

CITY OF BROOKSVILLE, FLORIDA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2018

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INTRODUCTORY SECTION

**CITY OF BROOKSVILLE, FLORIDA
GOVERNMENTAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2018**

CITY COUNCIL

MAYOR	WILLIAM KEMERER
VICE MAYOR	JOE BERNARDINI
COUNCIL MEMBER	ROBERT BATTISTA
COUNCIL MEMBER	PAT BRAYTON
COUNCIL MEMBER	BETTY ERHARD

CITY MANAGER

MARK KUTNEY

FINANCE DIRECTOR

JIM DELACH

ASSISTANT FINANCE DIRECTOR

AUTUMN SULLIVAN

CITY CLERK

JENNIFER BATTISTA

CITY ATTORNEY

VOSE LAW FIRM

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

City Council
City of Brooksville, Florida
Brooksville, 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 Brooksville, Florida, (City) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2018, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and information on pension benefits, 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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

City Council
City of Brooksville, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Lakeland, Florida
June 7, 2019

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

The City of Brooksville's (the "City") management discussion and analysis is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the City's financial activities for the fiscal year ending September 30, 2018.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Brooksville exceeded its liabilities and deferred inflows of resources at September 30, 2018 by \$45,399,369 (net position) and increased \$2,214,718.
- As of September 30, 2018, the City of Brooksville's governmental funds reported combining ending fund balances of \$6,233,916 which increased \$1,069,473 from the previous fiscal year.
- General Fund expenditures and transfers out came in under final budget by \$540,581. General Fund expenditures excluding transfers out are down from September 30, 2017 by \$630,891. The major differences are that capital outlay and wages and benefit cost decreased.
- Utility Fund cash and cash equivalents increased from \$5,576,738 at the beginning of the fiscal year to \$6,025,782 at the end of the fiscal year.
- The cash and cash equivalents for the Sanitation Fund increased from \$1,112,135 at the beginning of the fiscal year to \$1,279,591 at the end of the fiscal year.

CITY HIGHLIGHTS

- The City adopted a special fire assessment for the fiscal year 2012/2013 budget year. The revenue from the assessment for the year ending September 30, 2018 is \$834,171. The Fire Department Fund was created and moved from the General Fund in 2013. The City's Fire Department is funded via the special assessment and a transfer from General Fund.
- In fiscal year 2018 thirteen (13) single family residential permits were issued in the Southern Hills Plantation subdivision. There were nine (9) single family home permits issued in the Cascades during October 1, 2017 through September 30, 2018.
- Three (3) additional new single family residential permits were issued for locations in the City outside of the Southern Hills/Cascade subdivisions.
- We also had nine (9) permits for mobile home in Clover Leaf.

USING THIS ANNUAL REPORT

The financial statements focus is on both the City as a whole (government-wide) and on the major individual funds. In this audit report, the financial statements are presented in compliance with pronouncement 34 of the Governmental Accounting Standards Board (GASB 34). The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to private-sector statements. The focus is on governmental activities and business-type activities.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the four reported as net position. The focus of the Statement of Net Position (the "unrestricted net position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the governmental general taxes and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, parks and recreation, and transportation for vehicle maintenance and vehicle replacement. The business-type activities of the City consist of the water, sewer, and sanitation services. The business-type activities reflect a private sector type of operation where a fee for services covers the cost of operation.

The government-wide financial statements include the City of Brooksville (the primary government) and the blended component unit, Brooksville Community Redevelopment Agency. The City formed the Brooksville Fire District, but the District was dissolved in 2012.

The government-wide financial statements can be found on pages 17-18 of this report.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over the 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. The financial transactions of the City are recorded in individual funds and each fund has a self-balancing set of accounts. All of the funds of the City can be divided into three categories: governmental, proprietary, and fiduciary. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

The City maintains multiple funds; however certain funds are combined for presentation purpose as presented in these financial statements. Information is presented separately in the Balance Sheet and in the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Brooksville Community Redevelopment Agency, the Fire Department Fund, the Utility Fund, and the Sanitation Fund, which are considered to be major funds. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements.

The City adopts an annual appropriated budget for its General Fund and other governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget and are presented as required supplemental information.

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 focus is 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 the City's near-term financing requirements. The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

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 Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 19-22 of this report.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Proprietary funds

The City maintains two proprietary fund types. 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 and sewer, and sanitation services. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City utilizes internal service funds for its fleet maintenance operations, vehicle replacement, and equipment replacement. Services accounted for in the internal service fund predominately benefit governmental rather than business-type functions, it has been allocated between the governmental activities and the business-type activities in the government-wide financial statements.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 23-27 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The three fiduciary funds are Butterweck Bond Fund, Police Retirement, and the Fireman's Retirement.

The basic fiduciary fund financial statements can be found on pages 28-29 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. These notes can be found on pages 30-82 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning budgetary comparisons and the City's progress in its obligation to provide pension benefits to its employees. Combining and individual fund statements can be found on pages 100-128 of this report. The schedule of changes in net pension liability and related ratios, investment returns, and contributions of the pension trust funds can be found on pages 84-95 of this report.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

ECONOMIC FACTORS

The City of Brooksville, the County Seat of Hernando County, has experienced a period of growth over the last decade. The Greater Tampa metropolitan area is expanding northward, due in part to limited available land for development in the southern regions and the completion of the Suncoast Parkway toll road which links Tampa with the northern counties of Pasco, Hernando, and Citrus. As a result, new development is taking interest in Brooksville because of its ideal proximity to Tampa (50 miles), Orlando (55 miles), and Ocala (60 miles).

The annual estimates for the population of Brooksville were identified as being 8,074 which was used in the fiscal year 2017-2018 State Revenue Sharing calculations. The City of Brooksville's Community Development Department estimates that the City will experience growth in population of 16.8% over the next 10 years. This estimate is based on the 2010 U.S. Census, and the growth rate applied by the Southwest Florida Water Management District to 2011 community data sheet projections and the growth in the last decade within the City.

Although, the official data from the Hernando County Property Appraisers for 2019 is not yet available it is expected that the City's taxable values may increase. In the 2018 Tax Year the current year gross taxable value is \$432,282,271. In the 2017 Tax Year the current year gross taxable values for operating purposes were \$410,456,930. This is an increase in taxable values of \$21,825,341 and a 5.47% increase in values in one year. In 2008, the final gross taxable values were \$568,431,915 (the highest in the City's history); this is a decline of \$136,149,644 from 2008 to 2018 and over a 24% loss in values in that period. At the 2018 millage rate of 6.97636.2000 mills, the decline of \$136,149,644 represents a decrease in annual Ad Valorem revenues of approximately \$801,922 (at 95%) in the span from the high in 2008 to 2018. This has been a challenge for many Florida cities as their property values drop.

Approximately nine years ago, the City increased in size from approximately 5 square miles to approximately 10.68 square miles through voluntary annexations. These annexations increased the acreage of taxable property within City boundaries. The City is also helping improve the taxable property base by encouraging high quality development and redevelopment. Both of these measures should increase the City's future revenue streams that will assist economically for decades to come. Nationally franchised retail chains are noticing Brooksville's changing demographics and have moved to the area. To assist in promoting business, the City Council repealed the City Occupational Business License Tax in 2008 and maintaining a low millage of 6.2000 mills.

The list of national retailers who are in the City includes Wal-Mart, Lowe's Home Improvement, Tractor Supply, Applebee's, Burger King Dunkin Donuts and Baskin Robbins, McDonalds, Wendy's, Popeye's, CVS, Beef O'Brady's, Publix, Winn Dixie and Walgreen's. Countless other established retailers and small local businesses continue to do business in our City.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

THE CITY AS A WHOLE

The City's combined net position as of September 30, 2018 was \$45,399,369. Table 1 below reflects the condensed Statement of Net Position for the last two years.

The largest portion of the City's net position (70%) are its investment in capital assets such as land, buildings, and machinery and equipment, less the outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently these assets are not available for future spending. It is also important to recognize that other resources will be required to repay the outstanding debt on capital assets.

Restricted net position, representing (18%) of total net position, are based on Government Accounting Standards Board Statement No. 54 for Governmental Activities. The restricted for business-type activities is external restrictions on how the funds may be used.

**City of Brooksville, Florida
Net Position**

Table 1	Governmental Activities		Business-Type Activities		Primary Government	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 8,529,072	\$ 7,095,937	\$ 9,425,350	\$ 8,506,979	\$ 17,954,422	\$ 15,602,916
Capital Assets, Net of Deprec.	12,450,079	12,791,389	32,029,697	33,682,345	44,479,776	46,473,734
Total Assets	20,979,151	19,887,326	41,455,047	42,189,324	62,434,198	62,076,650
Defererd Outflows of Resources	1,360,799	1,730,465	385,731	432,806	1,746,530	2,163,271
Long-Term Liabilities	5,340,419	6,962,073	10,155,544	10,890,971	15,495,963	17,853,044
Other Liabilities	1,013,045	863,258	1,339,982	1,316,940	2,353,027	2,180,198
Total Liabilities	6,353,464	7,825,331	11,495,526	12,207,911	17,848,990	20,033,242
Defererd Inflows of Resources	801,480	960,896	130,889	61,132	932,369	1,022,028
Net Position:						
Net Investment in						
Capital Assets	9,776,588	9,957,699	22,182,097	24,284,373	31,958,685	34,242,072
Restricted	4,253,029	4,027,553	3,747,400	4,471,928	8,000,429	8,499,481
Unrestricted	1,155,389	(1,153,688)	4,284,866	1,596,786	5,440,255	443,098
Total Net Position	\$ 15,185,006	\$ 12,831,564	\$ 30,214,363	\$ 30,353,087	\$ 45,399,369	\$ 43,184,651

Table 2 below is the condensed change in net position for the fiscal year ended September 30, 2018. This schedule compares the revenues and expenses for the primary government for the current and previous fiscal years.

