	2,455,915	1,989,413	466,502
<b>Total expenditures</b>	<b>41,091,119</b>	<b>37,420,472</b>	<b>36,478,776</b>	<b>941,696</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,688,400)</b>	<b>(5,295,470)</b>	<b>(3,237,466)</b>	<b>2,058,004</b>
Other financing sources (uses)				
Transfers in	1,336,087	1,284,706	1,284,706	-
Transfers out	(67,687)	(659,431)	(659,431)	-
Capital leases	1,420,000	2,098,738	849,000	(1,249,738)
<b>Total other financing sources (uses)</b>	<b>2,688,400</b>	<b>2,724,013</b>	<b>1,474,275</b>	<b>(1,249,738)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (2,571,457)</b>	<b>(1,763,191)</b>	<b>\$ 808,266</b>
Beginning fund balances			7,467,618	
Ending fund balances			<u>\$ 5,704,427</u>	

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



City of Titusville, Florida

**Required Supplementary Information**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Downtown Community Redevelopment Agency Fund**  
**For the Fiscal Year Ended September 30, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues				
Property taxes	\$ 792,867	\$ 792,867	\$ 793,838	\$ 971
Investment earnings (loss)	-	-	6,226	6,226
Miscellaneous revenue	236,032	-	-	-
<b>Total revenues</b>	<b>1,028,899</b>	<b>792,867</b>	<b>800,064</b>	<b>7,197</b>
Expenditures				
Current:				
Community development	699,958	299,878	253,529	46,349
Capital Outlay/Improvements	190,000	777,753	275,522	502,231
<b>Total expenditures</b>	<b>889,958</b>	<b>1,077,631</b>	<b>529,051</b>	<b>548,580</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>138,941</b>	<b>(284,764)</b>	<b>271,013</b>	<b>555,777</b>
Other financing sources (uses)				
Transfers in	190,000	511,529	-	(511,529)
Transfers out	(328,941)	(652,011)	(140,482)	511,529
<b>Total other financing sources (uses)</b>	<b>(138,941)</b>	<b>(140,482)</b>	<b>(140,482)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (425,246)</b>	<b>130,531</b>	<b>\$ 555,777</b>
Beginning fund balances			526,045	
Ending fund balances			<u>\$ 656,576</u>	

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

**City of Titusville, Florida**

**Notes to Required Supplementary Information  
Budgetary Reporting  
For the Fiscal Year Ended September 30, 2017**

---

**Note A.      Budgetary Process**

See Note 3A for an explanation of the budgetary process.

**Note B.      Basis of Budgeting**

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles ("GAAP") See Note 3A.

**Note C.      Reconciliation between Budget Basis and GAAP**

None required

City of Titusville, Florida

Required Supplementary Information  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
Capital Improv Series 2017  
For the Fiscal Year Ended September 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Expenditures				
Debt cost/administration fees	\$ 35,000	\$ 35,000	\$ 30,037	\$ 4,963
Capital Outlay/Improvements	6,500,000	6,500,000	6,500,001	(1)
<b>Total expenditures</b>	<b>6,535,000</b>	<b>6,535,000</b>	<b>6,530,038</b>	<b>4,962</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(6,535,000)</b>	<b>(6,535,000)</b>	<b>(6,530,038)</b>	<b>4,962</b>
Other financing sources (uses)				
Debt proceeds	6,535,000	6,535,000	6,535,000	-
<b>Total other financing sources (uses)</b>	<b>6,535,000</b>	<b>6,535,000</b>	<b>6,535,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,962</b>	<b>\$ 4,962</b>
Beginning fund balances			-	
Ending fund balances			<u>\$ 4,962</u>	

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

## City of Titusville, Florida

### Nonmajor Governmental Funds September 30, 2017

---

**Special Revenue Funds** are used to account for revenue derived from specific taxes or other earmarked revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

Impact Fee Fund – To account for impact fees assessed on all new development within the City, which are restricted to capital acquisitions – roads and streets, public safety and parks – as a result of new growth and development.

Forfeiture/Contraband Fund – To account for confiscated property/revenues. Funds may only be used in accordance with Florida Statutes 932.705.

Community Development Block Grant Fund (“CDBG”) – To account for grants received under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, which are restricted to finance the City’s community development program activities.

Brevard County Home Investment Partnership Program Fund (“HOME”) – To account for financial assistance received from the U.S. Department of Housing and Urban Development for production of affordable housing- as authorized by the National Affordable Housing Act of 1990 and implemented through an interlocal agreement (pursuant to Florida Statute 163.01) with Brevard County.

State Housing Initiative Partnership Program Fund (“SHIP”) – To account for State grants received under the William E. Sadowski Affordable Housing Act (Florida Statute 420.901 and Rule 91-37 of the Florida Administrative Code) which are used to increase the availability of affordable housing to eligible citizens of Titusville.

Splash Pad - To account for donation received and expenditures during the construction of the Splash Pad Park.

**Debt Service Funds** are established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

General Obligation Bonds Series 2015 – To account for the pledged revenues and debt service on the Series 2015 General Obligation Bonds.

CRA PIRN Loan 2009 – To account for the debt service on the Public Improvement Revenue Note, Series 2012.

**Capital Projects Funds** are established to account for resources used for the acquisition and construction of capital facilities by the City, except for those financed by proprietary funds.

General Construction Fund – To account for the financing and construction of major capital facilities and improvements other than streets, sidewalks and drainage systems.

Roads and Streets Fund - To account for construction of major capital facility and improvements to roads and streets.

Riverfront Acquisition Fund – To account for the purchase, acquisition and improvement of real property on the Indian River within the City for Public use.

City of Titusville, Florida

Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2017

	Special Revenue Funds					
	Impact Fee	Forfeiture/ Contraband	CDBG	HOME	SHIP	Splash Pad
<b>Assets</b>						
Cash	\$ -	\$ 81,150	\$ -	\$ 18,678	\$ 96,950	\$ -
Investments	364,755	130,403	-	-	30,652	-
Receivables, net	-	-	45,081	125,692	15,624	-
Total assets	364,755	211,553	45,081	144,370	143,226	-
<b>Liabilities</b>						
Accounts payable	-	3,819	45,081	48,019	9,686	-
Total liabilities	-	3,819	45,081	48,019	9,686	-
<b>Deferred Inflow of Resources</b>						
Unavailable resources	-	-	-	96,351	-	-
<b>Fund balance</b>						
Restricted	364,755	207,734	-	-	133,540	-
Total fund balance	364,755	207,734	-	-	133,540	-
Total liabilities, deferred inflows and fund balance	\$ 364,755	\$ 211,553	\$ 45,081	\$ 144,370	\$ 143,226	\$ -

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

Debt Service			Capital Projects			
General Obligation Bond Series 2015	CRA PIRN 2009	General Construction	Roads and Streets	Riverfront Acquisition	Total Nonmajor Governmental Funds	
\$ 23,209	\$ -	\$ 334,041	\$ -	\$ -	\$ 554,028	
128,854	-	2,003,109	1,436,746	7,425	4,101,944	
228	-	-	61,011	-	247,636	
152,291	-	2,337,150	1,497,757	7,425	4,903,608	
-	-	39,788	103,417	2,145	251,955	
-	-	39,788	103,417	2,145	251,955	
-	-	-	50,744	-	147,095	
152,291	-	2,297,362	1,343,596	5,280	4,504,558	
152,291	-	2,297,362	1,343,596	5,280	4,504,558	
\$ 152,291	\$ -	\$ 2,337,150	\$ 1,497,757	\$ 7,425	\$ 4,903,608	

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

City of Titusville, Florida

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended September 30, 2017**

	Special Revenue Funds					
	Impact Fee	Forfeiture/ Contraband	CDBG	HOME	SHIP	Splash Pad
Revenues						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	315,656	57,225	289,773	-
Charges for services	-	-	5,632	-	-	-
Fines and forfeitures	-	96,849	-	-	-	-
Investment earnings (loss)	186	-	-	-	407	-
Impact fees	173,667	-	-	-	-	-
Miscellaneous revenue	-	956	-	-	8,954	38,259
<b>Total revenues</b>	<b>173,853</b>	<b>97,805</b>	<b>321,288</b>	<b>57,225</b>	<b>299,134</b>	<b>38,259</b>
Expenditures						
Current:						
Community development	-	-	321,288	57,225	200,456	-
General administrative services	-	-	-	-	-	-
Public safety	-	53,603	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital Outlay/Improvements	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>53,603</b>	<b>321,288</b>	<b>57,225</b>	<b>200,456</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>173,853</b>	<b>44,202</b>	<b>-</b>	<b>-</b>	<b>98,678</b>	<b>38,259</b>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(42,094)	-	-	-	-	(210,753)
<b>Total other financing sources (uses)</b>	<b>(42,094)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(210,753)</b>
<b>Net change in fund balances</b>	<b>131,759</b>	<b>44,202</b>	<b>-</b>	<b>-</b>	<b>98,678</b>	<b>(172,494)</b>
Beginning fund balances	232,996	163,532	-	-	34,862	172,494
Ending fund balances	\$ 364,755	\$ 207,734	\$ -	\$ -	\$ 133,540	\$ -

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

Debt Service			Capital Projects			Total Nonmajor Governmental Funds
General Obligation Bond Series 2015	CRA PIRN 2009	General Construction	Roads and Streets	Riverfront Acquisition		
\$ 718,508	\$ -	\$ -	\$ -	\$ -	718,508	
-	-	-	478,989	-	1,141,643	
-	-	-	35	-	5,667	
-	-	-	-	-	96,849	
5,108	-	-	126	-	5,827	
-	-	-	-	-	173,667	
-	-	-	27	-	48,196	
723,616	-	-	479,177	-	2,190,357	
-	-	-	-	-	578,969	
-	-	-	-	163	163	
-	-	-	-	-	53,603	
581,000	65,000	-	-	-	646,000	
102,250	54,424	-	-	-	156,674	
-	-	602,058	1,631,694	4,540	2,238,292	
683,250	119,424	602,058	1,631,694	4,703	3,673,701	
40,366	(119,424)	(602,058)	(1,152,517)	(4,703)	(1,483,344)	
-	124,225	2,341,100	10,000	-	2,475,325	
-	-	(8,589)	(277,772)	(536,503)	(1,075,711)	
-	124,225	2,332,511	(267,772)	(536,503)	1,399,614	
40,366	4,801	1,730,453	(1,420,289)	(541,206)	(83,730)	
111,925	(4,801)	566,909	2,763,885	546,486	4,588,288	
\$ 152,291	\$ -	\$ 2,297,362	\$ 1,343,596	\$ 5,280	\$ 4,504,558	



City of Titusville, Florida

**Schedule of Revenues, Expenditures, and Changes Fund Balances**  
**Budget and Actual**  
**Impact Fee**  
**Annually - Budgeted Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended September 30, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Investment earnings (loss)	\$ -	\$ -	\$ 186	\$ 186
Impact fees	20,000	20,000	173,667	153,667
Miscellaneous revenue	149,929	-	-	-
<b>Total revenues</b>	<b>169,929</b>	<b>20,000</b>	<b>173,853</b>	<b>153,853</b>
Expenditures				
Current:				
General administrative services	127,835	-	-	-
<b>Total expenditures</b>	<b>127,835</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>42,094</b>	<b>20,000</b>	<b>173,853</b>	<b>153,853</b>
Other Financing Sources (Uses):				
Transfers out	(42,094)	(42,094)	(42,094)	-
<b>Total other financing sources (uses)</b>	<b>(42,094)</b>	<b>(42,094)</b>	<b>(42,094)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (22,094)</b>	<b>131,759</b>	<b>\$ 153,853</b>
Beginning fund balances			232,996	
Ending fund balances			<u>\$ 364,755</u>	

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

City of Titusville, Florida

**Schedule of Revenues, Expenditures, and Changes Fund Balances  
Budget and Actual  
Forfeiture Contraband  
Annually - Budgeted Nonmajor Special Revenue Funds  
For the Fiscal Year Ended September 30, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 96,849	\$ 96,849
Miscellaneous revenue	125,011	-	956	956
<b>Total revenues</b>	<u>125,011</u>	<u>-</u>	<u>97,805</u>	<u>97,805</u>
Expenditures				
Current:				
Public safety	125,011	59,987	53,603	6,384
<b>Total expenditures</b>	<u>125,011</u>	<u>59,987</u>	<u>53,603</u>	<u>6,384</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (59,987)</u>	<u>44,202</u>	<u>\$ 104,189</u>
Beginning fund balances			<u>163,532</u>	
Ending fund balances			<u>\$ 207,734</u>	

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

City of Titusville, Florida

Schedule of Revenues, Expenditures, and Changes Fund Balances

Budget and Actual

CDBG

Annually - Budgeted Nonmajor Special Revenue Funds

For the Fiscal Year Ended September 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 292,840	\$ 315,656	\$ 22,816
Charges for services	-	-	5,632	5,632
<b>Total revenues</b>	-	292,840	321,288	28,448
Expenditures				
Current:				
Community development	-	471,590	321,288	150,302
<b>Total expenditures</b>	-	471,590	321,288	150,302
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (178,750)</b>	<b>-</b>	<b>\$ 178,750</b>
Beginning fund balances			-	
Ending fund balances			<u>\$ -</u>	

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

City of Titusville, Florida

Schedule of Revenues, Expenditures, and Changes Fund Balances

Budget and Actual

HOME

Annually - Budgeted Nonmajor Special Revenue Funds

For the Fiscal Year Ended September 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 209,699	\$ 57,225	\$ (152,474)
<b>Total revenues</b>	-	209,699	57,225	(152,474)
Expenditures				
Current:				
Community development	-	209,699	57,225	152,474
<b>Total expenditures</b>	-	209,699	57,225	152,474
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balances			-	
Ending fund balances			<u>\$ -</u>	

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

City of Titusville, Florida

Schedule of Revenues, Expenditures, and Changes Fund Balances

Budget and Actual

SHIP

Annually - Budgeted Nonmajor Special Revenue Funds

For the Fiscal Year Ended September 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 233,254	\$ 289,773	\$ 56,519
Investment earnings (loss)	-	-	407	407
Miscellaneous revenue	-	-	8,954	8,954
<b>Total revenues</b>	-	233,254	299,134	65,880
Expenditures				
Current:				
Community development	-	301,765	200,456	101,309
<b>Total expenditures</b>	-	301,765	200,456	101,309
<b>Net change in fund balance</b>	\$ -	\$ (68,511)	98,678	\$ 167,189
Beginning fund balances			34,862	
Ending fund balances			\$ 133,540	

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

City of Titusville, Florida

**Schedule of Revenues, Expenditures, and Changes Fund Balances**  
**Budget and Actual**  
**Splash Pad**  
**Annually - Budgeted Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended September 30, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Miscellaneous revenue	\$ -	\$ 38,259	\$ 38,259	\$ -
<b>Total revenues</b>	-	38,259	38,259	-
Other Financing Sources (Uses):				
Transfers out	-	(210,753)	(210,753)	-
<b>Total other financing sources (uses)</b>	-	(210,753)	(210,753)	-
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (172,494)</b>	<b>(172,494)</b>	<b>\$ -</b>
Beginning fund balances			172,494	
Ending fund balances			<u>\$ -</u>	

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

## City of Titusville, Florida

### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Obligation Bond Series 2015 Debt Service Annually - Budgeted Nonmajor Debt Service Funds For the Fiscal Year Ended September 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Property taxes	\$ 683,248	\$ 683,248	\$ 718,508	\$ 35,260
Investment earnings (loss)	-	-	5,108	5,108
Miscellaneous revenue	151,967	-	-	-
<b>Total revenues</b>	<u>835,215</u>	<u>683,248</u>	<u>723,616</u>	<u>40,368</u>
Expenditures				
General administrative services	151,967	-	-	-
Principal	581,000	581,000	581,000	-
Interest and fiscal charges	102,248	102,248	102,250	(2)
<b>Total expenditures</b>	<u>835,215</u>	<u>683,248</u>	<u>683,250</u>	<u>(2)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>40,366</u>	<u>\$ 40,366</u>
Beginning fund balances			111,925	
Ending fund balances			<u>\$ 152,291</u>	

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

## City of Titusville, Florida

### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual CRA PIRN 2009 Debt Service Annually - Budgeted Nonmajor Debt Service Funds For the Fiscal Year Ended September 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Miscellaneous revenue	\$ (4,802)	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>(4,802)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Principal	65,000	65,000	65,000	-
Interest and fiscal charges	54,423	54,423	54,424	(1)
<b>Total expenditures</b>	<u>119,423</u>	<u>119,423</u>	<u>119,424</u>	<u>(1)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(124,225)</u>	<u>(119,423)</u>	<u>(119,424)</u>	<u>(1)</u>
Other financing sources (uses)				
Transfers in	124,225	124,225	124,225	-
<b>Total other financing sources</b>	<u>124,225</u>	<u>124,225</u>	<u>124,225</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 4,802</u>	<u>4,801</u>	<u>\$ (1)</u>
Beginning fund balances			(4,801)	
Ending fund balances			<u>\$ -</u>	