Table 2 shows us the cost of governmental expense activities this fiscal year was \$7,986,574 going down 9.7% from last year. The City's total governmental activities revenues increased \$1,504,234 due to the increase in miscellaneous revenue. Table 2 shows the cost of Business-type expense activities

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

was \$5,547,458 (increase of 3.8% over last year). The Business-type accounts revenues increased from 2017 to 2018 by \$381,607. Business-type charges for services increased by 3.4%.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

THE CITY AS A WHOLE (CONTINUED)

On Table 2, the total primary government expenses were \$13,534,032. There was a decrease from the previous year by \$658,366. Total primary government revenues were up by \$1,885,841. Taxes and state shared revenues brought in to the City totaled \$6,071,598.

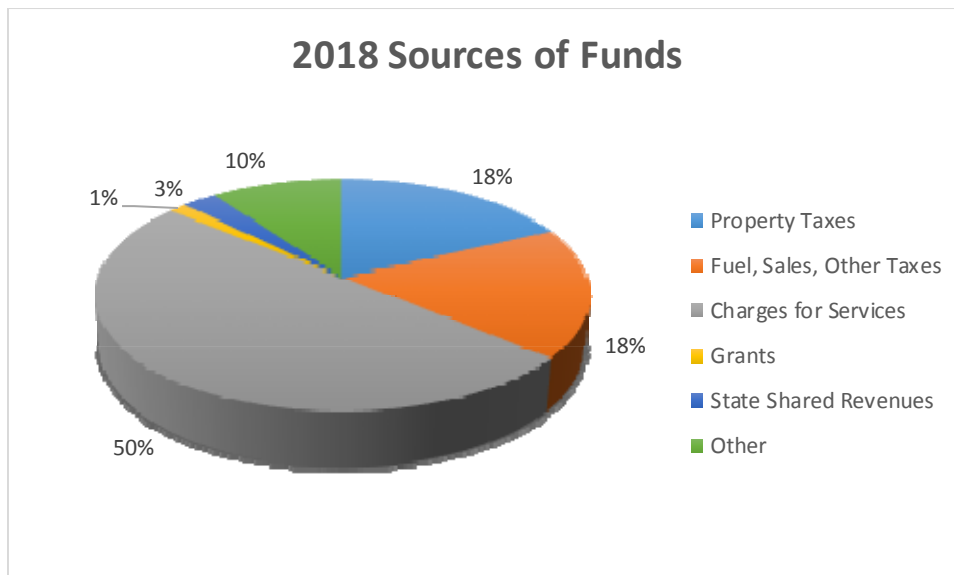
**City of Brooksville, Florida
Changes in Net Position**

Table 2	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Charges for Services	\$ 1,984,284	\$ 1,996,940	\$ 5,908,683	\$ 5,715,279	\$ 7,892,967	\$ 7,712,219
Operating Grants and Contributions	127,333	8,858	70,665	784	197,998	9,642
Capital Grants and Contributions	15,000	183,280	-	-	15,000	183,280
Property Taxes	2,832,106	2,658,625	-	-	2,832,106	2,658,625
Fuel Taxes	424,390	370,799	-	-	424,390	370,799
Sales Taxes	448,085	426,912	-	-	448,085	426,912
Other Taxes	1,956,023	1,828,882	-	-	1,956,023	1,828,882
State Shared Revenues	410,994	408,619	-	-	410,994	408,619
Investment Earning	53,090	34,124	80,875	44,237	133,965	78,361
Miscellaneous	1,371,413	149,719	25,462	27,823	1,396,875	177,542
Sale of Capital Assets	40,347	8,028	-	-	40,347	8,028
Interfund Transfers	676,951	760,996	(676,951)	(760,996)	-	-
Total Revenues and Transfers	10,340,016	8,835,782	5,408,734	5,027,127	15,748,750	13,862,909
Expenses:						
General Government	1,924,115	2,047,835	-	-	1,924,115	2,047,835
Public Safety	4,109,228	4,680,730	-	-	4,109,228	4,680,730
Physical Environment	252,025	267,757	-	-	252,025	267,757
Transportation	760,967	810,235	-	-	760,967	810,235
Culture and Recreation	830,411	925,560	-	-	830,411	925,560
Interest on Long-Term Debt	109,828	115,469	-	-	109,828	115,469
Utility Fund	-	-	4,243,409	4,068,346	4,243,409	4,068,346
Sanitation Fund	-	-	1,304,049	1,276,466	1,304,049	1,276,466
Total Expenses	7,986,574	8,847,586	5,547,458	5,344,812	13,534,032	14,192,398
Change in Net Position	2,353,442	(11,804)	(138,724)	(317,685)	2,214,718	(329,489)
Net Position - Beginning of Year	12,831,564	12,843,368	30,353,087	30,670,772	43,184,651	43,514,140
Net Position - End of Year	\$ 15,185,006	\$ 12,831,564	\$ 30,214,363	\$ 30,353,087	\$ 45,399,369	\$ 43,184,651

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

THE CITY AS A WHOLE (CONTINUED)

The pie chart below shows the 2018 Sources of Funds Government-wide with the data obtained from Table 2 above. Charges for Services provide 50% of our Revenues. Property taxes provide 18% and Fuel, Sales, and Other Taxes provide 18%. State Shared Revenues and miscellaneous provide 11%. Grants this year provided 1% of the City's revenues. The dependence on revenues, such as sales and use taxes and state revenue sharing limits the City's ability to change or improve revenue streams as part of managing resources. A bright spot is the long economic downturn appears to be over and in the future our property values will likely rise giving us higher ad valorem tax revenues.



The City's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are comprised of the general fund, special revenue funds, debt service funds, permanent funds and capital projects funds. Governmental funds use the current financial resources measurement focus that provides information on the near-term inflows, outflows and balances of spendable resources. See page 19 which begins the governmental funds detail

There are three major funds in the governmental fund group. The three major funds are the General Fund, Brooksville Community Redevelopment Agency and Fire Department Fund. To determine a major fund, GASB 34 requires a two-step process based on 10% and 5% criteria. The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. At the end of the fiscal year, the fund balance of the General Fund was \$1,372,229. The fund balance increased from the previous year in the amount of \$791,572.

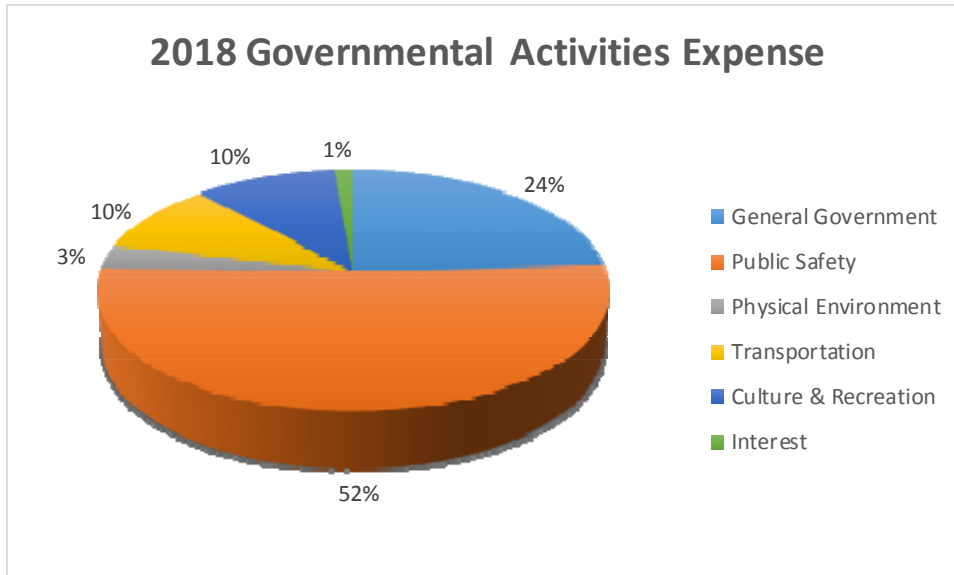
**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Governmental Funds (Continued)

The Brooksville Community Redevelopment Agency (CRA) is considered a major fund based on Section 163.387(8) F.S. In meeting the statutory requirements, the CRA Fund must be treated as a major fund. The Brooksville CRA fund balance was \$397,161 at September 30, 2018.

The non-major governmental fund balances consist of Special Revenue Funds of \$3,762,515, Capital Projects Funds of \$91,014, and Debt Service Funds of \$79,367 and a Permanent Fund of \$408,588. The non-major Government Funds had a year-end fund balance of \$4,341,484. Together the City had approximately \$6.23 million in fund balance as opposed to \$5.16 million in the previous year.

The pie chart below indicates the percentage of dollars spent on governmental activities. Public Safety makes up 52% of the City's governmental activities. General Government is 24% of the total governmental activities. General government includes City Manager's Office, Finance, Human Resources, Community Development, and Technology Services. Transportation is 10% and Culture and Recreation is 11%. Physical Environment is 3%. The information is obtained from Table 2 on page 11.