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



## City of Titusville, Florida

### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Construction Capital Projects Fund Annually - Budgeted Nonmajor Capital Projects Funds For the Fiscal Year Ended September 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues				
Miscellaneous revenue	\$ 106,172	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>106,172</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Capital Outlay/Improvements	740,266	2,899,412	602,058	2,297,354
<b>Total expenditures</b>	<u>740,266</u>	<u>2,899,412</u>	<u>602,058</u>	<u>2,297,354</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(634,094)</u>	<u>(2,899,412)</u>	<u>(602,058)</u>	<u>2,297,354</u>
Other Financing Sources (Uses)				
Transfers in	634,094	2,341,100	2,341,100	-
Transfers out	-	(8,589)	(8,589)	-
<b>Total other financing sources (uses):</b>	<u>634,094</u>	<u>2,332,511</u>	<u>2,332,511</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (566,901)</u>	<u>1,730,453</u>	<u>\$ 2,297,354</u>
Beginning fund balances			566,909	
Ending fund balances			<u>\$ 2,297,362</u>	

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

## City of Titusville, Florida

### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Roads and Streets Capital Projects Fund Annually - Budgeted Nonmajor Capital Projects Funds For the Fiscal Year Ended September 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 7,608,962	\$ 478,989	\$ (7,129,973)
Charges for services	-	-	35	35
Investment earnings (loss)	-	-	126	126
Miscellaneous revenue	1,717,050	-	27	27
<b>Total revenues</b>	<u>1,717,050</u>	<u>7,608,962</u>	<u>479,177</u>	<u>(7,129,785)</u>
Expenditures				
Current:				
Debt Service:				
Capital Outlay/Improvements	1,727,050	10,632,306	1,631,694	9,000,612
<b>Total expenditures</b>	<u>1,727,050</u>	<u>10,632,306</u>	<u>1,631,694</u>	<u>9,000,612</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(10,000)</u>	<u>(3,023,344)</u>	<u>(1,152,517)</u>	<u>1,870,827</u>
Other Financing Sources (Uses)				
Transfers in	10,000	10,000	10,000	-
Transfers out	-	(277,772)	(277,772)	-
<b>Total other financing sources (uses):</b>	<u>10,000</u>	<u>(267,772)</u>	<u>(267,772)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (3,291,116)</u>	<u>(1,420,289)</u>	<u>\$ 1,870,827</u>
Beginning fund balances			2,763,885	
Ending fund balances			<u>\$ 1,343,596</u>	

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

## City of Titusville, Florida

### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Riverfront Acquisition Capital Projects Fund Annually - Budgeted Nonmajor Capital Projects Funds For the Fiscal Year Ended September 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures				
Current:				
General administrative services	\$ 536,503	\$ -	\$ 163	\$ (163)
Capital Outlay/Improvements	-	9,983	4,540	5,443
<b>Total expenditures</b>	<u>536,503</u>	<u>9,983</u>	<u>4,703</u>	<u>5,280</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(536,503)</u>	<u>(9,983)</u>	<u>(4,703)</u>	<u>5,280</u>
Other Financing Sources (Uses)				
Transfers out	-	(536,503)	(536,503)	-
<b>Total other financing sources (uses):</b>	<u>-</u>	<u>(536,503)</u>	<u>(536,503)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (536,503)</u>	<u>\$ (546,486)</u>	<u>(541,206)</u>	<u>\$ 5,280</u>
Beginning fund balances			546,486	
Ending fund balances			<u>\$ 5,280</u>	

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

## **City of Titusville, Florida**

### **Internal Service Funds September 30, 2017**

**Internal Service Funds** are used to account for the financing of centralized services to City departments on a cost-reimbursement basis (including depreciation).

**Fleet** - To account for the cost of operating a maintenance facility for automotive equipment used by other City departments/divisions.

**Information Technology** - To account for data processing operations and the cost of computer services used by other City departments/divisions.

**Self-Insured Dental** - To account for the accumulation of resources to be used for group dental coverage for City employees and their dependents.

**Self-Insured Loss Fund** - To account for various lines of property and liability coverage.

**Workers' Comp G.R.I.T.** - To account for workers' compensation coverage and for accounting for workers' compensation claims abandoned by the Governmental Risk Insurance Trust bankruptcy.

**Fully Insured Health** - To account for health benefits as provided by Connecticut General Life Insurance Co. ("CIGNA").

**Partially Self-Insured Health** – To account for the accumulation of resources to be used for group health coverage for City employees and their dependents as a cost savings measure.

**Health Clinic** – To account for cost savings measures to reduce the health program costs for the City by providing an operational health clinic those employees can visit during working hours.

City of Titusville, Florida

Combining Statement of Net Position  
Internal Service Funds  
September 30, 2017

	Fleet	Information Technology	Self-Insured Dental	Self-Insured Loss Fund
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 5,775	\$ 29,857	\$ 239,181
Investments	165,019	304,891	253,593	1,382,272
Receivables, net	4,312	56,428	129	13,554
Inventories	116,149	-	-	-
Current restricted cash and cash equivalents	-	-	-	75,000
<b>Total current assets</b>	<b>285,480</b>	<b>367,094</b>	<b>283,579</b>	<b>1,710,007</b>
Noncurrent assets:				
Capital assets:				
Buildings and improvements	104,206	-	-	-
Improvements other than buildings	148,541	-	-	-
Furniture and equipment	294,031	4,192,930	-	-
Less accumulated depreciation	(389,986)	(3,798,935)	-	-
<b>Total capital assets (net of accumulated depreciation)</b>	<b>156,792</b>	<b>393,995</b>	<b>-</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>156,792</b>	<b>393,995</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>442,272</b>	<b>761,089</b>	<b>283,579</b>	<b>1,710,007</b>
<b>Deferred outflows of resources</b>				
Deferred Pension Outflow	56,808	64,633	-	-
Deferred OPEB outflow	439	45	-	-
<b>Total deferred outflows of resources</b>	<b>57,247</b>	<b>64,678</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	31,135	2,886	-	8,517
Accrued payroll liabilities	19,443	19,715	-	-
Contracts payable	76,011	13,274	-	9,181
Self-insured claims payable	-	-	81,663	254,200
Capital leases payable	-	32,538	-	-
Compensated absences	20,197	26,723	-	-
<b>Total current liabilities</b>	<b>146,786</b>	<b>95,136</b>	<b>81,663</b>	<b>271,898</b>
Noncurrent liabilities:				
Noncurrent compensated absences	13,383	70,473	-	-
Noncurrent claims payable	-	-	-	920,800
Net OPEB liability	1,632,450	129,121	-	-
Long-term capital leases payable	-	13,879	-	-
Net pension liability	74,055	77,472	-	-
<b>Total liabilities</b>	<b>1,866,674</b>	<b>386,081</b>	<b>81,663</b>	<b>1,192,698</b>
<b>Deferred inflows of resources</b>				
Deferred pension inflow	98,716	124,453	-	-
Deferred OPEB inflow	116,398	11,820	-	-
<b>Total deferred inflows of resources</b>	<b>215,114</b>	<b>136,273</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	80,781	334,304	-	-
Unrestricted	(1,663,050)	(30,891)	201,916	517,309
<b>Total net position</b>	<b>\$ (1,582,269)</b>	<b>\$ 303,413</b>	<b>\$ 201,916</b>	<b>\$ 517,309</b>

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

Workers Comp G.R.I.T.	Fully Insured Health	Partially Self-Insured Health	Health Clinic	Total
\$ -	\$ -	\$ -	\$ -	274,813
8,408	50,312	890,158	54,638	3,109,291
-	-	880,883	-	955,306
-	-	-	-	116,149
-	-	117,000	-	192,000
8,408	50,312	1,888,041	54,638	4,647,559
-	-	-	-	104,206
-	-	-	-	148,541
-	-	-	-	4,486,961
-	-	-	-	(4,188,921)
-	-	-	-	550,787
-	-	-	-	550,787
8,408	50,312	1,888,041	54,638	5,198,346
-	-	-	-	121,441
-	-	-	-	484
-	-	-	-	121,925
-	-	68,464	13,306	124,308
-	-	-	-	39,158
-	-	-	-	98,466
15,684	-	602,000	-	953,547
-	-	-	-	32,538
-	-	-	-	46,920
15,684	-	670,464	13,306	1,294,937
-	-	-	-	83,856
-	-	-	-	920,800
-	-	-	-	1,761,571
-	-	-	-	13,879
-	-	-	-	151,527
15,684	-	670,464	13,306	4,226,570
-	-	-	-	223,169
-	-	-	-	128,218
-	-	-	-	351,387
-	-	-	-	415,085
(7,276)	50,312	1,217,577	41,332	327,229
\$ (7,276)	\$ 50,312	\$ 1,217,577	\$ 41,332	\$ 742,314

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

**City of Titusville, Florida**

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
For the Fiscal Year Ended September 30, 2017**

	<b>Fleet</b>	<b>Information Technology</b>	<b>Self-Insured Dental</b>	<b>Self-Insured Loss Fund</b>
Operating revenues:				
Charges for sales and services	\$ 2,957,983	\$ 2,079,902	\$ 358,927	\$ 1,695,535
Claims settlements	-	-	-	326,708
Operating expenses:				
Salaries and employee benefits	631,496	635,698	-	-
Supplies and materials	1,913,449	43,209	-	59,526
Contract services	-	5,038	39,218	94,208
Other services and charges	320,815	1,149,114	288,722	1,807,783
Depreciation	15,175	350,307	-	-
<b>Total operating expenses</b>	<b>2,880,935</b>	<b>2,183,366</b>	<b>327,940</b>	<b>1,961,517</b>
<b>Operating income (loss)</b>	<b>77,048</b>	<b>(103,464)</b>	<b>30,987</b>	<b>60,726</b>
Nonoperating revenues (expenses):				
Investment earnings	-	-	-	3,698
Miscellaneous	11,199	25	413	-
Interest expense	-	(33,588)	-	-
Gain (loss) on disposal of assets	-	42	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>11,199</b>	<b>(33,521)</b>	<b>413</b>	<b>3,698</b>
Transfers and Contributions:				
Transfers in	-	8,754	-	-
Transfers out	(361,154)	-	-	-
<b>Total transfers and contributions</b>	<b>(361,154)</b>	<b>8,754</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>(272,907)</b>	<b>(128,231)</b>	<b>31,400</b>	<b>64,424</b>
Total net position - beginning, restated	(1,309,362)	431,644	170,516	452,885
Total net position - end	\$ (1,582,269)	\$ 303,413	\$ 201,916	\$ 517,309

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

Workers Comp G.R.I.T.	Fully Insured Health	Partially Self-Insured Health	Health Clinic	Total
\$ -	\$ 840,739	\$ 5,153,510	\$ 243,543	\$ 13,330,139
-	-	-	-	326,708
-	-	-	-	1,267,194
-	-	-	72,595	2,088,779
-	6,865	267,939	215,383	628,651
15,683	824,304	5,292,916	-	9,699,337
-	-	-	-	365,482
15,683	831,169	5,560,855	287,978	14,049,443
(15,683)	9,570	(407,345)	(44,435)	(392,596)
-	-	-	-	3,698
-	-	-	-	11,637
-	-	-	-	(33,588)
-	-	-	-	42
-	-	-	-	(18,211)
-	-	548,042	-	556,796
-	-	-	-	(361,154)
-	-	548,042	-	195,642
(15,683)	9,570	140,697	(44,435)	(215,165)
8,407	40,742	1,076,880	85,767	957,479
\$ (7,276)	\$ 50,312	\$ 1,217,577	\$ 41,332	\$ 742,314



City of Titusville, Florida

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended September 30, 2017**

	<b>Fleet Management</b>	<b>Information Technology</b>	<b>Self-Insured Dental</b>	<b>Self-Insured Loss Fund</b>
Cash flows from Operating Activities				
Receipts-customers and users	\$ 2,962,295	\$ 2,101,367	\$ 358,798	\$ 2,013,585
Payments-suppliers	(2,228,106)	(1,147,014)	(328,708)	(1,894,558)
Payments-employees	(615,144)	(786,253)	-	-
<b>Net cash provided (used) by operating activities</b>	<b>119,045</b>	<b>168,100</b>	<b>30,090</b>	<b>119,027</b>
Cash flows from Noncapital Financing Activities				
Net Advances/Transfers	(361,154)	8,754	-	-
Miscellaneous revenue	11,200	25	-	-
<b>Net cash provided by noncapital financing activities</b>	<b>(349,954)</b>	<b>8,779</b>	<b>-</b>	<b>-</b>
Cash flows from Capital and related Financing Activities				
Acquisition and construction of capital assets	(65,466)	(125,442)	-	-
Interest payments on debt	-	(1,050)	-	-
Capital Contributions	-	-	-	-
Proceeds from capital lease	-	14,704	-	-
Principal paid on debt	(41,483)	(31,488)	-	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(106,949)</b>	<b>(143,276)</b>	<b>-</b>	<b>-</b>
Cash flows from Investing Activities				
Interest on Investments	-	-	-	3,698
Purchase of investment securities	-	(100,000)	(50,000)	(3,700)
Sale of investment securities	264,035	-	-	-
<b>Net cash provided (used) by investing activities</b>	<b>264,035</b>	<b>(100,000)</b>	<b>(50,000)</b>	<b>(2)</b>
<b>Net Increase(decrease) in cash and cash equivalents</b>	<b>(73,824)</b>	<b>(66,397)</b>	<b>(19,910)</b>	<b>119,025</b>
Beginning cash and cash equivalents	73,824	72,169	49,354	195,156
Ending cash and cash equivalents	\$ -	\$ 5,772	\$ 29,444	\$ 314,181
Reconciliation of operating (loss) income to net cash provided (used) by operating activities:				
Operating income(loss)	\$ 77,048	\$(103,464)	\$ 30,987	\$ 60,726
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	15,175	350,307	-	-
Net changes in Deferred Outflows	(25,073)	(32,134)	-	-
Net changes in Deferred Inflows	158,268	69,204	-	-
Changes in assets and liabilities:				
(Increase) decrease in receivables-net	4,312	21,465	(129)	(8,658)
(Increase) decrease in inventory	42,336	-	-	-
(increase) decrease in Deferred Outflows Pension	-	-	-	-
Increase (decrease) in accounts payable	50,870	8,456	-	16,956
Increase (decrease) in accrued liabilities	6,938	4,821	(768)	50,003
Increase (decrease) in compensated absences	2,361	17,418	-	-
Increase (decrease) in Net Pension Liability	(93,714)	(116,103)	-	-
Increase (decrease) in net OPEB obligation	(119,204)	(51,870)	-	-
<b>Total Adjustments</b>	<b>42,269</b>	<b>271,564</b>	<b>\$ (897)</b>	<b>\$ 58,301</b>
<b>Net cash provided (used) by operating activities</b>	<b>119,317</b>	<b>168,100</b>	<b>30,090</b>	<b>119,027</b>
Noncash investing, capital and financing activities:				
Change in fair value of investments	\$(264,035)	\$ 100,000	\$ 50,000	\$ 3,700

Workers Comp G.R.I.T.	Fully Insured Health	Partially Self-Insured Health	Health Clinic	Total
\$ -	\$ 840,739	4,272,755	\$ 243,543	\$ 12,793,082
(16,451)	(831,169)	(5,667,652)	(290,012)	(12,403,666)
-	-	-	-	(1,401,397)
(16,451)	9,570	(1,394,897)	(46,469)	(1,011,982)
-	-	548,042	-	196,055
-	-	-	-	11,224
-	-	548,042	-	207,279
-	-	-	-	(190,908)
-	-	-	-	(1,050)
-	-	-	-	-
-	-	-	-	14,704
-	-	-	-	(72,971)
-	-	-	-	(250,225)
-	-	-	-	3,696
-	(9,570)	-	-	(163,270)
16,451	-	846,855	46,470	1,173,811
16,451	(9,570)	846,855	46,469	1,014,237
-	-	-	-	(40,690)
-	-	-	-	390,503
\$ -	\$ 9,570	\$ -	\$ -	\$ 359,381

\$(15,683)	\$ 9,570	\$(407,345)	\$(44,435)	\$ (392,596)
------------	----------	-------------	------------	--------------

-	-	-	-	365,482
-	-	-	-	(57,207)
-	-	-	-	227,472
-	-	(880,755)	-	863,765
-	-	-	-	42,336
-	-	-	-	-
(768)	-	(206,759)	(2,034)	(133,277)
-	-	99,962	-	160,684
-	-	-	-	19,779
-	-	-	-	(209,817)
-	-	-	-	(171,074)
(768)	-	(987,552)	(2,034)	(619,386)
\$ (16,451)	\$ 9,570	\$ (1,394,897)	\$ (46,469)	\$ (1,011,982)

\$(16,450)	\$ 9,570	\$(846,855)	\$(46,470)	\$ (1,014,237)
------------	----------	-------------	------------	----------------

**City of Titusville, Florida**

**Other Supplemental Information**  
**September 30, 2017**

---

**Fiduciary Funds - Trust and Agency Funds**

Combining Statement of Fiduciary Net Position - Trust Funds

Combining Statement of Changes in Fiduciary Net Position - Trust Funds

Statement of Changes in Assets and Liabilities - Agency Funds

## City of Titusville, Florida

### Combining Statement of Fiduciary Net Position Pension and Other Post-Employment Benefits Trust Funds September 30, 2017

	General Employees' Retirement Trust	Police Officers' and Firefighters' Retirement Trust	Other Post- Employment Benefits Trust	Total
<b>Assets</b>				
Cash	\$ -	\$ 4,685	\$ 35,631	\$ 40,316
Interest Receivable	83,340	73,447	-	156,787
Investments				
Cash with fiscal agent	1,625,656	851,269	-	2,476,925
Money market	744,916	20,664	42,592	808,172
Federal agency bonds/notes	1,552,698	1,281,465	-	2,834,163
U.S. Treasury bond/notes	2,496,857	4,218,791	-	6,715,648
Municipal bonds/notes	614,110	345,041	-	959,151
Corporate bonds	4,335,307	3,633,128	-	7,968,435
Corporate stock	31,503,992	27,192,213	-	58,696,205
Mutual fund - bonds	2,433,920	3,376,535	746,399	6,556,854
Mutual fund - equity	6,549,978	10,212,848	1,702,206	18,465,032
Real estate	6,495,303	7,393,932	-	13,889,235
Total investments	58,352,737	58,525,886	2,491,197	119,369,820
Total assets	58,436,077	58,604,018	2,526,828	119,566,923
<b>Liabilities</b>				
Accounts payable	1,570	9,464	-	11,034
Total liabilities	1,570	9,464	-	11,034
<b>Net Position</b>				
Restricted for pension other post-employment	\$ 58,434,507	\$ 58,594,554	\$ 2,526,828	\$ 119,555,889

See Notes to the Financial Statements.

## City of Titusville, Florida

### Combining Statement of Changes in Fiduciary Net Position Pension and Other Post Employment Benefits Trust Funds For the Fiscal Year Ended September 30, 2017

	General Employees' Retirement Trust	Police Officers' and Firefighters' Retirement Trust	Other Post- Employment Benefits Trust	Total
Additions				
Contributions:				
Employer	\$ 2,371,378	\$ 1,662,032	\$ 1,657,884	\$ 5,691,294
Employee	296,609	475,109	443,463	1,215,181
State of Florida	-	681,740	-	681,740
<b>Total contributions</b>	<b>2,667,987</b>	<b>2,818,881</b>	<b>2,101,347</b>	<b>7,588,215</b>
Investment earnings:				
Interest & dividends	1,020,996	1,220,707	48,303	2,290,006
Net change in the fair value of investments	6,511,821	6,276,769	215,579	13,004,169
<b>Total investment income</b>	<b>7,532,817</b>	<b>7,497,476</b>	<b>263,882</b>	<b>15,294,175</b>
Less invest-related expense	(31,183)	(30,966)	-	(62,149)
Misc revenue	158,275	131,843	-	290,118
<b>Total</b>	<b>10,327,896</b>	<b>10,417,234</b>	<b>2,365,229</b>	<b>23,110,359</b>
Deductions				
Pension and other employee benefits	4,797,175	4,900,375	1,884,080	11,581,630
Administrative expenses	299,322	208,473	23,689	531,484
<b>Total</b>	<b>5,096,497</b>	<b>5,108,848</b>	<b>1,907,769</b>	<b>12,113,114</b>
<b>Change in net position</b>	<b>5,231,399</b>	<b>5,308,386</b>	<b>457,460</b>	<b>10,997,245</b>
Net position - beginning of year	53,203,108	53,286,168	2,069,368	108,558,644
Net position - end of year	\$ 58,434,507	\$ 58,594,554	\$ 2,526,828	\$ 119,555,889

See Notes to the Financial Statements.

City of Titusville, Florida

**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended September 30, 2017**

		<b>Performance Bonds</b>			
		Balance September 30, 2016	Additions	Deductions	Balance September 30, 2017
Assets					
Cash	\$	95,793	\$ 112,097	\$ 75,000	\$ 132,890
<b>Total Assets</b>		<b>95,793</b>	<b>112,097</b>	<b>75,000</b>	<b>132,890</b>
Liabilities					
Deposits held in Custody for others		95,793	112,097	75,000	132,890
<b>Total Liabilities</b>	\$	<b>95,793</b>	<b>\$ 112,097</b>	<b>\$ 75,000</b>	<b>\$ 132,890</b>

**City of Titusville, Florida**

**Other Supplemental Schedules**

**September 30, 2017**

---

Capital Assets - Used in the Operations of Governmental Funds (does not include Internal Service Funds)

Schedule by Source

Schedule by Function and Activity

Schedule of Changes by Function and Activity

**City of Titusville, Florida**

**Capital Assets Used in the Operation of Governmental Funds (does not include Internal Service Funds)**  
**Schedule by Source**  
**September 30, 2017**

Land	\$	29,836,869
Easements		199,220
Buildings		4,833,681
Improvements other than buildings		104,059,082
Machinery and equipment		11,387,512
Construction in progress		2,850,620
Total governmental funds capital assets	\$	<u>153,166,984</u>

Investments in governmental funds capital assets by source:

General revenues	\$	101,816,134
Special revenue funds		47,553,314
Contributed capital		3,797,531
Total governmental funds capital assets	\$	<u>153,166,979</u>



City of Titusville, Florida

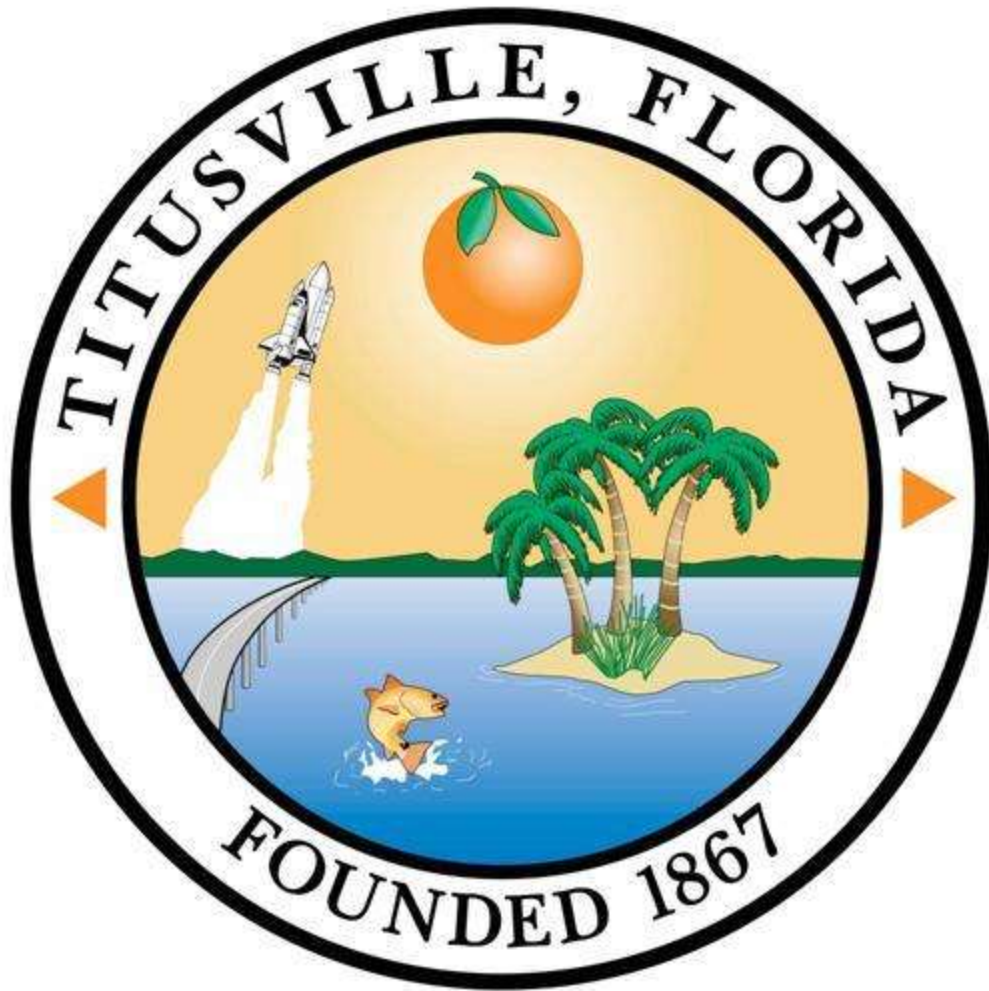
**Capital Assets Used in the Operation of Governmental Funds (does not include Internal Service Funds)**  
**Schedule by Function and Activity**  
**September 30, 2017**

Function and Activity	Land	Buildings	Improvement Other Than Buildings	Easements	Machinery and Equipment	Construction in Progress	Total
General Government:							
Legislative	\$ -	\$ -	\$ -	\$ -	\$ 22,703	\$ -	\$ 22,703
Legal council	-	-	6,128	-	-	-	6,128
Executive	-	-	-	-	7,784	-	7,784
Support services	-	-	32,434	-	113,727	-	146,161
Community development	-	276,767	181,380	-	101,764	-	559,911
Public works	0	1,312,696	2,044,783	0	1,037,325	2,850,615	7245419
Total general governmental	-	1,589,463	2,264,725	-	1,283,303	2,850,615	7,988,106
Public Safety:							
Law enforcement	552,177	2,050,000	3,857,696	-	4,068,453	-	10,528,326
Fire rescue/protection	197,898	905,152	4,398,725	-	4,151,242	-	9,653,017
Total public safety	750,075	2,955,152	8,256,421	-	8,219,695	-	20,181,343
Economic environment:							
Community development	-	-	151,626	-	84,681	-	236,307
Total economic environment	-	-	151,626	-	84,681	-	236,307
Capital Improvements							
Streets, drainage and sidewalks	28,776,886	289,066	92,370,198	199,220	1,774,965	-	123,410,335
Pier and waterfront development	309,908	-	1,016,111	-	24,869	-	1,350,888
Total capital improvements	29,086,794	289,066	93,386,309	199,220	1,799,834	-	124,761,223
Total government funds capital assets	\$ 29,836,869	\$ 4,833,681	\$ 104,059,081	\$ 199,220	\$ 11,387,513	\$ 2,850,615	\$ 153,166,979

City of Titusville, Florida

**Capital Assets Used in the Operation of Governmental Funds (does not include Internal Service Funds)**  
**Schedule of Changes by Function and Activity**  
**September 30, 2017**

Function and activity	Governmental Funds Capital Assets 10/01/16	Additions	Deletions	Governmental Funds Capital Assets 09/30/17
General government:				
Legislative	\$ 22,703	\$ -	\$ -	\$ 22,703
Legal Council	6,128	-	-	6,128
Executive	7,784	-	-	7,784
Support Services	148,161	-	(2,000)	146,161
Community development	559,910	-	-	559,910
Public works	8,437,061	2,637,398	(3,829,040)	7,245,419
Total general government	9,181,747	2,637,398	(3,831,040)	7,988,105
Public Safety:				
Law enforcement	9,831,481	1,064,294	(367,449)	10,528,326
Fire rescue/protection	8,732,674	920,344	-	9,653,018
Total public safety	18,564,155	1,984,638	(367,449)	20,181,344
Economic environment:				
Community redevelopment agency	225,473	10,834	-	236,307
Total economic environment	225,473	10,834	-	236,307
Capital improvements:				
Streets, drainage and sidewalks	119,692,925	3,717,410	-	123,410,335
Recreation and waterfront development	1,350,888	-	-	1,350,888
Total capital improvements	121,043,813	3,717,410	-	124,761,223
Total governmental capital assets	\$ 149,015,188	\$ 8,350,280	\$ (4,198,489)	\$ 153,166,979



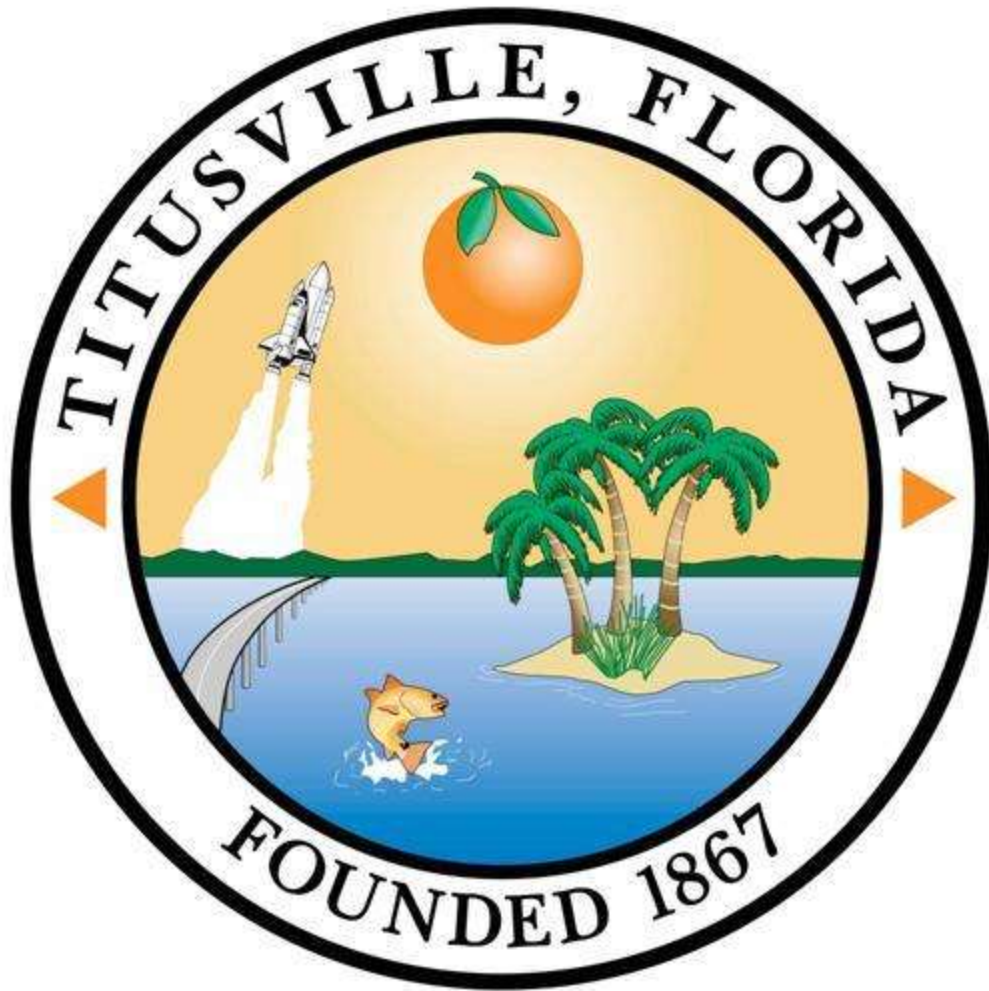
This page is left intentionally blank

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>143-157</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal sales tax.	<b>158-162</b>
<b>Debt Capacity</b> 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.	<b>163-168</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>169-171</b>
<b>Operating Information</b> 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.	<b>172-173</b>
<b>Secondary Market Disclosure</b> The City of Titusville is required to provide ongoing disclosure for its holders of Water and Sewer Revenue Bonds, Series 2010. Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission Annual Financial Report for the fiscal year ended September 30, 2016.	<b>174-178</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant fiscal year. Schedules presenting government-wide information include information beginning in that fiscal year.



This page is left intentionally blank

**City of Titusville, Florida**  
**Schedule 1 - Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 50,852,623	\$ 54,951,652	\$ 51,072,498	\$ 49,475,070	\$ 46,883,144	\$ 45,356,791	\$ 45,094,612	\$ 43,519,306	\$ 42,751,470	\$ 44,034,160
Restricted	5,538,066	5,660,781	5,758,186	6,566,912	7,368,140	9,337,169	10,094,003	5,610,284	3,680,535	2,785,540
Unrestricted	(46,561,152)	(10,200,449)	(9,257,410)	5,798,714	6,560,789	5,559,063	6,631,319	12,830,176	14,211,887	12,815,359
<b>Total Governmental Activities Net Position</b>	<b>\$ 9,829,537</b>	<b>\$ 50,411,984</b>	<b>\$ 47,573,274</b>	<b>\$ 61,840,696</b>	<b>\$ 60,812,073</b>	<b>\$ 60,253,023</b>	<b>\$ 61,819,934</b>	<b>\$ 61,959,766</b>	<b>\$ 60,643,892</b>	<b>\$ 59,635,059</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 51,973,123	\$ 50,397,886	\$ 48,047,333	\$ 43,639,537	\$ 41,594,206	\$ 43,460,824	\$ 38,892,756	\$ 40,456,284	\$ 34,641,921	\$ 33,750,076
Restricted	302,986	317,727	338,038	2,452,850	2,674,646	2,072,578	6,052,327	5,778,719	5,419,481	4,418,825
Unrestricted	14,760,301	30,866,489	29,212,802	31,675,735	30,812,872	28,026,303	26,593,402	21,843,093	21,641,543	22,661,609
<b>Total Business-Type Activities Net Position</b>	<b>\$ 67,036,410</b>	<b>\$ 81,582,102</b>	<b>\$ 77,598,173</b>	<b>\$ 77,768,122</b>	<b>\$ 75,081,724</b>	<b>\$ 73,559,705</b>	<b>\$ 71,538,485</b>	<b>\$ 68,078,096</b>	<b>\$ 61,702,945</b>	<b>\$ 60,830,510</b>
<b>Total</b>										
Net Investment in Capital Assets	\$ 102,825,746	\$ 105,349,538	\$ 99,119,831	\$ 93,114,607	\$ 91,242,789	\$ 88,817,615	\$ 83,987,368	\$ 83,975,590	\$ 77,393,391	\$ 77,784,236
Restricted	5,841,052	5,978,508	6,096,224	9,019,762	9,968,446	11,409,747	16,146,330	11,389,003	9,100,016	7,204,365
Unrestricted	(31,800,851)	20666040	19,955,392	37,474,449	34,682,562	33,585,366	33,224,721	34,673,269	35,853,430	35,476,968
<b>Total Net Position</b>	<b>\$ 76,865,947</b>	<b>\$ 131,994,086</b>	<b>\$ 125,171,447</b>	<b>\$ 139,608,818</b>	<b>\$ 135,893,797</b>	<b>\$ 133,812,728</b>	<b>\$ 133,358,419</b>	<b>\$ 130,037,862</b>	<b>\$ 122,346,837</b>	<b>\$ 120,465,569</b>

\*Note the decrease in Net Position is due to implementation of GASB 75 and City's policy changes for retiree health care.