Proprietary Funds

The City's proprietary funds are comprised of enterprise funds and internal service funds. An enterprise fund is used to account for activities for which a fee is charged to external users for goods and services. Also, included is Internal Service Funds, which provides services to other City departments.

The Utility Fund represents the City's water and sewer utility. The Fund experienced a negative change in net position of \$409,412. Current assets increased by \$479,903 from the previous fiscal year. Total liabilities decreased by \$655,984 from the previous fiscal year. Charges for services increased \$116,476 from the previous year. Operating expenses increased by \$146,653 from the previous year due to an increase in personal services, other services and depreciation.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Proprietary Funds (Continued)

The Sanitation Fund experienced an increase in net position of \$69,441.

The Internal Service Funds reports activities that provide a service to the City's other operations for vehicle maintenance, vehicle replacement, and equipment replacement. Internal service funds are combined with governmental activities in the government-wide statements since they primarily benefit governmental activities.

The presentation below shows the reserves in Vehicle Replacement for each fund with additional detail presented in General Fund departments:

VEHICLE REPLACEMENT RESERVES

General Fund:	
Administration and Finance	\$ 179,088
Police	372,753
Fire	166,058
Streets	50,866
Parks	102,960
Cemetery	29,071
Community Development	31,256
General Fund Total	932,052
Proprietary Funds:	
Utility Fund	335,978
Sanitation Fund	1,004,525
Proprietary Funds Total	1,340,503
Total	\$ 2,272,555

Capital Assets

The City's capital assets (net of accumulated depreciation) as of September 30, 2018 reflect an investment of \$44,479,776 on Statement of Net Position. Please refer to Note 5 beginning on page 48 to review detail of the Capital Asset activity for the fiscal year ended September 30, 2018. In compliance with GASB Statement No. 34, the City reports infrastructure assets, such as roads and bridges.

Significant increases in assets or Construction in Progress (CIP) this fiscal year include:

- The City's Vehicle Replacement Fund capitalized one Public Work's Sanitation front loader garbage truck costing \$258,812.
- Other General Fund items capitalized were two (2) bridges and a culvert at Russell St. Good Neighbor Trail costing \$12,935, and third floor remodeling project costing \$49,417
- Fund 107 Transportation Capital – Local Option Gas Tax 1-5 capitalized the Southway Estates Water Drainage Project for a cost of \$189,094.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Capital Assets (Continued)

- Fund 108 Local Option Gas Tax (Streets Department) one 2018 Ford F500 Regular cab patch truck for \$109,137.
- Fund 115 Parks Impact Fee for \$12,112 and Fund 302 McKethan Capital Projects for \$18,000 to purchase a NEO's Playground set for a total cost of \$30,112.
- Fund 143 Fire Department capitalized an EVO cutter, incline and spreader package for \$19,873.
- Utility Fund capitalized \$32,504 for 2018 Caterpillar Lift Truck and \$87,800 Hope Hill Water Tower painting, repairs and inspection.

Long-Term Debt

The City purchased a new ladder truck for the fire department on November 10, 2005. SunTrust Bank issued the loan for \$633,659. The balance on the loan as of September 30, 2018 is \$151,486 interest rate of 5.14% maturing May 10, 2021. See Note 6 page 50 for further details.

The City obtained a \$258,800 (at 4.125%) Capital Improvement Revenue Bond in November 2006 with a maturity of 30 years. The loan was financed through USDA and included a grant portion of \$286,000. The loan/grant was utilized to purchase emergency generators and retrofit the City Hall and Police Department windows. The balance as of September 30, 2018 is \$136,000. Mobile Home licenses are the assigned collateral for this USDA Bond Payable.

The City borrowed through SunTrust \$3,333,022 on May 20, 2011. The Note Payable is entitled City of Brooksville, Florida Capital Improvement Revenue Note, Series 2011 and Financing Energy Performance Projects. The Note Payable interest rate is at 4.136% maturing October 2026 with quarterly payments. The debt will fund energy conservation projects. The City has a Guaranteed Energy Savings Agreement with Energy Systems Group approved on April 28, 2011. The total debt at September 30, 2018 is \$2,114,045. This agreement guarantees that the debt service will be offset by the energy savings.

In 2011, the Utility Fund borrowed two loan payables via the State Revolving Fund to the State of Florida Department of Environmental Protection. Both are semiannual payments and are due February 15, 2031. The total debt at September 30, 2018 is \$710,513 at 2.3%. The project associated with the debt was sewer rehabilitation with a combination of grant/loan proceeds.

In 2013, the City Council approved the issuance of the 2013 SunTrust Water and Sewer Refunding Revenue Bond in the amount of \$9,510,366 for the Utility Fund. The loan has an interest rate of 2.97% and will mature on October 1, 2027. The total debt at September 30, 2018 is \$6,552,706.

Performance Measured Against Expectations (Budget)

General Fund revenues were over budget by \$279,759. The major difference was balances being carried forward were budgeted for as a revenue source. General Fund expenditures were under budget by \$533,413 (excluding transfers out).

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

2018 Millage Rate

The State of Florida under s. 200.185, F.S, required that the City adopt a tax levy permitted under the law. If the City adopted a tax levy that exceeds the maximum tax levy, s. 200.185, F.S. requires that the municipality will lose their half-cent sales tax distribution. By majority vote, the tax authority could levy a maximum millage equal to their rolled-back rate adjusted for the change in per capita Florida personal income (1.0375% for 2016). The City of Brooksville's maximum rate by majority vote was 12.5846 mills (exceeds the 10 mill cap). A two-thirds vote maximum millage allowed by law exceed was 14.3622 mills which exceeds the maximum millage allowed of 10 mills. The City of Brooksville complied with the requirements and did not lose their half-cent sales tax distribution. In 2018, the City adopted the millage rate of 6.9763. The current year rolled-back rate was 6.5266 which were lower than the adopted rate. The rolled-back rate is a tax rate the county property appraiser determines is necessary to give a governmental agency the same amount of property tax dollars it received during the previous budget year.

The 2018 millage rate of 6.9763 was 6.3406 mills lower than required by the State of Florida with a majority vote.

Economic Factors and Next Year's Budget and Rates

As of September 30, 2018 the known facts that will affect operations revenues and expenses are as follows:

- 1) Reuse water ordinance 875, the collection of reclaimed water revenues will have a positive effect on the operating budget of the City's utilities system starting in FY 2018 budget.
- 2) Annexation of Flage Stone Pavers ordinance 877 will have an effect on FY 2019 budget by increasing Ad Valorem Taxes.
- 3) Closing the Police Department as of May 31, 2018 will decrease General Fund expenses in FY 2019 budget.

These are the three items that are known as of September 30, 2018 that will affect the City's future budgets.

Acknowledgements

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. Appreciation is also extended to the Mayor and City Council and the City Manager and Department Heads for their continuous commitment to the highest ethical standards in financial reporting and disclosure.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Finance Director, City of Brooksville, 201 Howell Avenue, Brooksville, Florida 34601.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Pooled Cash and Investments	\$ 8,071,768	\$ 2,408,157	\$ 10,479,925
Accounts Receivable, Net	421,858	912,137	1,333,995
Internal Balances	(987,357)	987,357	-
Due from Other Governments	346,816	70,132	416,948
Inventories	6,148	143,694	149,842
Prepaid Items	136,239	6,657	142,896
Restricted Assets:			
Cash and Investments	327,204	4,897,216	5,224,420
Net Pension Asset	206,396	-	206,396
Capital Assets not being Depreciated	4,134,869	1,904,697	6,039,566
Capital Assets Net of Accumulated Depreciation	8,315,210	30,125,000	38,440,210
Total Assets	20,979,151	41,455,047	62,434,198
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	1,360,799	385,731	1,746,530
Total Deferred Outflows of Resources	1,360,799	385,731	1,746,530
LIABILITIES			
Accounts Payable	244,771	89,874	334,645
Accrued Interest Payable	2,265	99,841	102,106
Accrued Wages Payable	27,138	10,189	37,327
Due to Other Governments	187,782	-	187,782
Deposits	74,144	448,772	522,916
Other Current Liabilities	135,964	-	135,964
Unearned Revenue	6,193	-	6,193
Noncurrent Liabilities:			
Due Within One Year:			
Accrued Compensated Absences	38,067	20,816	58,883
Notes Payable	283,276	49,670	332,946
Revenue Bonds Payable	13,445	620,820	634,265
Due in More Than One Year:			
Accrued Compensated Absences	96,303	22,432	118,735
Notes Payable	2,091,392	660,843	2,752,235
Revenue Bonds Payable	211,737	5,931,886	6,143,623
Net Pension Liability	2,940,987	972,567	3,913,554
Other Long-Term Liabilities	-	2,567,816	2,567,816
Total Liabilities	6,353,464	11,495,526	17,848,990
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	801,480	130,889	932,369
Total Deferred Inflows of Resources	801,480	130,889	932,369
NET POSITION			
Net Investment in Capital Assets	9,776,588	22,182,097	31,958,685
Restricted:			
Transportation	555,505	-	555,505
Public Safety	219,439	-	219,439
Community Redevelopment	474,465	-	474,465
Infrastructure	2,674,577	-	2,674,577
Debt Service	79,367	-	79,367
Capital Projects	4,468	-	4,468
Utility Debt Service and Capital Improvements	-	3,747,400	3,747,400
Nonexpendable	245,208	-	245,208
Unrestricted	1,155,389	4,284,866	5,440,255
Total Net Position	\$ 15,185,006	\$ 30,214,363	\$ 45,399,369

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018**

Functional/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Primary Government:							
General Government	\$ 1,924,115	\$ 292,324	\$ -	\$ -	\$ (1,631,791)	\$ -	\$ (1,631,791)
Public Safety	4,109,228	1,272,138	72,375	-	(2,764,715)	-	(2,764,715)
Physical Environment	252,025	-	-	-	(252,025)	-	(252,025)
Transportation	760,967	\$ 291,275	34,958	-	(434,734)	-	(434,734)
Culture and Recreation	830,411	128,547	20,000	15,000	(666,864)	-	(666,864)
Debt Service Interest on							
Long-Term Debt	109,828	-	-	-	(109,828)	-	(109,828)
Total Governmental Activities	<u>7,986,574</u>	<u>1,984,284</u>	<u>127,333</u>	<u>15,000</u>	<u>(5,859,957)</u>	<u>-</u>	<u>(5,859,957)</u>
Business-Type Activities:							
Utility	4,243,409	4,393,825	-	-	-	150,416	150,416
Sanitation	1,304,049	1,514,858	70,665	-	-	281,474	281,474
Total Business-Type Activities	<u>5,547,458</u>	<u>5,908,683</u>	<u>70,665</u>	<u>-</u>	<u>-</u>	<u>431,890</u>	<u>431,890</u>
Total Primary Government	<u>\$ 13,534,032</u>	<u>\$ 7,892,967</u>	<u>\$ 197,998</u>	<u>\$ 15,000</u>	<u>(5,859,957)</u>	<u>431,890</u>	<u>(5,428,067)</u>
General Revenues:							
Taxes:							
Property Taxes					2,832,106	-	2,832,106
Utility Taxes					1,234,716	-	1,234,716
Fuel Taxes					424,390	-	424,390
Franchise Taxes					713,280	-	713,280
Sales Taxes					448,085	-	448,085
Other Taxes					8,027	-	8,027
State Shared Revenue					410,994	-	410,994
Investment Earnings					53,090	80,875	133,965
Miscellaneous					1,371,413	25,462	1,396,875
Gain on Sale of Capital Assets					40,347	-	40,347
Transfers, Net					676,951	(676,951)	-
Total General Revenues and Transfers					<u>8,213,399</u>	<u>(570,614)</u>	<u>7,642,785</u>
Change in Net Position					2,353,442	(138,724)	2,214,718
Net Position - Beginning of Year					<u>12,831,564</u>	<u>30,353,087</u>	<u>43,184,651</u>
Net Position - End of Year					<u>\$ 15,185,006</u>	<u>\$ 30,214,363</u>	<u>\$ 45,399,369</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	Major Funds				Total Governmental Funds
	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Nonmajor Governmental Funds	
ASSETS					
Pooled Cash and Investments	\$ 1,111,706	\$ 470,802	\$ 127,504	\$ 4,058,690	\$ 5,768,702
Restricted Pool Cash and Investments	-	-	-	327,204	327,204
Accounts Receivable	404,811	-	-	1,919	406,730
Due from Other Funds	-	-	1,879	10,761	12,640
Advance to Other Funds	75,456	-	-	-	75,456
Due from Other Governments	214,868	-	24,650	107,298	346,816
Inventories	2,247	-	-	-	2,247
Prepaid Items	108,913	-	-	2,615	111,528
Total Assets	\$ 1,918,001	\$ 470,802	\$ 154,033	\$ 4,508,487	\$ 7,051,323
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 73,625	\$ 73,641	\$ 16,396	\$ 21,862	\$ 185,524
Accrued Wages Payable	12,270	-	11,403	3,045	26,718
Unearned Revenue	-	-	-	6,193	6,193
Due to Other Funds	8,881	-	-	3,759	12,640
Due to Other Governments	187,782	-	-	-	187,782
Deposits	74,144	-	-	-	74,144
Other Liabilities	4,589	-	3,192	132,144	139,925
Total Liabilities	361,291	73,641	30,991	167,003	632,926
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	184,481	-	-	-	184,481
FUND BALANCES					
Nonspendable	254,116	-	-	247,823	501,939
Restricted	-	397,161	-	3,534,403	3,931,564
Committed	-	-	-	308,185	308,185
Assigned	-	-	123,042	252,950	375,992
Unassigned	1,118,113	-	-	(1,877)	1,116,236
Total Fund Balances	1,372,229	397,161	123,042	4,341,484	6,233,916
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,918,001	\$ 470,802	\$ 154,033	\$ 4,508,487	\$ 7,051,323

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

Fund Balances - Total Governmental Funds \$ 6,233,916

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.

Governmental Capital Assets	19,478,221	
Less: Accumulated Depreciation	<u>(7,921,537)</u>	11,556,684

The City's net pension liability and related deferred outflows and inflows of resources for governmental activities are recorded only on the statement of net position. Balances at year end are:

Net Pension Liability	(2,940,987)	
Net Pension Asset	206,396	
Deferred Outflows of Resources - Pension Related	1,360,799	
Deferred Inflows of Resources - Pension Related	<u>(801,480)</u>	(2,175,272)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued Compensated Absences	(131,053)	
Capital Lease	1,795	
Notes Payable	(2,374,668)	
Bond Payable	<u>(225,182)</u>	(2,729,108)

Internal service funds are used by management to charge the costs of certain activities to the individual funds.

Assets and liabilities of the internal service funds that are reported in the governmental activities portion of the statement of net position.		3,177,118
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Operating income of the internal service funds is allocated between governmental activities and business-type activities. Internal service fund operating income allocated to business-type activities.		(1,062,813)
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Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.

184,481

Net Position of Governmental Activities **\$ 15,185,006**

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Major Funds				
	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 3,992,590	\$ 74,232	\$ 834,171	\$ 424,390	\$ 5,325,383
Licenses and Permits	1,032,152	-	25	346,358	1,378,535
Intergovernmental Revenue	923,072	-	16,784	34,958	974,814
Charges for Services	266,917	-	9,028	-	275,945
Fines and Forfeits	63,489	-	-	31,812	95,301
Net Investment Earnings	17,969	209	-	23,275	41,453
Miscellaneous Revenues	194,465	-	1,481	164,340	360,286
Total Revenues	<u>6,490,654</u>	<u>74,441</u>	<u>861,489</u>	<u>1,025,133</u>	<u>8,451,717</u>
EXPENDITURES					
Current:					
General Government	1,916,253	-	-	-	1,916,253
Culture and Recreation	670,047	-	-	16,392	686,439
Public Safety	2,109,481	-	1,642,197	15,474	3,767,152
Physical Environment	143,579	29,130	-	-	172,709
Transportation	62,818	-	-	585,975	648,793
Debt Service:					
Principal	73,090	-	48,506	223,176	344,772
Interest	-	-	8,764	101,064	109,828
Aids to Private Organizations	-	17,175	-	-	17,175
Capital Outlay	62,352	92,643	19,873	330,343	505,211
Total Expenditures	<u>5,037,620</u>	<u>138,948</u>	<u>1,719,340</u>	<u>1,272,424</u>	<u>8,168,332</u>
Excess (Deficiency) of Revenues Over Expenditures	1,453,034	(64,507)	(857,851)	(247,291)	283,385
OTHER FINANCING SOURCES (USES)					
Proceeds from Debt Issuance	-	-	-	109,137	109,137
Transfers In	505,121	-	798,404	942,777	2,246,302
Transfers Out	(1,166,583)	-	(13,871)	(388,897)	(1,569,351)
Total Other Financing Sources (Uses)	<u>(661,462)</u>	<u>-</u>	<u>784,533</u>	<u>663,017</u>	<u>786,088</u>
NET CHANGE IN FUND BALANCES	791,572	(64,507)	(73,318)	415,726	1,069,473
Fund Balances - Beginning of Year	<u>580,657</u>	<u>461,668</u>	<u>196,360</u>	<u>3,925,758</u>	<u>5,164,443</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,372,229</u>	<u>\$ 397,161</u>	<u>\$ 123,042</u>	<u>\$ 4,341,484</u>	<u>\$ 6,233,916</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018**

Net Changes in Fund Balances - Total Governmental Funds \$ 1,069,473

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

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

Expenditures for Capitalized Assets	\$ 505,211	
Less: Current Year Depreciation	<u>(673,248)</u>	(168,037)

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

Issuance of Debt		(109,137)
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Repayment of principal is an expenditure in the governmental funds, however the repayment reduces long-term liabilities in the statement of net position.

		271,682
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. The amounts below represent the change in these accounts.

Accrued Compensated Absences	122,068	
Capital Lease	73,090	
Pension Expense	(235,400)	
Other Long-Term Liabilities	<u>9,742</u>	(30,500)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service fund is reported with governmental activities.

		144,968
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Change in Long-Term Liability		1,173,763
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In the statement of activities, only the gain on the sale of assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Proceeds have not yet been received, and as such, the change in net position will only differ by the gain on the sale of assets.