**City of Titusville, Florida**  
**Schedule 2 - Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Administrative	\$ 2,372,680	\$ 3,588,417	\$ 3,956,986	\$ 3,497,639	\$ 3,262,044	\$ 3,442,739	\$ 3,275,826	\$ 3,290,168	\$ 3,193,982	\$ 3,475,602
Public Safety	684,559	776,506	588,621	527,916	543,183	532,621	570,601	623,573	1,025,386	121,759
Public Works	-	-	-	175	-	35	-	-	-	-
Support Services	210,094	286,799	137,057	113,746	104,649	-	-	-	-	-
Community Development	1,739,291	1,327,699	1,177,099	1,033,275	911,500	884,174	785,508	750,752	1,083,566	779,369
Operating Grants and Contributions	1,463,814	989,072	1,005,587	1,237,489	2,223,649	1,648,013	1,370,892	1,782,169	1,992,414	2,634,530
Capital Grants and Contributions	652,698	3,194,258	591,307	1,675,702	30,958	154,499	950,335	564,292	832,884	417,464
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 7,123,136</b>	<b>\$ 10,162,751</b>	<b>\$ 7,456,657</b>	<b>\$ 8,085,942</b>	<b>\$ 7,075,983</b>	<b>\$ 6,662,081</b>	<b>\$ 6,953,162</b>	<b>\$ 7,010,954</b>	<b>\$ 8,128,232</b>	<b>\$ 7,428,724</b>
Business-Type Activities:										
Charges for Services:										
Water/Sewer Utility	\$ 22,022,657	\$ 21,451,871	\$ 20,728,148	\$ 20,166,475	\$ 19,512,508	\$ 19,266,027	\$ 19,252,970	\$ 17,859,619	\$ 17,487,635	\$ 17,197,091
Solid Waste System	4,472,488	4,223,943	4,275,839	4,320,466	4,059,381	4,267,136	4,626,040	4,516,941	4,605,739	4,626,708
Municipal Marina	1,157,687	911,231	894,958	1,059,994	1,074,298	1,004,520	1,060,283	1,094,918	815,859	967,195
Stormwater Utility	2,528,604	2,461,608	2,413,480	2,379,810	2,369,051	2,381,092	2,277,298	2,198,821	2,101,659	2,004,411
Operating Grants and Contributions	-	-	-	-	-	-	3,972	4,022	1,717	82,844
Capital Grants and Contributions	704,285	2,221,174	429,306	376,472	457,678	1,486,650	400,104	4,280,367	1,567,803	4,850,146
<b>Total Business-Type Activities Program Revenues</b>	<b>\$ 30,885,721</b>	<b>\$ 31,269,827</b>	<b>\$ 28,741,731</b>	<b>\$ 28,303,217</b>	<b>\$ 27,472,916</b>	<b>\$ 28,405,425</b>	<b>\$ 27,620,667</b>	<b>\$ 29,954,688</b>	<b>\$ 26,580,412</b>	<b>\$ 29,728,395</b>
<b>Total Government Program Revenues</b>	<b>\$ 38,008,857</b>	<b>\$ 41,432,578</b>	<b>\$ 36,198,388</b>	<b>\$ 36,389,159</b>	<b>\$ 34,548,899</b>	<b>\$ 35,067,506</b>	<b>\$ 34,573,829</b>	<b>\$ 36,965,642</b>	<b>\$ 34,708,644</b>	<b>\$ 37,157,119</b>
<b>Expenses</b>										
Governmental Activities:										
Legislative	\$ 77,155	\$ 68,246	\$ 69,301	\$ 62,698	\$ 60,891	\$ 66,184	\$ 60,124	\$ 60,110	\$ 61,212	\$ 94,871
Executive	1,093,220	901,634	870,317	1,220,863	1,123,711	971,969	998,729	992,245	1,039,530	981,220
Legal Counsel	514,173	433,632	385,562	382,983	388,022	334,304	342,187	405,337	406,253	389,444
Community Development	3,738,409	4,089,732	3,385,671	3,103,216	4,116,151	3,926,273	3,669,445	4,440,319	4,082,825	4,765,109
Public Works	3,663,000	3,693,211	2,745,407	2,891,833	2,531,435	2,796,167	3,022,985	3,086,678	4,916,977	4,629,485
Public Safety	22,514,517	18,428,899	17,027,210	17,286,390	18,248,965	17,683,764	17,488,239	16,702,507	17,229,267	16,311,514
Support Services	3,846,468	3,925,823	3,567,122	2,975,303	2,865,875	2,634,676	2,868,959	2,812,649	2,921,139	2,879,714
General Administrative	5,817,554	4,444,741	4,961,895	4,207,782	3,603,528	3,913,496	3,607,083	3,266,995	2,858,046	3,896,353
Interest on long-term debt	423,457	250,221	490,409	311,300	463,453	609,877	553,753	592,193	620,321	468,206
<b>Total Governmental Activities Expenses</b>	<b>\$ 41,687,953</b>	<b>\$ 36,236,139</b>	<b>\$ 33,502,894</b>	<b>\$ 32,442,368</b>	<b>\$ 33,402,031</b>	<b>\$ 32,936,710</b>	<b>\$ 32,611,504</b>	<b>\$ 32,359,033</b>	<b>\$ 34,135,570</b>	<b>\$ 34,415,916</b>
Business-Type Activities:										
Water/Sewer Utility	\$ 18,572,285	\$ 18,501,812	\$ 18,236,685	\$ 18,012,973	\$ 17,476,523	\$ 17,705,551	\$ 16,635,848	\$ 16,228,926	\$ 17,344,732	\$ 17,179,997
Solid Waste System	4,905,446	4,713,042	4,422,132	4,418,196	4,293,769	4,782,562	4,601,093	4,889,881	4,472,949	4,546,647
Municipal Marina	1,054,554	998,834	1,058,699	1,207,676	1,186,744	1,091,664	1,245,028	1,338,542	1,198,092	1,207,178
Stormwater Utility	2,262,651	2,035,386	1,891,378	1,801,318	1,865,072	2,638,085	1,690,681	1,754,865	1,515,873	1,283,918
<b>Total Business-Type Activities Expenses</b>	<b>\$ 26,794,936</b>	<b>\$ 26,249,074</b>	<b>\$ 25,608,894</b>	<b>\$ 25,440,163</b>	<b>\$ 24,822,108</b>	<b>\$ 26,217,862</b>	<b>\$ 24,172,650</b>	<b>\$ 24,212,214</b>	<b>\$ 24,531,646</b>	<b>\$ 24,217,740</b>
<b>Total Government Expenses</b>	<b>\$ 68,482,889</b>	<b>\$ 62,485,213</b>	<b>\$ 59,111,788</b>	<b>\$ 57,882,531</b>	<b>\$ 58,224,139</b>	<b>\$ 59,154,572</b>	<b>\$ 56,784,154</b>	<b>\$ 56,571,247</b>	<b>\$ 58,667,216</b>	<b>\$ 58,633,656</b>

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (Expense)/Revenue										
Governmental Activities	\$(34,564,817)	\$ (26,073,388)	\$ (26,046,237)	\$ (24,356,426)	\$ (26,326,048)	\$ (26,274,629)	\$ (25,658,342)	\$ (25,348,079)	\$ (26,007,338)	\$ (26,987,192)
Business-type Activities	4,090,785	5,020,753	3,132,837	2,863,054	2,650,808	2,187,563	3,448,017	5,742,375	2,048,766	5,510,655
<b>Total Governmental Net Expenses</b>	<b>\$ (30,474,032)</b>	<b>\$ (21,052,635)</b>	<b>\$ (22,913,400)</b>	<b>\$ (21,493,372)</b>	<b>\$ (23,675,240)</b>	<b>\$ (24,087,066)</b>	<b>\$ (22,210,325)</b>	<b>\$ (19,605,704)</b>	<b>\$ (23,958,572)</b>	<b>\$ (21,476,537)</b>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property taxes	\$ 12,999,764	\$ 12,502,147	\$ 11,719,825	\$ 11,171,994	\$ 10,676,406	\$ 10,442,608	\$ 11,566,134	\$ 12,494,811	\$ 12,040,727	\$ 12,353,308
Local option gas tax	1,185,532	1,072,899	1,036,494	919,352	969,484	1,060,039	846,739	830,802	810,221	897,128
Utility and franchise taxes	8,785,489	8,640,128	8,766,066	8,539,831	8,515,529	8,496,299	8,540,437	8,742,492	8,751,941	9,065,234
Intergovernmental shared revenue	6,066,481	4,300,071	4,799,583	3,837,111	4,675,341	3,511,077	3,364,937	3,416,290	4,213,944	4,394,868
Investment earnings	114,824	136,352	241,867	(44,612)	157,338	647,757	308,964	585,064	875,365	901,081
Miscellaneous	117,284	682,420	1,390,810	537,388	1,064,994	685,629	483,601	596,721	270,233	518,500
Transfers	2,080,049	1,578,081	430,737	423,985	826,006	(135,691)	407,698	(2,227)	53,740	46,569
<b>Total Governmental Activities</b>	<b>\$ 31,349,423</b>	<b>\$ 28,912,098</b>	<b>\$ 28,385,382</b>	<b>\$ 25,385,049</b>	<b>\$ 26,885,098</b>	<b>\$ 24,707,718</b>	<b>\$ 25,518,510</b>	<b>\$ 26,663,953</b>	<b>\$ 27,016,171</b>	<b>\$ 28,176,688</b>
Business-Type Activities:										
Intergovernmental shared revenue	\$ 365,125	\$ 3,821	\$ -	\$ -	\$ -	\$ -	\$ 28,100	\$ 13,262	\$ 62,631	\$ 10,527
Investment earnings	646,178	372,001	457,664	178,680	385,778	522,934	390,091	585,940	1,038,939	1,168,458
Miscellaneous	344,540	165,435	140,564	68,649	-	51,982	1,879	31,347	7,952	-
Special Item: Valuation adjustment						-	-	-	(2,232,113)	
Transfers	(2,080,049)	(1,578,081)	(430,737)	(423,985)	(826,006)	135,691	(407,698)	2,227	(53,740)	(46,569)
<b>Total Business-Type Activities</b>	<b>\$ (724,206)</b>	<b>\$ (1,036,824)</b>	<b>\$ 167,491</b>	<b>\$ (176,656)</b>	<b>\$ (440,228)</b>	<b>\$ 710,607</b>	<b>\$ 12,372</b>	<b>\$ 632,776</b>	<b>\$ (1,176,331)</b>	<b>\$ 1,132,416</b>
<b>Total Government</b>	<b>\$ 30,625,217</b>	<b>\$ 27,875,274</b>	<b>\$ 28,552,873</b>	<b>\$ 25,208,393</b>	<b>\$ 26,444,870</b>	<b>\$ 25,418,325</b>	<b>\$ 25,530,882</b>	<b>\$ 27,296,729</b>	<b>\$ 25,839,840</b>	<b>\$ 29,309,104</b>
Change in Net Position										
Governmental Activities	\$(3,215,394)	\$ 2,838,710	\$ 2,339,145	\$ 1,028,623	\$ 559,050	\$ (1,566,911)	\$ (139,832)	\$ 1,315,874	\$ 1,008,833	\$ 1,189,496
Business-Type Activities	3,199,222	3,983,929	3,300,328	2,686,398	2,210,580	2,898,170	3,460,389	6,375,151	872,435	6,643,071
<b>Total Government Change in Net Position</b>	<b>\$ (16,172)</b>	<b>\$ 6,822,639</b>	<b>\$ 5,639,473</b>	<b>\$ 3,715,021</b>	<b>\$ 2,769,630</b>	<b>\$ 1,331,259</b>	<b>\$ 3,320,557</b>	<b>\$ 7,691,025</b>	<b>\$ 1,881,268</b>	<b>\$ 7,832,567</b>



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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,093	\$ 1,930,319	\$ 2,154,267
Non-Spendable	11,233	21,243	13,637	1,992	9,742	14,959	6,105	-	-	-
Restricted	233,673	216,116	188,115	155,054	175,420	585,668	581,370	-	-	-
Committed	4,951,732	4,931,532	5,312,635	5,060,285	5,060,285	5,057,410	4,816,060	-	-	-
Assigned	180,122	58,318	365,121	249,942	44,402	32,101	38,924	-	-	-
Unassigned	327,667	2,240,409	3,019,978	2,232,156	2,912,046	356,962	1,997,809	-	-	-
Unreserved	-	-	-	-	-	-	-	7,827,702	6,389,570	5,642,136
Total General Fund	\$ 5,704,427	\$ 7,467,618	\$ 8,899,486	\$ 7,699,429	\$ 8,201,895	\$ 6,047,100	\$ 7,440,268	\$ 7,838,795	\$ 8,319,889	\$ 7,796,403
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 797,654	\$ 1,596,896	\$ 2,614,909
Non-Spendable	-	-	-	-	622,633	752,246	371,259	-	-	-
Restricted	5,166,096	5,114,333	5,515,564	6,250,413	7,046,518	8,753,135	9,512,633	-	-	-
Committed	-	-	-	-	-	-	368,550	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(15,603)	(31,876)	(170,586)	-	-	-	-	-
Unreserved, Reported in:										
Special revenue funds	-	-	-	-	-	-	-	1,962,978	1,969,416	1,467,953
Debt service funds	-	-	-	-	-	-	-	3,683,044	2,979,554	1,467,793
Capital projects funds	-	-	-	-	-	-	-	4,252,359	3,402,461	2,033,563
Total All Other Governmental Funds	\$ 5,166,096	\$ 5,114,333	\$ 5,499,961	\$ 6,218,537	\$ 7,498,565	\$ 9,505,381	\$ 10,252,442	\$ 10,696,035	\$ 9,948,327	\$ 7,584,218
Total Governmental Funds	\$ 10,870,523	\$ 12,581,951	\$ 14,399,447	\$ 13,917,966	\$ 15,700,460	\$ 15,552,481	\$ 17,692,710	\$ 18,534,830	\$ 18,268,216	\$ 15,380,621

The City adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Previous years' amounts are shown at pre-GASB 54 definitions.