		<u>1,230</u>
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Change in Net Position of Governmental Activities

		<u><u>\$ 2,353,442</u></u>
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**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018**

	Business-Type Activities			Governmental
	Utility	Sanitation	Total	Activities -
	Fund	Fund		Internal Service Fund
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 1,128,566	\$ 1,279,591	\$ 2,408,157	\$ 2,303,066
Accounts Receivable, Net	912,137	-	912,137	15,128
Due from Other Governments	-	70,132	70,132	-
Inventories	143,694	-	143,694	3,901
Prepaid Items	6,657	-	6,657	24,711
Total Current Assets	<u>2,191,054</u>	<u>1,349,723</u>	<u>3,540,777</u>	<u>2,346,806</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	4,897,216	-	4,897,216	-
Capital Assets, Net:				
Land	1,148,912	47,020	1,195,932	-
Construction In Progress	708,765	-	708,765	-
Building	155,383	317,288	472,671	-
Improvement Other than Building	53,210,219	57,040	53,267,259	-
Machinery and Equipment	2,229,994	1,670,944	3,900,938	2,120,149
	<u>57,453,273</u>	<u>2,092,292</u>	<u>59,545,565</u>	<u>2,120,149</u>
Less: Accumulated Depreciation	<u>25,964,046</u>	<u>1,551,822</u>	<u>27,515,868</u>	<u>1,226,754</u>
Net Capital Assets	<u>31,489,227</u>	<u>540,470</u>	<u>32,029,697</u>	<u>893,395</u>
Total Noncurrent Assets	<u>36,386,443</u>	<u>540,470</u>	<u>36,926,913</u>	<u>893,395</u>
Total Assets	38,577,497	1,890,193	40,467,690	3,240,201
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	329,018	56,713	385,731	-

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2018**

	Business-Type Activities			Governmental
	Utility	Sanitation	Total	Activities -
	Fund	Fund		Internal Service Fund
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 59,249	\$ 30,625	\$ 89,874	\$ 59,247
Accrued Interest Payable	99,841	-	99,841	-
Accrued Wages Payable	7,518	2,671	10,189	420
Deposits	448,772	-	448,772	-
Accrued Compensated Absences - Current	16,441	4,375	20,816	129
Note Payable - Due within One Year	49,670	-	49,670	-
Bond Payable - Due within One Year	620,820	-	620,820	-
Other Current Liabilities	-	494	494	99
Total Current Liabilities	1,302,311	38,165	1,340,476	59,895
Noncurrent Liabilities:				
Accrued Compensated Absences	11,107	11,325	22,432	3,188
Advance from Other Funds	75,456	-	75,456	-
Notes Payable	660,843	-	660,843	-
Bond Payable	5,931,886	-	5,931,886	-
Net Pension Liability	797,792	174,775	972,567	-
Other Long-Term Liabilities	2,567,322	-	2,567,322	-
Total Noncurrent Liabilities	10,044,406	186,100	10,230,506	3,188
Total Liabilities	11,346,717	224,265	11,570,982	63,083
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	66,980	63,909	130,889	-
NET POSITION				
Net Investment in Capital Assets	21,641,627	540,470	22,182,097	893,395
Restricted	3,747,400	-	3,747,400	-
Unrestricted (Deficit)	2,103,791	1,118,262	3,222,053	2,283,723
Total Net Position	\$ 27,492,818	\$ 1,658,732	29,151,550	\$ 3,177,118
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			1,062,813	
Net Position of Business-Type Activities			\$ 30,214,363	

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Business-Type Activities		Total	Governmental
	Utility Fund	Sanitation Fund		Activities - Internal Service Fund
OPERATING REVENUE				
Charges for Services	\$ 4,393,825	\$ 1,514,858	\$ 5,908,683	\$ 1,258,261
Miscellaneous Revenues	22,821	2,641	25,462	112,466
Total Operating Revenues	<u>4,416,646</u>	<u>1,517,499</u>	<u>5,934,145</u>	<u>1,370,727</u>
OPERATING EXPENSES				
Personal Services	1,018,097	481,570	1,499,667	877,406
Other Services and Charges	1,458,268	807,535	2,265,803	27,538
Depreciation and Amortization	1,633,690	142,608	1,776,298	155,923
Total Operating Expenses	<u>4,110,055</u>	<u>1,431,713</u>	<u>5,541,768</u>	<u>1,060,867</u>
OPERATING INCOME	306,591	85,786	392,377	309,860
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental Revenue	-	70,665	70,665	-
Net Investment Earnings	77,762	3,113	80,875	11,637
Interest Expense	(206,937)	-	(206,937)	-
Gain on Sale of Capital Assets	-	-	-	24,718
Total Nonoperating Revenues (Expenses)	<u>(129,175)</u>	<u>73,778</u>	<u>(55,397)</u>	<u>36,355</u>
INCOME BEFORE TRANSFERS	177,416	159,564	336,980	346,215
TRANSFERS				
Transfers In	60,862	-	60,862	-
Transfers Out	(647,690)	(90,123)	(737,813)	-
Total Transfers	<u>(586,828)</u>	<u>(90,123)</u>	<u>(676,951)</u>	<u>-</u>
CHANGE IN NET POSITION	(409,412)	69,441	(339,971)	346,215
Net Position - Beginning of Year	<u>27,902,230</u>	<u>1,589,291</u>		<u>2,830,903</u>
NET POSITION - END OF YEAR	<u>\$ 27,492,818</u>	<u>\$ 1,658,732</u>		<u>\$ 3,177,118</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds.			<u>201,247</u>	
CHANGE IN POSITION OF BUSINESS-TYPE ACTIVITIES			<u>\$ (138,724)</u>	

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2018**

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 4,409,469	\$ 1,517,499	\$ 5,926,968	\$ 1,370,727
Payments to Employees	(1,007,439)	(438,849)	(1,446,288)	(889,236)
Payments to Suppliers	(1,467,941)	(824,717)	(2,292,658)	11,180
Net Cash Provided by Operating Activities	1,934,089	253,933	2,188,022	492,671
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants & Contributions	-	533	533	-
Transfers from Other Funds	60,862	-	60,862	-
Transfers to Other Funds	(647,690)	(90,123)	(737,813)	-
Advances from Other Funds	(3,972)	-	(3,972)	-
Net Cash Used by Noncapital Financing Activities	(590,800)	(89,590)	(680,390)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(120,304)	-	(120,304)	(258,812)
Proceeds from Sale of Assets	-	-	-	102,501
Principal Paid on Long Term Debt	(654,486)	-	(654,486)	-
Interest Paid	(197,217)	-	(197,217)	-
Net Cash Used by Capital and Related Financing Activities	(972,007)	-	(972,007)	(156,311)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of Interest and Dividends	77,762	3,113	80,875	11,637
Net Cash Provided by Investing Activities	77,762	3,113	80,875	11,637
NET INCREASE IN CASH AND CASH EQUIVALENTS	449,044	167,456	616,500	347,997
Cash and Cash Equivalents - Beginning of Year	5,576,738	1,112,135	6,688,873	1,955,069
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,025,782</u>	<u>\$ 1,279,591</u>	<u>\$ 7,305,373</u>	<u>\$ 2,303,066</u>
CLASSIFIED AS:				
Unrestricted	\$ 1,128,566	\$ 1,279,591	\$ 2,408,157	\$ 2,303,066
Restricted	4,897,216	-	4,897,216	-
Total Cash and Cash Equivalents	<u>\$ 6,025,782</u>	<u>\$ 1,279,591</u>	<u>\$ 7,305,373</u>	<u>\$ 2,303,066</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2018**

	Business-Type Activities		Total	Governmental
	Utility Fund	Sanitation Fund		Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 306,591	\$ 85,786	\$ 392,377	\$ 309,860
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense and Amortization	1,633,690	142,608	1,776,298	155,923
(Increase) Decrease in Assets:				
Accounts Receivable	(26,709)	-	(26,709)	-
Inventories	316	-	316	301
Prepaid Items	(127)	-	(127)	-
Deferred Outflows of Pension Related Items	12,458	34,617	47,075	-
Increase (Decrease) in Liabilities:				
Accounts Payable	(9,862)	(17,000)	(26,862)	27,389
Accrued Wages Payable	(789)	(1,013)	(1,802)	(326)
Other Current Liabilities	-	(182)	(182)	(48)
Deposits	19,145	-	19,145	-
Accrued Compensated Absences	(5,026)	(1,710)	(6,736)	(428)
Net Pension Liability	(14,447)	(40,468)	(54,915)	-
Other Long-Term Liabilities	387	-	387	-
Deferred Inflows of Pension Related Items	18,462	51,295	69,757	-
 Net Cash Provided by Operating Activities	 <u>\$ 1,934,089</u>	 <u>\$ 253,933</u>	 <u>\$ 2,188,022</u>	 <u>\$ 492,671</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018**

	Private Purpose Trust Funds	Pension Trust Funds
ASSETS		
Cash and Pooled Cash	\$ 1,271	\$ 8,108,939
Investment in Debt Securities	-	1,985,100
Investment in Marketable Equity Securities	-	3,891,066
Accounts Receivable	-	21,011
	1,271	14,006,116
LIABILITIES		
Total Liabilities	-	-
NET POSITION		
Held in Trust for Retirement and Other Purposes	1,271	14,006,116
Total Net Position	\$ 1,271	\$ 14,006,116

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2018**

	Private Purpose Trust Funds	Pension Trust Funds
ADDITIONS		
CONTRIBUTIONS		
Employer	\$ -	\$ 722,294
Plan Members	-	33,840
Total Contributions	-	756,134
INVESTMENT EARNINGS		
Net Increase (Decrease) in Fair Value	-	(891,754)
Gain on Sale of Investments	-	1,576,865
Interest and Dividends	44	358,421
Total Investment Earnings	44	1,043,532
MISCELLANEOUS REVENUES	-	477
Total Additions	44	1,800,143
DEDUCTIONS		
BENEFIT PAYMENTS	-	630,583
ADMINISTRATIVE EXPENSES	-	191,799
Total Deductions	-	822,382
CHANGE IN NET POSITION	44	977,761
Net Position - Beginning of Year	1,227	13,028,355
NET POSITION - END OF YEAR	\$ 1,271	\$ 14,006,116

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 REPORTING ENTITY

The City of Brooksville (City) is an incorporated municipality, established in 1880, when the officers of the Town of Brooksville adopted ordinances declaring administrative and criminal laws. In 1931 the legislature of the State of Florida approved the Proposed Home Rule Charter for the City of Brooksville as contained in Chapter 15103 of the 1931 Acts of Florida. This chapter legalized and validated the charter election, which was held in the City on April 21, 1931. The City operates under a City Council-Manager form of government and provides the following municipal services: general administrative, public safety, permitting and zoning, development, public improvements, recreation, water and sewer, and sanitation and cemetery services.

The accompanying financial statements are prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB). The more significant of the City's accounting policies are described below.

As required by the Governmental Accounting Standards Board (GASB), these financial statements include the City (the primary government) and its component units, entities for which the City is considered to be financially accountable. The City is financially accountable if (a) it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City; (b) the organization is fiscally dependent upon the City; or (c) it would cause the financial statements to be misleading by excluding the organization.

The reporting entity's financial statements should allow users to distinguish between the primary government and its component units. However, some component units, because of the closeness of their relationships with the City should be blended as though they were part of the City. Otherwise, component units should be discretely presented. To accomplish this goal, the City's financial statements present the fund types of the City, including component units that have been blended.

City of Brooksville Community Redevelopment Agency

The City of Brooksville Community Redevelopment Agency (CRA), a public body corporate and politic created pursuant to Florida Statutes, Section 163.356 was created to oversee and implement the City's redevelopment plan and to supervise and control the expenditures of tax increment financing funds placed in the Community Redevelopment Area Trust Fund. The members of the City Council serve as the members of the CRA Board and approve the annual budget. The CRA satisfies the criteria for blending and is reported as a major Special Revenue Fund of the City. The CRA must be treated as a major fund, pursuant to Florida Statutes, Section 163.387(8).

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 REPORTING ENTITY (CONTINUED)

Brooksville Housing Authority

The Brooksville Housing Authority has not been included as part of the City for financial statement purposes. The governing board is selected by the City Council, but then the governing board is responsible for the hiring and firing of management; the budget, which is then approved by the federal government; and all fiscal matters. The City has no responsibility for any surplus or deficits of the Brooksville Housing Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic Financial Statements - Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-Wide Financial Statements

The government-wide financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, parks, public works, and general administrative services are classified as governmental activities. The City's water, sewer, and sanitation services are classified as business-type activities.

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports functional categories of programs provided by the City and demonstrates how and to what degree those programs are supported by specific revenue. The "Expenses" column reports direct expenses that are clearly identifiable with a specific function or program. "Program Revenues" are directly attributable to a specific function or program and are categorized as charges for services, operating grants and contributions, and capital grants and contributions. The net of program expenses less program revenues reflects the net cost of each function or program. The general revenues section includes revenues that are not program specific such as taxes and investment earnings.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basic Financial Statements - Government-Wide and Fund Financial Statements
(Continued)**

Government-Wide Financial Statements (Continued)

As a general rule, the effect of interfund balances and transfers have been removed from the government-wide financial statements, except for the residual amounts between governmental and business-type activities reported as “internal balances”, which are eliminated in the total column. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City’s net position resulting from the current year’s activities.

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (or expenses), as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds of the City are divided into three categories: governmental, proprietary and fiduciary.

The emphasis in fund financial statements is on the major funds, as defined by GASB, in either the governmental or business-type activities categories. The nonmajor funds are combined in a column in the fund financial statements.

The City operates the following major governmental funds:

Government Funds

Government funds are used to account for all or most of a government’s general activities. The City operates the following major governmental funds:

- The **General Fund** is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **City of Brooksville Community Redevelopment Agency**, a major special revenue fund, accounts for expenditures associated with oversight and implementation of the City’s redevelopment plan and control of the expenditures of restricted tax increment financing funds placed in the City of Brooksville Community Redevelopment Agency.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basic Financial Statements - Government-Wide and Fund Financial Statements
(Continued)**

Fund Financial Statements (Continued)

Government Funds (Continued)

- The **Fire Department Fund**, a major special revenue fund, accounts for funding committed to fire protection and related essential services within the City.

Proprietary Funds

Proprietary funds are used to account for a government's ongoing activities, which are similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

The City reports the following major proprietary funds:

- The **Utility Fund** accounts for the fiscal activity of providing water and wastewater services to residential and commercial customers.
- The **Sanitation Fund** accounts for the fiscal activity of providing collection and disposal of solid waste to residential and commercial customers.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and the 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 nonoperating revenues and expenses.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal service (vehicle maintenance, vehicle replacement, equipment replacement, employee benefits, and health insurance) are the City's governmental activities, the financial statements of the internal service funds are allocated largely into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City activities or obligations. As a result, they are excluded from the government-wide financial statements.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basic Financial Statements - Government-Wide and Fund Financial Statements
(Continued)**

Fund Financial Statements (Continued)

Fiduciary Funds (Continued)

The City reports the following fiduciary funds:

- The **Butterweck Bond Fund**, a private purpose trust fund, accounts for the fiscal activity to maintain Butterweck Crypt at Brooksville Cemetery.
- The **Fireman's Retirement Fund**, a pension trust fund, accounts for the firefighter's pension benefits, contractual services, and investment services.
- The **Police Retirement Fund**, a pension trust fund, accounts for the police pension benefits, contractual services and investment services.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The modified accrual basis of accounting is followed by governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability has been incurred except for (1) principal and interest on long-term debt, which is recorded when due, and (2) the noncurrent portion of accrued vacation and sick leave.

Property taxes, sales taxes, and franchise taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Net position is segregated into three components: net investment in capital assets; restricted net position; and unrestricted net position. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

The fiduciary funds consist of pension trust, private-purpose trust, and agency funds. Pension trust and private-purpose trust funds are prepared on a full accrual basis, which is a flow of economic resources measurement focus. Agency funds are also prepared on a full accrual basis, but do not have a measurement focus.

Budgets and Budgetary Accounting

The City follows these procedures, which comply with legal requirements, in establishing the budgetary data reflected in the financial statements:

1. All funds have legally adopted annual budgets. Prior to the inception of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of funding them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budget amounts within departments; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. City policy permits amendments to the budget during the fiscal year and subsequent to year-end.
5. Budgets for the General Fund, special revenue funds, and capital projects funds are principally prepared on the modified accrual basis of accounting. Encumbrances, which do not lapse at the end of a fiscal year, are carried over to the next fiscal year.

Upon legislative approval, the expenditure requests in the budget become binding appropriations, which may not legally be exceeded unless subsequently amended by the legislative body. The Capital Improvement Revenue Loan- 2016 Fund had a deficit in fund balance of \$1,877. As this balance is primarily offset by a balance due to other funds, management believes this deficit will be recovered through forgiveness of balances due to other funds.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

All of the City's cash and investments, except pension funds and certain bond related investments, are combined in a pooled cash accounting system to allow the investment of idle cash for short periods of time, thereby maximizing interest earnings for the City as a whole. Interest earned on pooled cash is allocated to each fund participating in the pool on a pro-rata basis.

Allowances for Uncollectibles

The City calculates its allowances for uncollectibles using historical collection data, specific account analysis, and management's judgment.

Investments

All investments, except non-participating investments, (i.e., certificates of deposits, and repurchase agreements), and investments in the external investments pools that meet the requirements of GASB 79 are reported at fair value.

Inventories

Supplies inventory is valued at cost on a first-in, first-out basis. Supplies inventory consists of supplies held for consumption that are expensed at the time of consumption, rather than at the time a liability is incurred.

Confiscated property inventory is valued at estimated fair market value at the date confiscated. Confiscated property inventory consists of tangible property confiscated from persons due to the properties' connection to alleged illegal activity.

Prepaid Items

Payments made to vendors in the governmental funds for services that will benefit periods beyond September 30 are recorded as prepaid items. Prepaid expenses in the enterprise funds are reported on the accrual basis and are expensed as the related benefits expire.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements.

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value. Capital assets in the proprietary funds are stated at cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation on all assets is provided using the straight-line method. The estimated useful lives are as follows:

Buildings	40 Years
Utility Plant in Service	20 - 40 Years
Equipment	5 - 10 Years
Infrastructure	10 - 50 Years

The City is not required to report infrastructure assets acquired prior to October 1, 1979.

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. As infrastructure is added, the assets are capitalized and depreciated appropriately.

Compensated Absences

City employees accumulate vacation pay in varying amounts as services are provided. All outstanding vacation time is payable upon termination of employment.