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues</b>										
Property tax	\$ 12,999,764	\$ 12,502,147	\$ 11,719,825	\$ 11,171,994	\$ 10,676,406	\$ 10,442,608	\$ 11,566,134	\$ 12,494,811	\$ 12,040,727	\$ 12,353,308
Local option gas tax	1,185,532	1,072,899	1,036,494	919,352	969,484	1,060,039	846,739	830,802	810,221	897,128
Utility and franchise taxes	8,785,489	8,640,128	8,766,066	8,539,831	8,515,529	8,496,299	8,540,437	8,742,492	8,751,941	9,065,234
Intergovernmental	6,066,481	8,021,746	6,374,195	6,514,880	5,970,890	5,327,374	5,672,449	5,461,631	6,706,937	7,217,260
Licenses and permits	1,705,748	1,281,937	1,141,829	1,006,678	896,229	863,182	764,067	701,176	639,012	759,796
Charges for services	4,445,387	4,341,592	4,426,260	3,934,975	3,502,775	3,671,417	3,657,020	3,699,502	3,696,134	3,188,666
Fines and forfeitures	379,124	355,892	291,674	231,098	422,372	324,970	210,848	263,815	967,788	428,268
Investment earnings	111,126	122,276	184,271	(7,902)	130,557	584,769	260,651	499,474	763,106	775,960
Miscellaneous	379,413	369,545	1,023,940	496,535	1,175,055	1,203,391	13,207	301,074	270,233	518,500
Impact fees	173,667	80,835	41,162	42,505	30,800	28,267	483,601	596,721	332,017	229,229
<b>Total Revenues</b>	<b>\$ 36,231,731</b>	<b>\$ 36,788,997</b>	<b>\$ 35,005,716</b>	<b>\$ 32,849,946</b>	<b>\$ 32,290,097</b>	<b>\$ 32,002,316</b>	<b>\$ 32,015,153</b>	<b>\$ 33,591,498</b>	<b>\$ 34,978,116</b>	<b>\$ 35,433,349</b>
<b>Expenditures</b>										
<b>Current:</b>										
Legislative	\$ 65,233	\$ 58,888	\$ 60,434	\$ 59,497	54,397	63,570	56,126	55,186	53,326	52,995
Executive	924,681	840,114	796,335	1,158,533	1,003,882	930,817	932,318	916,904	915,779	899,240
Legal counsel	434,923	407,095	359,729	363,430	346,646	318,376	319,433	377,453	359,711	359,563
General administrative services	4,890,159	4,479,120	-	4,010,035	3,313,482	3,734,265	3,367,231	2,952,252	2,384,667	3,553,086
Community development	3,290,516	3,119,287	7,859,074	2,940,001	3,902,333	3,825,962	3,504,215	4,259,528	3,781,299	4,574,104
Public works	3,096,985	2,755,122	2,519,256	2,743,854	2,261,490	2,614,815	2,821,972	2,792,754	4,432,721	3,778,412
Public safety	18,634,675	17,537,423	16,520,680	16,403,815	16,315,530	17,228,841	16,340,757	15,695,291	15,479,805	15,265,256
Support services	3,253,027	2,991,111	2,771,222	2,506,870	2,282,104	2,394,636	2,444,810	2,360,491	2,303,324	2,321,000
<b>Debt service:</b>										
Principal	1,392,801	1,236,969	1,550,204	1,424,934	2,189,831	1,189,679	1,117,231	1,030,688	2,921,207	790,614
Interest and fiscal charges	225,338	192,141	412,449	399,907	472,249	501,240	560,316	582,421	587,143	463,719
Other	-	-	-	-	-	-	-	-	63,587	-
Capital outlay	11,003,228	5,377,859	2,818,771	3,977,310	1,500,974	1,261,347	2,263,281	2,923,809	3,729,863	2,526,890
<b>Total Expenditures</b>	<b>\$ 47,211,566</b>	<b>\$ 38,995,129</b>	<b>\$ 35,668,154</b>	<b>\$ 35,988,186</b>	<b>\$ 33,642,918</b>	<b>\$ 34,063,548</b>	<b>\$ 33,727,690</b>	<b>\$ 33,946,777</b>	<b>\$ 37,012,432</b>	<b>\$ 34,584,879</b>
<b>Excess of Revenues</b>										
Over (Under) Expenditures	\$ (10,979,835)	\$ (2,206,132)	\$ (662,438)	\$ (3,138,240)	\$ (1,352,821)	\$ (2,061,232)	\$ (1,712,537)	\$ (355,279)	\$ (2,034,316)	\$ 848,470
<b>Other Financing Sources (Uses)</b>										
Transfers In	3,760,031	\$ 3,310,889	\$ 3,197,670	\$ 2,811,747	\$ 2,019,051	\$ 1,512,125	\$ 1,750,773	\$ 2,979,373	\$ 11,475,448	\$ 8,948,087
Transfers Out	(1,875,624)	(3,303,387)	(2,766,933)	(2,402,530)	(1,224,251)	(1,591,122)	(1,343,075)	(2,357,480)	(11,390,383)	(8,897,518)
Capital lease	849,000	381,134	713,182	946,529	706,000	-	462,719	-	247,476	349,796
Proceeds of bond issue	6,535,000	-	6,220,000	-	-	-	-	-	4,589,370	-
Premium of bond issue	-	-	(6,220,000)	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 9,268,407</b>	<b>\$ 388,636</b>	<b>\$ 1,143,919</b>	<b>\$ 1,355,746</b>	<b>\$ 1,500,800</b>	<b>\$ (78,997)</b>	<b>\$ 870,417</b>	<b>\$ 621,893</b>	<b>\$ 4,921,911</b>	<b>\$ 400,365</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,711,428)</b>	<b>\$ (1,817,496)</b>	<b>\$ 481,481</b>	<b>\$ (1,782,494)</b>	<b>\$ 147,979</b>	<b>\$ (2,140,229)</b>	<b>\$ (842,120)</b>	<b>\$ 266,614</b>	<b>\$ 2,887,595</b>	<b>\$ 1,248,835</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.85%</b>	<b>4.25%</b>	<b>5.97%</b>	<b>5.70%</b>	<b>8.28%</b>	<b>5.15%</b>	<b>5.33%</b>	<b>5.20%</b>	<b>10.73%</b>	<b>3.91%</b>

**City of Titusville, Florida**  
Schedule 5 - Tax Revenues by Source of Governmental Funds  
Last Ten Fiscal Years  
*(modified accrual basis of accounting)*

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Local Option Gas Tax</u>	<u>Utility and Franchise Taxes</u>	<u>Total</u>
2017	\$ 12,999,764	\$ 1,185,532	\$ 8,785,489	\$ 22,970,785
2016	12,502,147	1,072,899	8,640,128	22,215,174
2015	11,719,825	1,036,494	8,766,066	21,522,385
2014	11,171,994	919,352	8,539,831	20,631,177
2013	10,676,406	969,484	8,515,529	20,161,419
2012	10,442,608	1,060,039	8,496,299	19,998,946
2011	11,566,134	846,739	8,540,437	20,953,310
2010	12,494,811	830,802	8,742,492	22,068,105
2009	12,040,727	810,221	8,751,942	21,602,890
2008	12,353,308	897,128	9,065,234	22,315,670

**City of Titusville, Florida**  
**Schedule 6 - Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property (1)	Personal Property (1)	Centrally Assessed Property (1)	Estimated Actual Value (1)	Exemptions Real Property (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate (2)
2017	\$ 1,417,424,364	\$ 115,939,437	\$ 10,845,755	\$ 1,544,209,556	\$ 13,493,990	\$ 1,530,715,566	7.6575
2016	1,312,233,100	119,468,452	10,080,184	1,441,781,736	18,556,070	1,423,225,666	7.9011
2015	1,244,276,160	117,442,841	7,374,129	1,369,093,130	7,982,690	1,361,110,440	7.7000
2014	1,191,673,050	117,647,334	6,721,239	1,316,041,623	4,617,970	1,311,423,653	7.6000
2013	1,157,348,020	113,814,077	8,046,101	1,279,208,198	7,610,681	1,271,597,517	7.5000
2012	1,220,301,180	99,132,810	6,477,387	1,325,911,377	8,696,780	1,317,214,597	7.0000
2011	1,489,867,820	127,042,488	6,069,184	1,622,979,492	17,838,900	1,605,140,592	6.4196
2010	1,771,725,860	140,199,810	6,824,806	1,918,750,476	25,706,550	1,893,043,926	5.9107
2009	2,055,957,170	135,840,949	7,447,715	2,199,245,834	107,039,198	2,092,206,636	5.2693
2008	2,192,766,840	145,856,808	7,531,679	2,346,155,327	133,042,910	2,213,112,417	5.0263

Sources:

(1) Brevard County Certification of Taxable Value

(2) City of Titusville Ordinance No 17-2016

**City of Titusville, Florida**  
**Schedule 7 - Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>City of Titusville Millage</u>	<u>Debt Service Millage</u>	<u>Brevard County Millage (1)</u>	<u>Brevard County School District Millage</u>	<u>Other (2)</u>	<u>Total</u>
2017	7.6575	0.4711	6.6993	6.916	0.3205	22.0644
2016	7.9011	0.5020	8.7284	7.275	0.3343	24.7408
2015	7.7000	0.5799	8.9525	7.339	0.3509	24.9223
2014	7.6000	0.5930	7.3024	7.606	0.3628	23.4642
2013	7.5000	0.5930	7.4095	8.096	0.3658	23.9643
2012	7.0000	0.5645	7.4095	8.112	0.3658	23.4518
2011	6.4196	0.4923	6.5839	7.653	0.4503	21.5991
2010	5.9107	0.4200	5.7742	7.687	0.4503	20.2422
2009	4.9094	0.3600	5.9293	7.661	0.4503	19.3100
2008	4.7050	0.3213	5.9293	7.661	0.4503	19.0669

(1) Includes General Fund, Recreation District and Library District

(2) Includes Florida Inland Navigation District and St. Johns River Water Management District

Sources: Brevard County Property Appraiser's Office  
Titusville City Ordinance No 17-2016

**City of Titusville, Florida**  
Schedule 8 - Principal Taxpayers  
Current Year and Ten Years Ago

Taxpayer	2017		2017		2008		2008	
	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation		Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation	
Summerhill Partners LLC	\$ 14,100,000	1	0.92%		\$ 15,000,000	2	0.68%	
BM Crossroads LLC	13,900,000	2	0.91%		8,000,000	7	0.36%	
Elroy Acquisition Company LLC	10,750,000	3	0.70%		19,800,000	1	0.89%	
Wal-Mart Stores East LP	9,700,000	4	0.63%		11,200,000	3	0.51%	
Timber Trace Apartments LTD	6,897,000	5	0.45%		2,220,000	17	0.10%	
Titusville Harrison Once LLC	6,734,770	6	0.44%		8,200,000	6	0.37%	
Grissom Centroplex LLC	6,250,000	7	0.41%		523,300	20	0.02%	
Target Corporation	5,950,000	8	0.39%		10,000,000	4	0.45%	
Lowe's Home Centers Inc	5,860,000	9	0.38%		9,150,000	5	0.41%	
AHF Windover Oaks LLC	5,687,000	10	0.37%		6,600,000	8	0.30%	
Waterfront Co-Investment Fund	5,634,730	11	0.37%		6,017,490	10	0.27%	
BLC Sand Point LLC	5,580,000	12	0.36%		6,280,000	9	0.28%	
Titusville Station LLC	5,343,890	13	0.35%		4,300,000	15	0.19%	
Publix Supermarkets Inc	5,161,790	14	0.34%		488,000	19	0.02%	
Titusville Lodging Associates LLP	5,060,000	15	0.33%		834,000	18	0.04%	
Home Depot USA Inc	4,660,000	16	0.30%		5,960,000	11	0.27%	
Sunbelt Titusville Investments LLC	3,907,320	17	0.26%		5,753,860	12	0.26%	
Milestone Hospitality LLC	3,850,000	18	0.25%		2,900,000	16	0.13%	
Boeing Company, The	3,780,000	19	0.25%		4,800,000	13	0.22%	
Nat'l Assoc of Chief of Police	3,732,510	20	0.24%		4,330,000	14	0.20%	
Total	<u>\$ 132,539,010</u>		<u>8.66%</u>		<u>\$ 132,356,650</u>		<u>5.98%</u>	
Total Assessed Valuation	<u>\$ 1,530,715,566</u>				<u>\$ 2,213,112,417</u>			

Source: Brevard County Property Appraiser's Office

**City of Titusville, Florida**  
**Schedule 9 - Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>
2017	11,886,242	11,455,516	96.38%	\$ 30,353	\$ 11,485,869	96.63%
2016	11,410,505	10,999,775	96.40%	30,968	11,030,743	96.67%
2015	10,588,620	10,552,909	99.66%	35,711	10,588,620	100.00%
2014	10,000,599	9,677,806	96.77%	10,021	9,687,827	96.87%
2013	9,582,588	9,282,830	96.87%	9,398	9,292,228	96.97%
2012	9,294,768	9,000,745	96.84%	14,206	9,014,951	96.99%
2011	10,377,629	10,032,799	96.68%	38,951	10,071,750	97.05%
2010	11,188,233	10,851,509	96.99%	20,616	10,872,125	97.17%
2009	10,718,357	10,354,177	96.60%	35,235	10,389,412	96.93%
2008	10,759,863	10,402,436	96.68%	36,975	10,439,411	97.02%

(1) 2006 forward includes voter approved Series 2005 General Obligation Bond. 2015 forward includes voter approved Series 2015 General Obligation Bonds.  
Source: Brevard County Property Appraiser and Tax Collector

**City of Titusville, Florida**  
**Schedule 10 - Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities							Business-Type Activities							Total	Percentage of Personal Income (1)	Debt Per Capita
	General Obligation Bonds	Multi-Purpose Revenue Bonds	Multi-Purpose		Capital Improvement Revenue Bond, Series 2017	Capital Leases	Water and Sewer Bonds	Unamortized Bond Premiums	Capital Leases	Multi-Purpose Revenue Bonds	Multi-Purpose Revenue Refunding Note	State Revolving Loan					
			Revenue Refunding Note	Public Improvement Revenue Note													
2017	\$ 5,037,000	\$ -	\$ -	\$ 1,185,000	\$ 6,535,000	\$ 1,818,172	\$ 25,275,000	\$ 1,302,202	\$ 260,385	\$ -	\$ -	\$ 3,589,771	\$ 45,002,530	4.02%	\$ 977.91		
2016	5,618,000	-	-	1,250,000		1,475,049	27,800,000	1,488,232	433,615	-	-	3,827,793	41,892,689	3.85%	922.89		
2015	6,220,000	-	-	1,316,000		1,693,332	30,230,000	1,674,261	237,869	-	-	3,745,978	45,117,440	0.41%	1,012.58		
2014	6,605,000	-	500,000	1,378,000		1,510,307	32,570,000	1,860,290	357,985	-	-	3,299,637	48,081,219	4.73%	1,087.66		
2013	7,080,000	-	985,000	1,450,000		818,797	32,570,000	2,045,040	475,444	-	-	3,451,606	48,875,887	4.54%	1,116.91		
2012	7,535,000	-	1,450,000	2,369,000		463,628	34,845,000	2,229,791	108,856	-	-	3,614,935	52,616,210	4.86%	1,202.35		
2011	7,975,000	-	1,900,000	2,454,000		678,307	39,190,000	2,401,313	456,660	-	-	-	55,055,280	5.66%	1,258.09		
2010	8,405,000	-	1,654,370	2,535,000		386,819	41,067,907	2,572,835	1,191,164	-	661,835	-	58,474,930	5.74%	1,296.73		
2009	8,820,000	2,323,220	2,054,370	2,535,000		602,506	44,103,358	-	1,238,831	-	680,630	-	62,357,915	5.85%	1,371.98		
2008	9,220,000	2,631,293	2,054,370	2,535,000		553,018	45,752,297	-	1,648,629	776,781	-	-	65,171,388	4.29%	1,460.52		

(1) See Demographic & Economic Statistics for personal income

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



**City of Titusville, Florida**  
**Schedule 11 - Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

General Bonded Debt Outstanding							
Fiscal Year	General Obligation Bonds	Multi-Purpose Revenue Bond	Less Debt Service Monies Available	Net Debt Payable	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)	
2017	\$ 5,037,000	\$ -	\$ 157,256	\$ 4,879,744	0.33%	\$ 109.45	
2016	5,618,000	-	88,216	5,529,784	0.39%	123.76	
2015	6,220,000	-	88,216	6,131,784	0.46%	139.60	
2014	6,605,000	-	1,699,787	4,905,213	0.50%	149.41	
2013	7,080,000	-	2,327,693	4,752,307	0.56%	161.79	
2012	7,535,000	-	3,731,382	3,803,618	0.57%	172.19	
2011	7,975,000	-	3,915,145	4,059,855	0.50%	182.24	
2010	8,405,000	-	776,420	7,628,580	0.44%	186.39	
2009	8,820,000	2,323,220	-	11,143,220	0.53%	245.17	
2008	9,220,000	2,631,293	-	11,851,293	0.54%	265.59	

(1) See assessed value and actual value of taxable property for total taxable assessed value

(2) Source: US Census Bureau Quick Facts

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

**City of Titusville, Florida**  
Schedule 12 - Direct and Overlapping Debt  
September 30, 2017

Governmental Unit	Net Debt Outstanding	Percentage Applicable To This Government Unit(1)	Estimated Share of Overlapping Debt
School District	\$ 471,133,735	2.82%	\$ 13,285,971
Brevard County	\$ 68,705,081	2.82%	1,937,483
Subtotal, Overlapping Debt			15,223,454
City Direct Debt			12,757,000
Total Direct and Overlapping Debt			\$ 27,980,454

Source: Brevard County Property Appraiser and Brevard County Finance Department

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

(1) For debt repaid with property taxes, the percentage of overlapping debt was determined by taking the City's assessed taxable value of \$1423,225,666 and dividing it by Brevard County's assessed taxable value of \$50,557,206,710 for 2016.

**City of Titusville, Florida**  
**Schedule 13 - Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Assessed Valuation	Fiscal Year				
	2017	2016	2015	2014	2013
Assessed taxable real property value	\$ 1,530,715,566	\$ 1,423,225,666	\$ 1,361,110,440	\$ 1,311,423,653	\$ 1,271,597,517
Add back: exempt real property	13,493,990	18,556,070	7,982,690	4,617,970	7,610,681
Total assessed value of real property	\$ 1,544,209,556	\$ 1,441,781,736	\$ 1,369,093,130	\$ 1,316,041,623	\$ 1,279,208,198
Legal debt margin:					
Debt limit	\$ 92,652,573	\$ 86,506,904	\$ 82,145,588	\$ 78,962,497	\$ 76,752,492
Total net debt applicable to limit	6,222,000	6,868,000	7,431,000	8,483,000	9,515,000
Legal debt margin	\$ 86,430,573	\$ 79,638,904	\$ 74,714,588	\$ 70,479,497	\$ 67,237,492
Total net debt applicable to the limit as a percentage of debt limit	6.72%	7.94%	9.05%	10.74%	12.40%

Notes: Per *Florida Statute* 215.98, the City's outstanding legal debt should not exceed six percent of total assessed property value of \$1,544,209,556.

Six percent of the total assessed property value is \$92,652,573 (legal debt limit) with the City's total debt applicable to this limit of \$6,222,000, or

6.72%. The City's total net debt is \$6,222,000 consists of \$5,037,000 General Obligation Bonds and \$1,185,000 Public Improvement Revenue Note.