Additionally, City employees accumulate sick leave in varying amounts as services are provided. Effective with the first pay period each October, employees are given the option to convert up to 50% of the unused sick leave earned for the previous 12 months to cash payment based upon the employee's current rate of pay. The remaining balance is accrued for the employee's use. The exception to the 50% sick buy-back is members of the Brooksville Professional Firefighters' Local #4661; the annual 50% sick buy-back payment to the Firefighters' Local members is paid at the option of the City Manager if deemed in the best interest of the City. Upon separation or retirement of employment with the City, the balance of unused sick leave by City employees and the Brooksville Professional Firefighters' Local #4661 are the values as listed in the paragraph below.

Based on the Labor Agreement between the City of Brooksville and the Brooksville Professional Firefighters' Local #4461, members of the Local #4461 are allowed a payment of sick leave upon termination unless an employee is terminated for gross misconduct. Members are paid 25% of their sick leave balance with 3 years but not including 7 years of service; members are paid 35% of their sick leave balance with 7 years but not including 15 years of service; and members are paid 50% of their sick leave balance with 15 or more years of service.

The cost of accumulated vacation and sick leave pay expected to be paid in the future is accounted for as a liability in the government-wide financial statements and the proprietary funds.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances

Effective for the year ended September 30, 2011, the City adopted a Fund Balance Policy to comply with Governmental Accounting and Financial Standards Board Statement (GASB) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balance as follows:

Nonspendable fund balance – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed fund balance – amounts that can be used only for the specific purposes determined by a formal action of the City Council, the City's highest level of decision making authority. Commitments may only be removed or changed by the City Council taking the same formal action that imposed the constraint. The commitment action should occur by the end of the fiscal year.

Assigned fund balance – amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City Council delegated the City Manager the authority to assign amounts to be used for specific purposes.

Unassigned fund balance – the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City has formally adopted a fund balance and spending policy to clearly define the process for tracking the various classifications of fund balance. When a fund expenditure is incurred which restricted, committed, assigned, or unassigned amounts are available to be used, the City will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Minimum Fund Balance Policy

The City Council established a minimum fund balance by formally requiring – in accordance with its Fund Balance Policy – that the City will maintain a minimum unassigned fund balance in its General Fund of 3% of the current year’s budgeted expenditures and outgoing transfers. If fund balance falls below the minimum 3%, the City will replenish shortages/deficiencies over a period not to exceed one year using one or the combination of the following:

- The City will reduce recurring expenditures to eliminate any structural deficit
- The City will increase revenues or pursue other funding sources

The City’s Fund Balance Policy also states an unassigned fund balance in its General Fund over 20% of the subsequent year’s budgeted expenditures and outgoing transfers will be considered a surplus. If fund balance rises above 20%, the City will consider such fund balance surpluses for one-time expenditures that are non-recurring in nature and which will not require additional future expense outlays for maintenance, additional staffing, or other recurring expenditures.

Statement of Cash Flows

For purposes of the statement of cash flows, the City has included checking accounts, certificates of deposit, and cash on hand as part of cash and cash equivalents. Cash equivalents are defined as those with original maturities of 90 days or less.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

Pensions

Single Employer: for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Firefighters’ Retirement Trust Fund Chapter 175 and Police Retirement Trust Fund Chapter 185 and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions (Continued)

Cost Sharing Employer: In the government-wide and proprietary funds statements of net position, liabilities are recognized for the City's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

The City has deferred inflows and deferred outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a set period. The changes in proportion and differences between City contributions and proportionate share of contributions are also deferred and amortized against pension expense over a set period.

In addition to the above pension related deferred inflows, the City also has one other type of deferred inflows of resources, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from certain charges for services and fines and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 3 CASH AND INVESTMENTS

Cash Deposits

As of September 30, 2018, the City's cash deposits were entirely covered by federal depository insurance or by the banking network provided by Chapter 280 of the Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans, and limit local government deposits to "authorized depositories." Therefore, all cash deposits held by banks can be classified as fully insured. Customer deposits, renewal and replacement and debt retirement funds are shown as restricted cash due to the legal limitations imposed on them. At September 30, 2018, the carrying amount of the City's deposits was \$12,055,818. The City also had \$1,900 cash on hand at September 30, 2018.

Custodial Risk

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its deposits and securities that are in the possession of an outside party. Demand deposits are fully insured by the Federal Depository Insurance Corporation and the multiple financial institution collateral pool, required by Sections 280.07 and 280.08, Florida Statutes. To mitigate custodial risk, broker/dealers must meet established capital requirements as set forth by the Securities Exchange Commission, be registered in the State of Florida, provide proof of registration, complete a broker/dealer questionnaire, certify understanding of the City's investment policy, and provide a copy of most recent audit report.

Investments

The City's investment policy allows the City to invest surplus money in instruments provided by Florida Statutes Chapter 218.40 - 218.415. Among them are:

- a. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act, as provided in Section 163.01, Florida Statutes;
- b. Savings accounts in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes;
- c. Certificates of deposit in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes;
- d. Direct obligations of the U.S. Treasury;
- e. Federal Agencies and instrumentalities;
- f. Repurchase Contracts secured by U.S. Treasury or U.S. Government Agency Securities when market value shall be not less than 5% more than the amount of the contract. The 5% margin shall be maintained for the term of the contract. If the market value falls below the 5% margin, the issuer of the contract shall pledge additional collateral to restore the margin.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

City ordinance authorizes investments for the pension trust funds, as follows:

- a. Annuity and life insurance contracts;
- b. Time and savings accounts of National Bank and a State of Florida bank insured by FDIC;
- c. Obligations of the United States;
- d. State and local government bonds (as restricted); and
- e. Corporate stocks and bonds (as restricted).

Pension trust fund investments are made up primarily of trust company and equity funds (bank common funds). The investments are insured or registered securities that are held by the City or its agent, in the City's name. As of September 30, 2018, pension trust fund investments totaled \$5,876,166.

Investments in State Investment Pool

The City invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2018, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 33.5% of Florida PRIME's portfolio at September 30, 2018.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments to specified credit ratings for authorized investments. To mitigate credit risk, the City primarily invests in U.S. government securities and the State of Florida local government surplus trust fund pool. Money market accounts are held with qualified public depositories who meet the State of Florida requirements.

Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's. On September 30, 2018, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

The following illustrates the credit quality distribution with credit exposure as a percentage of the City's investment securities.

Investment Type	Credit Ratings	Concentration Risk at Fair Value	Percentage of Total Pooled Investments
LGIP - SBA Florida PRIME	AAAm	\$ 1,544,973	13.87%
LGIP -FMIvT: 0-2 Year High Quality Bond	AAAf/S1	7,441,109	66.80%
LGIP -FMIvT: 1-3 Year High Quality Bond	AAAf/S2	1,479,951	13.28%
LGIP -FMIvT: Intermediate High Quality Bond Fund	AAAf/S3	673,806	6.05%
Total		<u>\$ 11,139,839</u>	<u>100.00%</u>

The police pension fund invests in a high quality money market portfolio that comprises U.S. government and U.S. Treasury securities. The fire pension fund limits its credit risk by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The following illustrates the credit quality distribution with credit exposure as a percentage of the fire pension fund investment securities.

Investment Type	Credit Ratings	Concentration Risk at Fair Value	Percentage of Total Pooled Investments
Fixed Income:			
U.S. Government Obligations	AA	\$ 151,143	2.33%
Mortgage/Asset Back Securities	No Rating	49,841	0.77%
Mortgage/Asset Back Securities	AA	573,204	8.83%
Mutual Funds	No Rating	240,155	3.70%
Collateralized MTGE Obligations	AA	9,956	0.15%
Corporate Bonds	AAA	10,552	0.16%
Corporate Bonds	AA	21,472	0.33%
Corporate Bonds	A	303,707	4.68%
Corporate Bonds	BBB	500,067	7.70%
Foreign Bonds NTS	AA	28,961	0.45%
Foreign Bonds NTS	A	10,964	0.17%
Foreign Bonds NTS	BBB	85,078	1.31%
Domestic Equities	No Rating	3,060,316	47.13%
International Equities	No Rating	830,750	12.79%
Real Estate Fund	No Rating	616,998	9.50%
Total		<u>\$ 6,493,164</u>	<u>100.00%</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the quality of investments in a single user. The City's investment policy requires that investments be diversified by security type and institution. Approximately 86% of the City's investments are in Florida Municipal Investment Trust. Approximately 14% of the City's Investments are in the Local Government Surplus Trust Fund Investment Pools.

To limit this risk, the fire pension fund requires that not more than 65% of the plan's assets may be invested in corporate, common stock and convertible bonds. Investment in real estate must not exceed 10% of the cost value of the fund. In addition, foreign securities shall not exceed 25% of the market value of the Plans' assets.

During the fiscal year 2018, the police pension converted all of their holdings to cash equivalents in connection with the closing of the police department.

Interest Rate Risk

To mitigate interest rate risk, the City's investment policy requires that the investment portfolio structure maturities to the City's cash needs for ongoing operations and that operating funds be invested primarily in short-term securities. The City's policy requires that investments have maturities no greater than five years.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2018 was 33 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2018 was 72 days.