**City of Titusville, Florida**  
**Schedule 13 - Legal Debt Margin Information (continued)**  
**Last Ten Fiscal Years**

Assessed Valuation	Fiscal Year				
	2012	2011	2010	2009	2008
Assessed taxable real property value	\$ 1,317,214,597	\$ 160,514,052	\$ 1,893,043,926	\$ 2,092,206,636	\$ 22,213,112,417
Add back: exempt real property	8,696,780	-	25,706,550	107,039,198	133,042,910
Total assessed value of real property	\$ 1,325,911,377	\$ 160,514,052	\$ 1,918,750,476	\$ 2,199,245,834	\$ 22,346,155,327
Legal debt margin:					
Debt limit	\$ 79,554,683	\$ 96,308,436	\$ 115,125,029	\$ 131,954,750	\$ 140,769,320
Total net debt applicable to limit	11,354,000	11,648,370	12,594,370	13,409,370	11,543,220
Legal debt margin	\$ 68,200,683	\$ 84,660,066	\$ 102,530,659	\$ 118,545,380	\$ 129,226,100
Total net debt applicable to the limit as a percentage of debt limit	14.27%	12.09%	10.94%	10.16%	8.20%

Notes: Per *Florida Statute 215.98*, the City's outstanding legal debt should not exceed six percent of total assessed property value of \$1,544,209,556.

Six percent of the total assessed property value is \$92,652,573 (legal debt limit) with the City's total debt applicable to this limit of \$6,222,000 or

6.72%. The City's total net debt is \$6,222,000. It consists of \$5,037,000 General Obligation Bonds and \$1,185,000 Public Improvement Revenue Note

**City of Titusville, Florida**  
Schedule 14 - Pledged-Revenue Coverage  
Last Ten Fiscal Years  
(dollars in thousands)

Water and Sewer Series 2010 Refunding Bonds							
Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service			Coverage (3)
				Principal	Interest	Total	
2017	\$ 23,305	\$ 12,964	10,341	\$ 2,525	\$ 1,238	\$ 3,763	2.75
2016	22,114	13,229	8,885	2,430	1,365	3,795	2.34
2015	20,783	11,937	8,846	2,340	1,462	3,802	2.33
2014	20,644	11,994	8,650	-	1,555	1,555	5.56
2013	19,399	11,409	7,990	2,275	1,624	3,899	2.05
2012	20,126	12,862	7,264	4,345	1,861	6,206	1.17
2011	19,317	11,566	7,751	1,195	1,766	2,961	2.62
2010	18,031	12,029	6,002	1,915	2,106	4,021	1.49
2009	17,470	10,883	6,587	1,861	2,101	3,962	1.66
2008	17,607	11,375	6,232	1,835	2,115	3,950	1.58

(1) According to the Resolution, Gross Revenues should exclude interest earnings on the Renewal and Replacement Fund and Construction Fund.

(2) Operating expenses excludes depreciation, amortization and overhead charges from other funds and cannot be calculated using the financial statements.

(3) Required coverage of 1.05 refers to the Series 2010 Refunding Bonds.

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

**City of Titusville, Florida**  
Schedule 15 - Demographic and Economic Statistics  
Last Ten Fiscal Years

Calendar Year	Titusville Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Unemployment Rate (2)	School Enrollment (3)
2017	46,019	\$ 1,119,458,194	\$ 24,326	\$ 42,064	5.3%	8,869
2016	45,393	1,087,116,957	23,949	40,830	6.9%	8,731
2015	44,557	1,034,658,097	23,221	40,420	6.9%	8,798
2014	44,206	1,017,135,854	23,009	40,880	8.4%	9,073
2013	43,940	1,075,563,320	24,478	44,148	9.6%	9,358
2012	43,761	1,082,034,486	24,726	44,790	11.5%	8,126
2011	43,761	972,544,464	22,224	39,912	12.5%	8,495
2010	45,094	1,018,628,366	22,589	40,574	11.5%	8,456
2009	45,451	1,065,098,734	23,434	43,876	10.0%	8,268
2008	44,622	1,520,762,382	34,081	50,251	6.4%	8,268

Note: Some information may be estimated.

Sources:

(1) US Census Bureau Quick Facts

(2) US Dept of Labor, Bureau of Labor Statistics

(3) American Fact Finder US Census Bureau

Enrollment number includes public, charter, private, preschool, elementary, middle, high and other schools.

**City of Titusville, Florida**  
Schedule 16 - Principal Employers  
Current Year and Ten Years Ago

Employer	2017		2008	
	Number of Employees	Percentage of Total County Employment	Number of Employees	Percentage of Total County Employment
Brevard County School Board	9,000	4.36%	- (1)	0.00%
Harris Corporation	6,700	3.25%	6,500	3.25%
Health First, Inc	6,400	3.10%	6,100	3.05%
Holmes Regional Medical Center	2,500	1.21%	-	0.00%
Brevard County Government	2,500	1.21%	- (1)	0.00%
Wuesthoff Health System, Inc.	2,400	1.16%	2,500	1.25%
NASA	1,800	0.87%	- (1)	0.00%
Space Gateway Support	1,750	0.85%	3,000	1.50%
Northrop Grumman Corporation	1,650	0.80%	2,000	1.00%
Rockwell Collins, Inc.	1,450	0.70%	1,120	0.56%
Parrish Medical Center	1,050	0.51%	1,100	0.55%
The Boeing Company	1,000	0.48%	1,800	0.90%
Sea Ray Boats, Inc.	1,000	0.48%	1,293	0.65%
MIMA	1,000	0.48%	885	0.44%
Eastern Florida State College	960	0.47%	- (1)	0.00%
Total	41,160	19.95%	26,298	13.16%
Total County Employment		206,330		199,902

(1) No information available for 2007.

Sources: UCF Economic Forecast, Spacecoast EDC,  
and Bureau of Labor Statistics

**City of Titusville, Florida**  
Schedule 17 - Full-Time Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Government:</b>										
Legislative	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Executive	14.0	13.0	13.5	13.5	13.5	12.0	12.0	15.0	15.5	18.0
Customer Service	13.0	11.0	9.0	9.0	9.0	9.0	9.0	9.0	7.0	7.0
City Attorney	3.5	3.5	3.0	2.5	2.5	2.5	3.0	3.0	3.0	3.0
Finance	11.5	11.5	11.0	11.0	11.0	11.0	11.0	11.0	13.0	14.0
Information Technology	8.0	8.0	8.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0
Human Resources	6.0	6.0	6.0	6.0	6.0	5.5	5.5	5.5	5.5	5.5
Community Development	34.5	31.5	29.0	32.0	31.0	32.5	37.5	33.5	34.5	35.5
Support Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Public Safety:</b>										
Police Department	142.5	139.5	139.0	135.0	134.0	134.5	134.5	137.0	138.0	135.0
Fire Department	63.0	62.0	61.5	60.5	60.5	60.5	60.5	60.5	60.5	61.5
<b>Public Works</b>	93.0	90.0	79.0	83.0	84.0	84.0	86.0	96.0	97.0	111.0
<b>Water Resources</b>	99.0	98.0	111.0	111.0	111.0	111.5	110.5	114.0	116.5	117.5
Totals:	495.0	481.0	477.0	477.5	476.5	477.0	484.5	499.5	505.5	523.0

Source: City of Titusville, Florida 2016-2017 Annual Budgets



**City of Titusville, Florida**  
**Schedule 18 - Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Government</b>										
Land use applications	10	5	6	4	1	5	-	5	3	32
Acres of annexed property	-	1	2	6	-	-	-	-	15	14
Purchase orders issued	1,006	978	852	726	714	685	748	686	623	809
Checks issued	5,616	5,790	5,718	5,334	4,649	5,107	4,510	3,923	4,061	9,029
<b>Police Department</b>										
Traffic stops	4,682	5,277	6,495	8,208	7,116	9,978	15,794	13,430	14,274	17,058
Traffic citations issued	1,140	2,630	3,535	4,207	3,595	3,651	6,573	6,142	7,552	10,129
Recovered property	\$ 2,155,567	\$ 2,372,759	\$ 1,369,537	\$ 938,328	\$ 496,334	\$ 79,458	\$ 532,359	\$ 395,523	\$ 1,647,622	\$ 2,564,119
Physical arrests	1,295	1,360	3,497	1,258	1,049	1,206	1,269	1,519	1,633	1,606
Calls for service	71,745	72,675	68,250	65,568	72,668	107,961	90,215	120,927	90,928	98,175
<b>Fire Department</b>										
Emergency responses	8,047	7,632	7,281	7,175	6,557	6,160	5,872	6,767	5,700	6,260
Average response time - minutes	4	4	4	4	4	4	4	4	4	4
Fires extinguished	225	187	195	304	156	187	205	165	119	203
Fire inspections	1,909	1,804	1,672	1,606	1,481	1,366	1,508	1,419	1,493	1,307
Fees charged - false alarm calls	\$ 32,560	\$ 9,814	\$ 11,020	\$ 18,320	\$ 17,110	\$ 20,458	\$ 17,456	\$ 16,423	\$ 21,260	\$ 10,150
Child seat inspections	57	53	31	40	22	54	201	239	205	224
<b>Public Works</b>										
Miles of street - repaved	9	9	11	4	4	-	2	19	6	1
Sidewalks-new construction -lineal ft	800	2,600	1,400	19,242	5,485	500	18,810	350	-	2,363
Sidewalk repair - lineal feet	4,106	3,298	1,421	1,000	328	1,000	1,195	9,000	-	3,891
Number of street lights	6,179	6,179	6,179	6,179	6,179	6,179	6,179	6,179	6,213	6,197
Number of traffic signals	47	47	47	47	42	42	41	40	40	44
Pothole repairs	1,232	1,561	2,601	10,000	10,463	11,000	13,479	12,494	11,381	14,951
<b>Community Development</b>										
Occupational licenses issued	260	326	268	216	302	303	332	330	385	422
Building permits issued	3,599	2,952	2,713	2,156	2,139	2,072	1,779	1,570	1,501	1,787

**City of Titusville, Florida**  
**Schedule 18 - Operating Indicators by Function/Program**  
**Last Ten Fiscal Years (continued)**

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Water Resources</b>										
Water main breaks	21	24	18	19	19	4	8	25	25	10
Average daily consumption - mgd	4	4	4	4	4	4	4	4	4	4
Number of water customers	21,689	21,498	21,308	21,230	21,238	21,048	20,731	20,902	21,372	21,168
Wastewater treated - avg daily	4	3	4	3	3	4	3	3	3	3
Number of wastewater customers	19,019	18,906	18,798	19,158	18,894	18,346	18,776	18,679	18,587	18,550
<b>Stormwater Utility</b>										
Miles of storm drain maintained	75	75	60	60	60	60	60	59	59	59
Miles of ditches maintained	29	29	30	30	30	30	30	31	31	31
Lakes and ponds maintained	17	17	41	41	41	41	39	39	39	39
<b>Solid Waste</b>										
Tons of residential waste removed	19,487	11,654	16,881	17,696	10,284	10,869	12,330	12,201	11,929	21,824
Tons of commercial waste removed	14,938	14,083	22,536	12,822	10,967	11,345	12,201	12,330	13,568	15,352
<b>Municipal Marina</b>										
Transient dockage	1,601	2,165	1,557	1,794	1,710	1,700	2,159	1,601	1,591	1,522
Permanent dockage	200	200	162	163	152	200	200	200	200	200
Mooring buoy	14	30	27	31	33	35	-	-	-	-
Transient mooring	585	803	893	1,025	646	1,129	-	-	-	-
Percentage of available slips	75%	90%	63%	74%	74%	64%	69%	71%	72%	74%

Sources: Provided by the respective departments of the City of Titusville

**City of Titusville, Florida**  
**Schedule 19 - Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Police Department</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	117	105	105	93	94	96	110	115	105	100
Patrol zones	8	4	4	4	4	4	4	4	4	4
<b>Fire Department</b>										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire vehicles	20	19	21	20	20	19	21	22	21	20
<b>Public Works</b>										
Streets (miles)	6	186	186	186	202	202	202	202	202	202
Number of street lights	6,179	6,179	6,179	6,179	6,179	6,179	6,179	6,179	6,213	6,197
Number of traffic signals	47	47	45	45	42	42	41	40	40	44
Vehicles	48	48	47	47	40	35	54	40	44	42
<b>Water Resources</b>										
Water mains (miles)	357	357	356	356	347	321	320	320	320	317
Fire hydrants	2,120	2,099	2,056	1,939	1,955	1,909	1,889	1,884	1,896	1,848
Vehicles	54	54	54	57	57	61	71	70	72	70
Storage capacity	6	6	6	6	4	4	4	4	4	4
Sanitary sewers (miles)	284	284	284	252	251	266	266	266	266	265
Treatment capacity-(mil of gals)	16	16	16	16	16	16	16	16	16	7
<b>Stormwater Utility</b>										
Miles of drains	75	75	60	60	60	60	60	59	59	59
Vehicles	19	18	14	14	13	11	19	16	18	18
Miles of ditches / canals	29	29	30	30	30	30	30	31	31	31
Number of lakes and ponds	17	17	41	41	41	41	39	39	39	39
<b>Solid Waste</b>										
Vehicles	38	42	41	41	38	44	42	40	38	38
<b>Municipal Marina</b>										
Vehicles	1	1	1	1	1	1	1	1	1	1
Boats	1	2	2	2	2	2	2	2	2	2
Slips	200	200	205	205	205	200	200	200	200	200
Moorings	14	30	77	77	75	35	-	-	-	-

Note: Information not available for prior years

Sources: Provided by the respective departments of the City of Titusville

**City of Titusville, Florida**  
**Secondary Market Disclosure**  
**Schedule 20 - System Growth**  
**For the Fiscal Year Ended September 30, 2017**

The City of Titusville is required to provide ongoing disclosure for its holders of Water and Sewer Revenue Bonds, Series 2010. Rule 15c2-12(b) (5) promulgated by the Securities and Exchange Commission requires ongoing disclosure for bonds sold on or after July 3, 1995. This report provides financial and operational data of the Water and Sewer Operation of the City of Titusville not disclosed elsewhere in the City of Titusville's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017.

*Customer Growth.* The following table sets forth the amount of water and wastewater system customers for the last ten fiscal years, the percentage increase from year to year and the average daily flow.

<u>Water System Customers Growth</u>			
<u>Last Ten Years</u>			
	Number of	Percent	Average Daily
<u>Year</u>	<u>Customers</u>	<u>Inc/(Dec)</u>	<u>Flow (mgd)</u>
2017	21,689	0.89	4.184
2016	21,498	0.89	4.120
2015	21,308	0.37	3.982
2014	21,230	(0.04)	4.280
2013	21,238	0.90	4.169
2012	21,048	1.53	4.156
2011	20,731	(0.99)	4.108
2010	20,902	(2.20)	4.162
2009	21,372	0.99	4.306
2008	21,168	1.01	4.383

<u>Waste Water System Customer Growth</u>			
<u>Last Ten Years</u>			
	Number of	Percent	Average Daily
<u>Year</u>	<u>Customers</u>	<u>Inc/(Dec)</u>	<u>Flow (mgd)</u>
2017	19,019	0.60	4.006
2016	18,906	0.57	3.313
2015	18,798	(1.88)	3.673
2014	19,158	1.40	3.496
2013	18,894	2.99	3.243
2012	18,346	(2.29)	3.613
2011	18,776	0.52	3.151
2010	18,679	0.50	3.370
2009	18,587	0.19	3.420
2008	18,550	1.96	3.352

Source: City of Titusville Water Resources and Customer Services  
Department

**City of Titusville, Florida**  
**Secondary Market Disclosure**  
**Schedule 21 - Significant Customers**  
**For the Fiscal Year Ended September 30, 2017**

The City of Titusville is required to provide ongoing disclosure for its holders of Water and Sewer Revenue Bonds, Series 2010. Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission requires ongoing disclosure for bonds sold on or after July 3, 1995. This report provides financial and operational data of the Water and Sewer Operations of the City of Titusville not disclosed elsewhere in the City of Titusville's Comprehensive Annual Financial Report for the year ended September 30, 2017.

**Ten Largest Water Customers**

Customer	Total Consumption (1,000 Gallons)	Total Sales	% of Total Revenues
Parrish Medical Center	17,957	\$ 69,314	1.461%
Parrish Medical Center	13,198	50,994	1.075%
Unifirst Corp	12,056	46,536	0.981%
Summerhill Partners LLC	9,341	29,103	0.614%
Space Coast Hotels of Cocoa	9,323	35,987	0.759%
Emerald Place Apts	8,492	31,794	0.670%
Harbor Pointe Condominium	7,614	24,158	0.509%
Royal Oak Condo Assoc Inc.	6,320	19,743	0.416%
KSK Investments, LLC	5,359	20,686	0.436%
Titusville Nursing & Convaskilled	5,187	19,722	0.416%

**Ten Largest Wastewater Customers**

Customer	Total Treated (1,000 Gallons)	Total Sales	% of Total Revenues
Unifirst Corp	17,957	157,483	1.899%
Parrish Medical Center	12,056	105,731	1.275%
Summerhill Partners LLC	9,341	68,470	0.825%
Space Coast Hotels of Cocoa	9,323	81,763	0.986%
Emerald Place Apartments	8,492	62,246	0.750%
Harbor Pointe Condo	7,614	55,811	0.673%
Royal Oak Condo Assoc Inc.	6,320	46,998	0.567%
Titusville Nursing & Convaskilled	5,359	46,998	0.567%
KSK Investments, LLC	5,187	45,490	0.548%
Housing Care Svc/Forest Park	4,819	32,978	0.398%

Source: City of Titusville Water Resources and Customer Services Department

**City of Titusville, Florida**  
**Schedule 22 - Secondary Market Disclosure**  
**Sufficiency Analysis With Computation of Debt Service Coverage (\$000) (1)**  
**For the Fiscal Year Ended September 30, 2017**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Water Sales	\$ 4,979	\$ 4,690	\$ 4,438	\$ 4,414	\$ 3,052	\$ 4,426	\$ 4,696	\$ 3,845	\$ 3,796	\$ 3,797
Sewer Service Charges	8,459	8,146	7,683	7,808	7,911	7,383	7,360	7,222	7,039	7,164
Utility Billing Charges	7,475	7,117	6,852	6,844	7,129	6,518	6,203	5,740	5,461	5,335
Total Rate Revenue	\$ 20,913	\$ 19,953	\$ 18,973	\$ 19,066	\$ 18,092	\$ 18,327	\$ 18,259	\$ 16,807	\$ 16,296	\$ 16,296
Other Revenues	\$ 1,704	\$ 1,826	\$ 1,558	\$ 1,489	\$ 1,533	\$ 1,768	\$ 988	\$ 1,468	\$ 1,003	\$ 961
Interest Income	688	335	301	264	223	328	704	416	806	947
Less:										
Interest on Renewal and Replacement Fund (2)	-	-	(49)	(175)	(160)	(297)	(634)	(660)	(635)	(597)
Gross Revenues	\$ 23,305	\$ 22,114	\$ 20,783	\$ 20,644	\$ 19,688	\$ 20,126	\$ 19,317	\$ 18,031	\$ 17,470	\$ 17,607
Operating Expenses										
Total Support Services (3)	\$ 4,202	\$ 3,942	\$ 3,766	\$ 4,239	\$ 3,679	\$ 3,796	\$ 3,750	\$ 3,888	\$ 3,790	\$ 3,466
Less: Overhead charges from other funds (4)	-	-	-	-	-	-	(279)	(279)	(279)	(190)
Support Service charges for coverage	4,202	3,942	3,766	4,239	3,679	3,796	3,471	3,609	3,511	3,276
Water System	3,500	3,517	3,649	3,644	3,227	3,522	3,352	3,074	3,132	3,303
Sewer System	3,749	3,502	3,672	3,532	3,067	3,553	3,345	3,501	3,406	3,741
Bad Debts and Other Misc Expenses	1,513	2,268	850	579	1,436	1,991	1,398	1,845	834	1,055
Total Operating Expense	\$ 12,964	\$ 13,229	\$ 11,937	\$ 11,994	\$ 11,409	\$ 12,862	\$ 11,566	\$ 12,029	\$ 10,883	\$ 11,375
Net Revenues Available for Debt Service	10,341	8,885	8,846	8,650	8,279	7,264	7,751	6,002	6,587	6,232
Parity Bond Debt Service										
Series 1994 Bonds (5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Series 1998 Bonds	-	-	-	-	-	-	-	1,367	2,370	2,377
Series 2004 Refunding Note (7)	-	-	-	-	-	-	-	1,592	1,592	1,573
Series 2010 Refunding Note (8)	3,763	3,795	3,802	1,555	3,899	6,206	2,961	1,062	-	-
Total Senior lien debt service	\$ 3,763	\$ 3,795	\$ 3,802	\$ 1,555	\$ 3,899	\$ 6,206	\$ 2,961	\$ 4,021	\$ 3,962	\$ 3,950
<b>Debt Service Coverage (1.05 required) (6)</b>	<b>2.75</b>	<b>2.34</b>	<b>2.33</b>	<b>5.56</b>	<b>2.12</b>	<b>1.17</b>	<b>2.62</b>	<b>1.49</b>	<b>1.66</b>	<b>1.58</b>

(1) Unless otherwise noted, based on the City's Comprehensive Annual Financial Report for the years shown. Figures are presented in light of Resolution requirements and may differ from audited financial statements of the City. Rate Schedule change effective FY2004, implemented a higher fixed monthly charge for water and sewer services (utility billing charges), the water and sewer consumption has seen a decrease with the utility billing charges increasing.

(2) According to the Resolution, Gross Revenues should exclude interest earnings on the Renewal and Replacement Fund and Construction Fund. Such figures were provided by the City of Titusville finance department.

(3) Includes administration, laboratory services, customer service and engineering.

(4) Excluded from the definition of "Gross Revenues" in the Resolution.

(5) Issued July 1, 1994. Refunded Series 1965 Bonds and provided approximately \$55 million for new projects. A portion of such Series 1994 Bonds shall be refunded in connection with the issuance of the Series 1998 Bonds.

(6) Required coverage of 1.05 refers to the Series 1994, 1998, and 2010 Bonds.

(7) During 2005, the City issued \$7,147,000 Water and Sewer Revenue Refunding Note, Series 2004 to refund the remaining maturities of the City's Water and Sewer Revenue Bonds, Series 1994.

(8) During 2010, the City issued \$40,385,000 Water and Sewer Revenue refunding Note, Series 2010 to refund the remaining maturities of the City's Water and Sewer Revenue Bond, Series 1998.

Notes: During this reporting period indebtedness payable in whole or in part from the Pledged Funds (as defined in the Official Statement) has remained unchanged. In addition, there have been no significant events which would warrant notification to the MRMSIRs or the Municipal Securities Rulemaking Board (the "MSRB") and to the SID.

**City of Titusville, Florida**  
**Secondary Market Disclosure**  
**Schedule 23 - Current Water and Sewer System Rates and Charges**  
**at September 30, 2017**

**WATER SERVICE**

**Fixed Monthly Charges**

Meter Size	Residential	Multifamily	
		Per Residential Unit	Commercial
5/8 x 3/4"	\$ 9.50	\$ 8.06	\$ 13.11
1"	20.36	8.06	29.42
1 1/2"		8.06	56.63
2"		8.06	89.25
3"		8.06	165.39
4"		8.06	274.22
6"		8.06	546.20
8"		8.06	872.58

**Usage Charge Per 1,000 Gallons:**

Block 1:	0	to	5,000	Gallons Per Month	\$ 3.08	\$ 3.86
Block 2:	5,001	to	10,000	Gallons Per Month	4.62	3.86
Block 3:	10,001	to	15,000	Gallons Per Month	6.15	3.86
Block 4:	15,001	and over		Gallons Per Month	11.69	3.86

**Usage Charge Per 1,000 Gallons Multi-Family:**

Block 1:	0	to	3,000	Gallons Per Month	\$ 3.08
Block 2:	3,001	to	6,000	Gallons Per Month	4.62
Block 3:	6,001	to	9,000	Gallons Per Month	6.15
Block 4:	9,001	and over		Gallons Per Month	11.69

Irrigation:

**Fixed Monthly Charges**

Meter Size	Residential	Multifamily	
		Per Residential Unit	Commercial
5/8 x 3/4"	\$ 9.50		\$ 13.11
1"	20.36		29.42
1 1/2"			56.63
2"			89.25
3"			165.39
4"			274.22
6"			546.20
8"			872.58

**Usage Charge Per 1,000 Gallons:**

Block 1:	0	to	15,000	Gallons Per Month	\$ 6.15	<u>Per Unit</u>	\$ 6.15
Block 2:	15,001	and over		Gallons Per Month	11.69		11.69

**SEWER SERVICE**

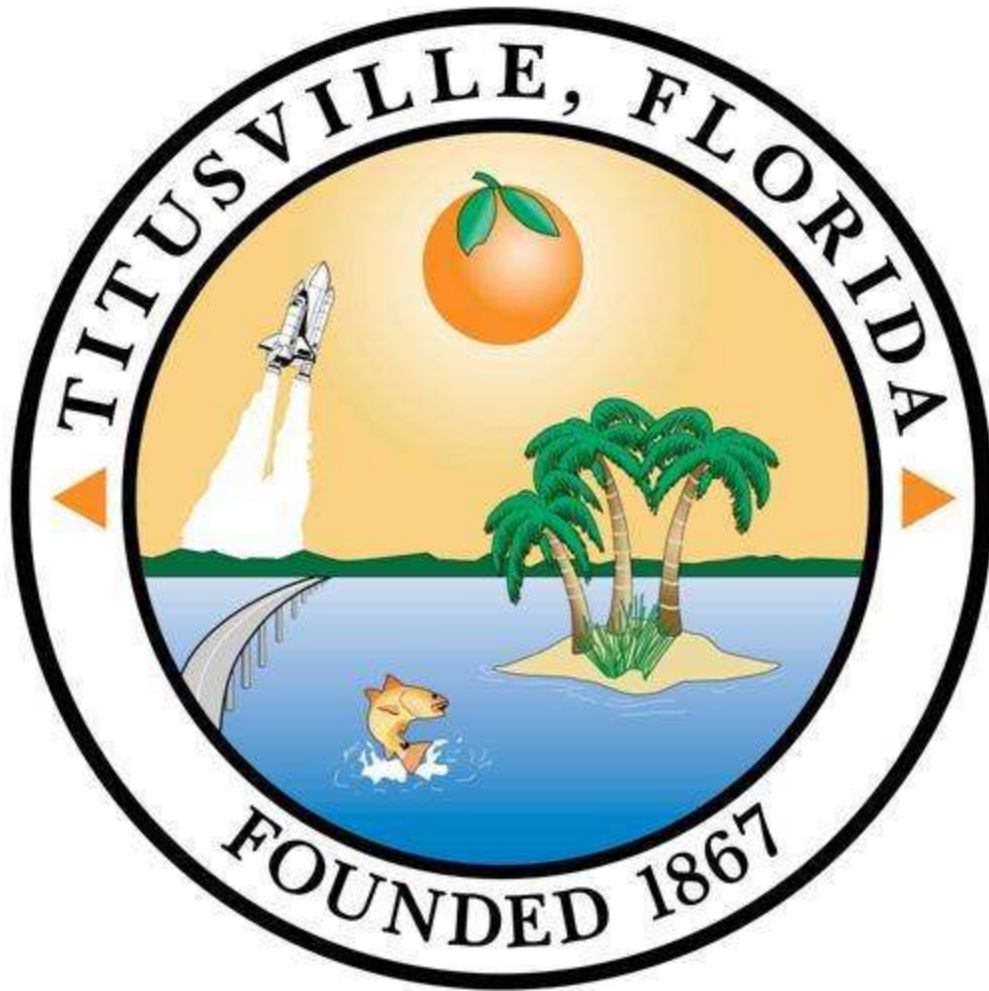
**Fixed Monthly Charges**

Meter Size	Residential	Multifamily	
		Per Residential Unit	Commercial
5/8 x 3/4"	\$ 13.84	\$ 11.78	\$ 19.81
1"	31.72	11.78	46.59
1 1/2"		11.78	91.25
2"		11.78	144.80
3"		11.78	269.80
4"		11.78	448.38
6"		11.78	894.84
8"		11.78	1,430.57

**Usage Charge Per 1,000 Gallons:**

Block 1:	0	to	15,000	Gallons Per Month	\$ 7.33	<u>Per Unit</u>	\$ 8.77
----------	---	----	--------	-------------------	---------	-----------------	---------

The above table sets forth the current rates and charges for system services pursuant to City Ordinance No. 20-2016.



This page is left intentionally blank



City of Titusville  
Schedule of Expenditures of Federal Awards and State Financial Assistance  
Fiscal Year through September 30th 2017

	<u>CFDA/C</u> <u>SFA</u> <u>Number</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>
<b><u>Federal Agency, Pass-Through Entity, Federal Program</u></b>			
<b>US Department of Housing and Urban Development</b>			
Community Development Block Grant	14.218	B-16-MC-12-0021	314,821
<b>Total for CDBG - Entitlement Grants Cluster</b>			<u>314,821</u>
<b>Pass through Brevard County</b>			
HOME Investment Partnership Program	14.239	M-11-DC-14-0200	54,819
<b>Total US Department of Housing and Urban Development</b>			<u>369,640</u>
<b>US Department of the Interior - Fish &amp; Wildlife Service</b>			
Clean Vessel Act Grant - Titusville Municipal Marina Pump-Out Project - (Federal Pass Thru)-NEW	15.616	CVA16-782, MV236	4,446
<b>Total Department of the Interior - Fish and Wildlife Services</b>			<u>4,446</u>
<b>US Department of Justice</b>			
<i>Passed through Office of Attorney General, Crime Victim Assistance:</i>			
Victims of Crime Act Grant (VOCA) 2016/2017	16.575	V174-14255	45,913
Bulletproof Vest Partnership Program - 2016	16.607	2015BUBX15079043	9,914
Edward Bryne Memorial Justice Assistance Grant (JAG) 2017	16.738	2016-DJ-BX-1059	15,669
Edward Bryne Memorial Justice Assistance Grant (JAG) 2016	16.738	2015-DJ-BX-0722	1,696
<b>Total US Department of Justice</b>			<u>73,192</u>
<b>US Department of Transportation - Federal Highway Administration</b>			
<i>Passed through Florida Department of Transportation:</i>			
Hopkins Avenue Complete Streets	20.205	435430-1-38-01	179,505
<b>Total US Department of Transportation - FHA/Total Highway Planning &amp; Construction Cluster</b>			<u>179,505</u>
<b>US Environmental Protection Agency</b>			
Titusville's Area II Storm water Treatment Trains	66.460	G0442	53,834
IRL National Estuary Program Grant (Living Shoreline)	66.456	IRL2016-010	894
<b>Total US Environmental Protection Agency</b>			<u>54,728</u>
<b>US Department of Homeland Security</b>			
Disaster Grants - Public Assistance - Matthew	97.036		433,911
<b>Total US Department of Homeland Security</b>			<u>433,911</u>
<b>Total Expenditures of Federal Awards</b>			<u>1,115,423</u>
<b><u>STATE GRANTS</u></b>			
<b>State of Florida Department of Environmental Protection</b>			
Draa Field Storm water Park - Statewide Surface Water Restoration and Wastewater Project	37.039	G0416	
Knox McRae Watershed Improvements	37.039	LP05031	96,729
<b>Total State of Florida Department of Environmental Protection</b>			<u>96,729</u>
<b>State of Florida Housing Finance Corporation</b>			
State Housing Initiatives Program (SHIP)	52.901	N/A	200,456
<b>Total State of Florida Housing Finance Corporation</b>			<u>200,456</u>
<b>Total Expenditures of State Assistance</b>			<u>297,185</u>
<b>Total Expenditures of Federal &amp; State Assistance</b>			<u>1,412,608</u>

## **City of Titusville**

### **Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance**

**For The Fiscal Year Ended September 30, 2017**

#### **Note 1. General**

The accompanying schedule of expenditures of federal awards (the "schedule") presents the activity of all federal, state and awards of the City for the ended September 30, 2017. The City's reporting entity is defined in Note 1 of the City's basic financial statements.

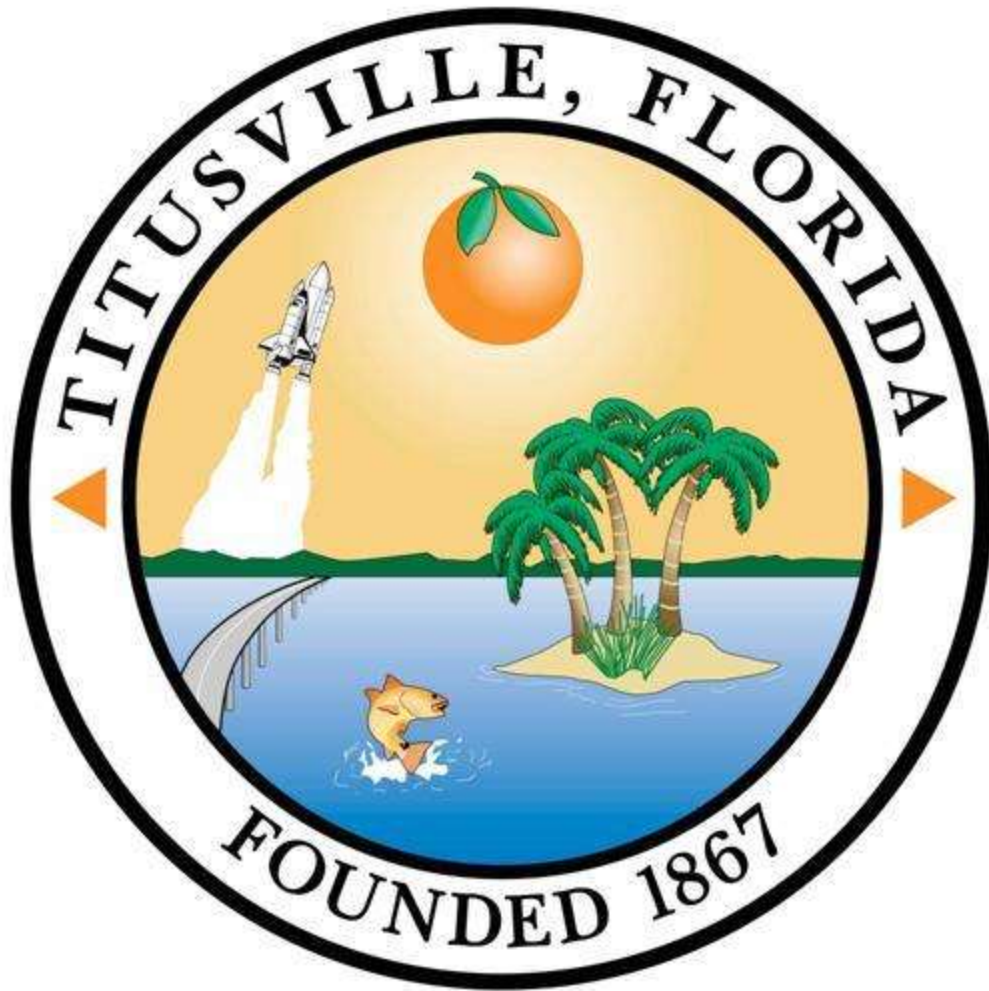
#### **Note 2. Basis of Accounting**

The schedule is presented using the modified accrual basis of accounting for expenditures in the governmental funds and the accrual basis of accounting for expenditures in the proprietary funds, which is described in Note 1 of the City's basic financial statements. The information in the accordance to requirements by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Chapter 10.550.

The City did not elect to use the 10% de minimus indirect cost rates. There is no loan and/or loan guarantee program in effect for the City as described in 2 CFR section 200.502(b) included in rules of the Auditor General. Also the City did not have any sub-recipient for federal award as of end of September 30, 2017.

#### **Note 3. Deferred FEMA Expenditures**

During the fiscal year ended September 30, 2017, the City incurred substantial costs related to Hurricane Matthew and Hurricane Irma. Per the OMB Compliance Supplement, any reimbursements from the Federal Emergency Management Agency (FEMA) under CFDA 97.036 are not to be recognized as expenditures for purposes of the Schedule of Expenditures of Federal Awards until the respective Project Worksheets (PW) have been approved. At September 30, 2017, a portion of the City's PWs from these storms had been approved by FEMA totaling \$433,911 with the balance of \$1,445,198 of expenditures and the related revenues have been recorded for financial statement purposes and will be recognized on the Schedule of Expenditures of Federal Awards this year, in future years once approved by FEMA will be recognized.



This page is left intentionally blank

**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 City Council Members  
of the City of Titusville, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Titusville, Florida as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 23, 2018. We did not audit the financial statements of TIFA, LLC, a joint venture project in which the City has a 50% ownership interest and represents approximately 5% of the assets and 2% of the revenues of the business-type activities and water and sewer utility funds, respectively. The joint venture was audited by another auditor whose report has been furnished to us and our opinions, insofar as they relate to the amounts included for the investment in TIFA, LLC, are based solely on the report of the other auditor.

***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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001, which we consider to be a significant deficiency.

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

### ***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 one instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2017-002.

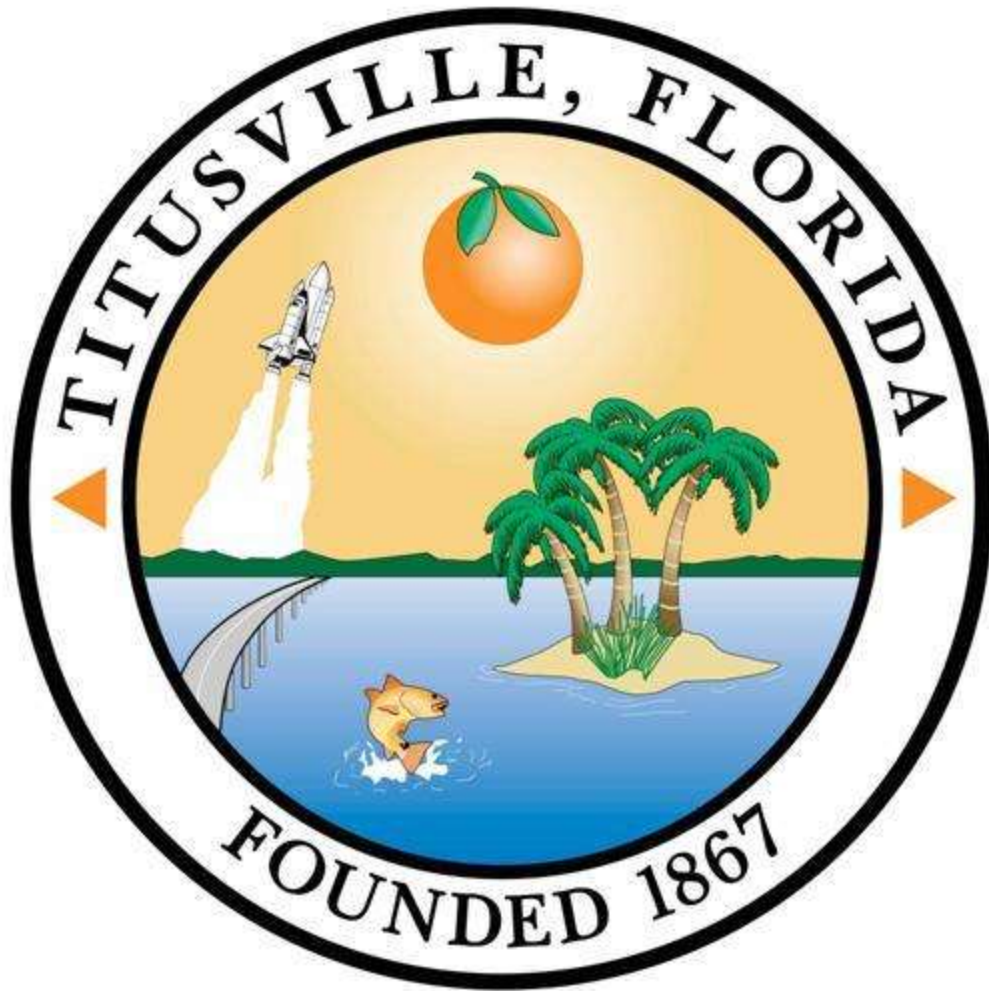
### **City of Titusville, Florida's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying management's response as listed in the table of contents. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

A handwritten signature in black ink that reads "James Moore, Esq., P.L." The signature is written in a cursive style with a large initial "J".

Daytona Beach, Florida  
March 23, 2018



This page is left intentionally blank

**CITY OF TITUSVILLE, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**I. Summary of Auditors' Results:**

***Financial Statements:***

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?   X   yes        none reported

Noncompliance material to financial statements noted?        yes   X   no

***Federal Awards:***

Internal control over major Federal programs:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

Type of auditor's report issued on compliance for major Federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        yes   X   none reported

Auditee qualified as a low-risk auditee?   X   yes        no

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

Identification of major Federal programs:

<b>CFDA Number</b>	<b>Program Name</b>
14.218	CDBG – Entitlement Grants Cluster
97.036	Disaster Grants – Public Assistance

## II. Financial Statement Findings:

### **2017-001 Cutoff Revenue and Expense Transactions**

*Criteria:* Generally accepted accounting standards dictate that intergovernmental revenues for grant reimbursements should be recognized in the same period as the related expenditures occur, and that expenditures should be reported in the period incurred, regardless of when paid.

*Condition:* We noted various grant expenditures incurred in fiscal year 2017 that did not have the associated receivable and revenue recorded as of fiscal year end. We also noted additional adjustments required to accrue additional 2017 expenditures and the year-end cutoff payroll.

*Cause:* Grant expenditures were not reconciled to the related revenues to ensure all related reimbursements had been accrued, whether billed or unbilled. The accrued payroll entry was overlooked, and other expenses that did not get accrued had been entered based off of the invoice date instead of the service period.

*Effect:* Had the audit adjustments not been recorded, receivables, payables, intergovernmental revenues, and various expenditures would have been significantly understated for fiscal year 2017 and would have needed to be restated for fiscal year 2018.

*Recommendation:* We recommend all grant expenditures be reconciled to the related revenues on no less than an annual basis to ensure all grant-related items are recorded in the proper accounting period, and that all invoices received and other payments made near year-end be reviewed for proper cutoff to ensure all items are recorded in the appropriate accounting period.

### **2017-002 Budgetary Compliance**

*Criteria:* Statutes and the City Charter require the City to approve an annual budget and for expenditures and transfers out to stay within the confines of the approved budget at the department level.

*Condition:* Within the general fund, actual law enforcement expenditures exceeded the final budgeted expenditures for the department by \$307,566.

*Cause:* A year-end budget amendment was not identified as it related to the City's accrued payroll in the law enforcement department due to the oversight of the recording of the accrued payroll entry, as discussed in comment 2017-001.

*Effect:* The law enforcement department within the City's general fund was not within legal budgetary compliance.

*Recommendation:* We recommend all activity be properly recorded on an accrual basis and, as discussed in comment 2017-001, reviewed for proper cutoff, and that any necessary budget amendments then be made within the permitted 60-day window subsequent to year-end.

## III. Federal Awards Programs Findings and Questioned Costs: None

## IV. State Financial Assistance Projects Findings and Questioned Costs: None

## V. Prior Audit Findings: None

## VI. Corrective Action Plan: See corrective action plan as listed in the table of contents.





555 SOUTH WASHINGTON AVENUE  
TITUSVILLE, FLORIDA 32796-3584  
POST OFFICE BOX 2806 (32781-2806)



FINANCE DEPARTMENT

(321) 567-3714  
FAX (321) 383-5811

*"A City of Service"*  
[www.titusville.com](http://www.titusville.com)

## **Managements Response to Audit Findings**

### **2017-001 Cutoff Revenue and Expense Transactions**

*Management's Response:* Management concurs with this recommendation and will update procedures and guidelines for departments to submit invoices timely to ensure accruals are recorded in the appropriate accounting period.

### **2017-002 Budgetary Compliance**

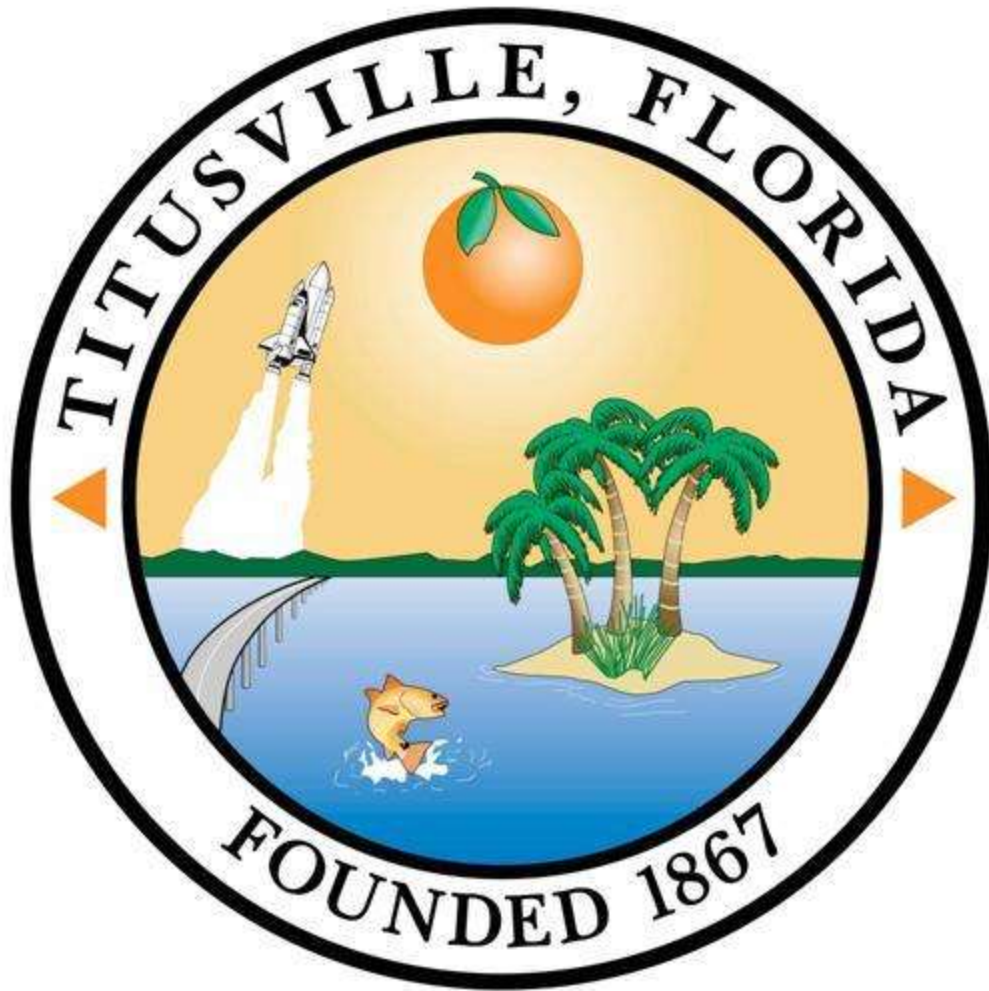
*Management's Response:* Management concurs with this recommendation and makes every effort to ensure all adjustments are made within the 60-day adjustment period.

### **OPEB**

*Management's Response:* Management concurs with this recommendation and is planning to address this liability in Fiscal Year 2019 budget.

### **Utility Billing**

*Management's Response:* Management concurs with this recommendation and has begun a comprehensive review of all utility accounts which will continue into Fiscal Year 2019.



This page is left intentionally blank

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Honorable Mayor and City Council Members  
of the City of Titusville, Florida:

**Report on Compliance for Each Major Federal Program**

We have audited the City of Titusville, Florida's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes 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 audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs, for the year ended September 30, 2017.

## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, stylized initial 'J'.

Daytona Beach, Florida  
March 23, 2018

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor and City Council Members  
of the City of Titusville, Florida:

**Report on the Financial Statements**

We have audited the basic financial statements of the City of Titusville, Florida, as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 23, 2018. We did not audit the financial statements of TIFA, LLC, a joint venture project in which the City has a 50% ownership interest and represents approximately 5% of the assets and 2% of the revenues of the business-type activities and water and sewer utility funds, respectively. The joint venture was audited by another auditor whose report has been furnished to us and our opinions, insofar as they relate to the amounts included for the investment in TIFA, LLC, are based solely on the report of the other auditor.

**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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General

**Other 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*; Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in accordance with the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 23, 2018, 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. No finding or recommendations remain uncorrected from the preceding or second preceding fiscal year. The following is a summary of prior year recommendations:

**2016-A Major Fund Determination** – Corrective action taken.

**2016-B Net Position** – Corrective action taken.

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

## **Official Title and Legal Authority**

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

## **Financial Condition and Management**

Sections 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 conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.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 be same.

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. In connection with our audit, we have the following recommendations:

### **2017-003 – Fund Deficits and Net OPEB Liability**

We noted 3 funds (solid waste, fleet, workers' comp GRIT) with deficit fund balances/net position and an additional 2 funds (information technology, municipal marina) with negative unrestricted net position. We also noted the City's governmental activities have a negative unrestricted net position of over \$46.6 million and only \$9.8 million in total net position. Much of this impact is due to the implementation of GASB 75, reflecting the City's net OPEB liability based on current policies regarding healthcare for retirees; the majority of the impact from GASB 75 was reflected in the increase liability in the City's governmental activities for the portion relating to general fund employees. We recommend the City consider these deficits and the impact of the net OPEB liability in planning for the FY19 budget and beyond.

### **2017-004 – Utility Billing Customer Rate Classifications**

During our test of utility billing activity, we noted 3 accounts that were billed improper amounts due to coding errors in the initial customer setup. All errors were noted to be under \$5, and in two of the three cases, the customers were overcharged. While the identified issues were subsequently corrected, we recommend the City perform a comprehensive analysis of customer accounts to ensure all customers are classified properly and as such, being billed the appropriate amounts on a monthly basis.

## **Annual Financial Report**

Sections 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, 2017, 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, 2017. In connection with our audit, we determined these two reports were in agreement.

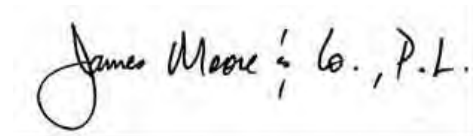
### **Additional Matters**

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.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Council, management, others within the City, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daytona Beach, Florida  
March 23, 2018

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.



555 SOUTH WASHINGTON AVENUE  
TITUSVILLE, FLORIDA 32796-3584  
POST OFFICE BOX 2806 (32781-2806)



FINANCE DEPARTMENT

(321) 567-3714

FAX (321) 383-5811

*"A City of Service"*

[www.titusville.com](http://www.titusville.com)

## **Managements Response to Auditor's Management Letter**

### **Major Fund Determination**

*Management's Response:* Management has implemented calculations to determine Major Funds as part of the year end closing process.

### **Net Position**

*Management's Response:* Management has implemented a method to ensure net position is properly categorized.



## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor and City Council Members  
of the City of Titusville, Florida:

We have examined the City of Titusville, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2017. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2017, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the City of Titusville, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.



Daytona Beach, Florida  
March 23, 2018

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

Website: [www.jmco.com](http://www.jmco.com) | Email: [info@jmco.com](mailto:info@jmco.com) | Member of AGN International with offices in principal cities worldwide