<u>Investment Type</u>	<u>Average Duration</u>	<u>Total Fair Value</u>
LGIP - SBA Florida PRIME	0.14	\$ 1,544,973
LGIP -FMIvT: 0-2 Year High Quality Bond	0.67	7,441,109
LGIP -FMIvT: 1-3 Year High Quality Bond	1.44	1,479,951
LGIP -FMIvT: Intermediate High Quality Bond Fund	3.75	673,806
Total		<u>\$ 11,139,839</u>

The City's pension trust funds do not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The performance of the fire pension fund is measured against various nationally recognized benchmarks depending on the category.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

The fire pension fund maturities are as follows:

	Fixed Income Investments
One to Five Years	\$ 821,230
Five to Ten Years	294,735
More than Ten Years	869,135
Total Fair Value	\$ 1,985,100

A reconciliation of deposits and investments to amounts shown on the statement of net position and statement of fiduciary net position is as follows:

Deposits	\$ 12,055,818
Cash on Hand	1,900
Investments	17,633,003
Total	\$ 29,690,721

Statement of Net Position:	
Cash and investments	\$ 10,479,925
Restricted Cash and Investments	5,224,420
Statement of Fiduciary Net Positions:	
Pooled Cash	8,110,210
Investments	5,876,166
Total Cash and Investments	\$ 29,690,721

Fair Value Measurements

The City categorizes its 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 market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The following illustrates the fair value of investments of the fire pension fund:

	September 30, 2018	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities:				
U.S. Treasury Securities	\$ 391,298	\$ 240,155	\$ 151,143	\$ -
Commercial Mortgage-Backed Securities	623,044	-	623,044	-
Collateralized Debt Obligations	9,956	-	9,956	-
Corporate Bonds	960,802	-	960,802	-
Subtotal - Debt Securities	<u>1,985,100</u>	<u>240,155</u>	<u>1,744,945</u>	<u>-</u>
Private Equity Funds:				
Domestic	3,060,316	3,060,316	-	-
International	830,750	830,750	-	-
Subtotal - Private Equity Funds	<u>3,891,066</u>	<u>3,891,066</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 5,876,166</u>	<u>\$ 4,131,221</u>	<u>\$ 1,744,945</u>	<u>\$ -</u>
Investments by Net Asset Value (NAV)				
Real Estate Fund	<u>\$ 616,998</u>			
Total Investments Measured at the NAV	<u>\$ 616,998</u>			
Total Investments	<u>\$ 6,493,164</u>			

Other information for investments measured at the NAV or its equivalent is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Fund	\$ 616,998	\$ 360	Quarterly	Daily

Real Estate Fund – The American Core Realty Fund is an open-end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive relative to other asset classes with stable income and potential for market appreciation. The American Core Realty Fund invests primarily in core institutional quality industrial, multi-family, office and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due from Other Funds

The balances due from other funds were as follows at September 30, 2018:

Fire Department Fund	\$ 1,879
Nonmajor Governmental Funds	10,761
Total	<u>\$ 12,640</u>

Due to Other Funds

The balances due to other funds were as follows at September 30, 2018:

General Fund	\$ 8,881
Nonmajor Governmental Funds	3,759
Total	<u>\$ 12,640</u>

Advance to Other Funds

The balance advanced to other funds was as follows at September 30, 2018:

General Fund	\$ 75,456
Total	<u>\$ 75,456</u>

Advance from Other Funds

The balance advanced from other funds was as follows at September 30, 2018:

Utilities Fund	\$ 75,456
Total	<u>\$ 75,456</u>

Interfund receivables and payables represent recurring activities between funds as well as temporary deficit cash balances. All interfund payables are expected to be repaid within one year, with the exception of the advance due between the General Fund and Utility Fund.

Interfund Transfers In/Transfers Out

Individual interfund transfers were as follows for the fiscal year ended September 30, 2018:

	Transfers In	Transfers Out
General Fund	\$ 505,121	\$ 1,166,583
Fire Department Fund	798,404	13,871
Utility Fund	60,862	647,690
Sanitation Fund	-	90,123
Nonmajor Governmental Funds	942,777	388,897
Total Transfers In/Transfers Out	<u>\$ 2,307,164</u>	<u>\$ 2,307,164</u>

Transfers between funds are primarily to move unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 is as follows:

	Balance September 30, 2017	Additions	Deletions	Balance September 30, 2018
Governmental Activities				
Nondepreciable:				
Land	\$ 1,510,978	\$ -	\$ -	\$ 1,510,978
Construction in Progress	2,529,248	94,643	-	2,623,891
Total Nondepreciable	4,040,226	94,643	-	4,134,869
Depreciable:				
Buildings	6,119,030	49,419	-	6,168,449
Improvements Other Than Buildings	6,386,563	232,141	7,500	6,611,204
Equipment	5,275,396	387,821	979,368	4,683,849
Total Depreciable	17,780,989	669,381	986,868	17,463,502
Less: Accumulated Depreciation:				
Buildings	2,498,913	207,366	-	2,706,279
Improvements Other Than Buildings	3,250,803	302,635	2,875	3,550,563
Equipment	3,280,110	319,171	707,831	2,891,450
Total Accumulated Depreciation	9,029,826	829,172	710,706	9,148,292
Total Capital Assets, Being Depreciated, Net	8,751,163	(159,791)	276,162	8,315,210
Governmental Activities Capital Assets, Net	<u>\$ 12,791,389</u>	<u>\$ (65,148)</u>	<u>\$ 276,162</u>	<u>\$ 12,450,079</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Balance September 30, 2017	Additions	Deletions	Balance September 30, 2018
Business-Type Activities				
(Includes Utility and Sanitation)				
Nondepreciable:				
Land	\$ 1,195,932	\$ -	\$ -	\$ 1,195,932
Construction in Progress	708,765	-	-	708,765
Total Nondepreciable	<u>1,904,697</u>	-	-	<u>1,904,697</u>
Depreciable:				
Buildings	472,671	-	-	472,671
Improvements Other Than Buildings	53,179,459	87,800	-	53,267,259
Machinery and Equipment	3,868,434	32,504	-	3,900,938
Total Depreciable	<u>57,520,564</u>	<u>120,304</u>	-	<u>57,640,868</u>
Less: Accumulated Depreciation:				
Buildings	231,292	17,410	-	248,702
Improvements Other Than Buildings	22,790,263	1,528,270	-	24,318,533
Equipment	<u>2,721,361</u>	<u>227,272</u>	-	<u>2,948,633</u>
Total Accumulated Depreciation	<u>25,742,916</u>	<u>1,772,952</u>	-	<u>27,515,868</u>
Total Capital Assets, Being Depreciated, Net	<u>31,777,648</u>	<u>(1,652,648)</u>	-	<u>30,125,000</u>
Business-Type Activities Capital Assets, Net	<u>\$ 33,682,345</u>	<u>\$ (1,652,648)</u>	<u>\$ -</u>	<u>\$ 32,029,697</u>

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

Governmental Activities:	
General Government	\$ 261,220
Public Safety	189,882
Physical Environment	78,034
Culture and Recreation	170,138
Transportation	129,898
Total Depreciation for Governmental Activities	<u>\$ 829,172</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Business-Type Activities:

Utility Fund	\$ 1,630,344
Sanitation Fund	142,608
Total Depreciation for Business-Type Activities	\$ 1,772,952

NOTE 6 LONG-TERM LIABILITIES

Long-term liability activity of the City for the year ended September 30, 2018 was as follows:

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018	Amounts Due Within One Year
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES					
Bonds Payable:					
2006 Capital Improvement					
Revenue Bonds	\$ 143,000	\$ -	\$ 7,000	\$ 136,000	\$ 8,000
2016 Capital Improvement					
Revenue Note	94,500	-	5,318	89,182	5,445
Total Bonds Payable	237,500	-	12,318	225,182	13,445
Notes Payable:					
Promissory Note					
2011 Capital Improvement	199,992	-	48,506	151,486	51,647
Revenue Note	2,324,903	-	210,858	2,114,045	219,715
Patch Truck Note	-	109,137	-	109,137	11,914
Total Notes Payable	2,524,895	109,137	259,364	2,374,668	283,276
Accrued Compensated Absences	256,866	276,936	399,432	134,370	38,067
Other Long-Term Liabilities	1,183,505	-	1,183,505	-	-
Governmental Activity Long-Term Liabilities	\$ 4,202,766	\$ 386,073	\$ 1,854,619	\$ 2,734,220	\$ 334,788
BUSINESS-TYPE ACTIVITIES					
Bonds Payable:					
2013 Water and Sewer					
Refunding Revenue Bond	\$ 7,158,645	\$ -	\$ 605,939	\$ 6,552,706	\$ 620,820
Total Bonds Payable	7,158,645	-	605,939	6,552,706	620,820
Notes Payable:					
Wastewater /ARRA Loan					
Direct State Revolving Fund Loan	456,890	-	29,221	427,669	29,897
Total Notes Payable	302,170	-	19,326	282,844	19,773
Total Notes Payable	759,060	-	48,547	710,513	49,670
Accrued Compensated Absences	49,984	70,727	77,463	43,248	20,816
Other Long-Term Liabilities	2,567,612	204	-	2,567,816	-
Business-Type Activity Long-Term Liabilities	\$ 10,535,301	\$ 70,931	\$ 731,949	\$ 9,874,283	\$ 691,306

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Below is a summary of scheduled debt service charges until maturity for the bonds payable.

Year	Governmental Activities				Business-Type Activities	
	2006 Capital Improvement		2016 Capital Improvement		2013 Water and Sewer	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 8,000	\$ 5,610	\$ 5,445	\$ 2,118	\$ 620,820	\$ 156,255
2020	8,000	5,280	5,574	1,989	635,700	141,378
2021	8,000	4,950	5,706	1,856	651,700	125,384
2022	9,000	4,620	5,842	1,721	667,710	109,372
2023	9,000	4,249	5,981	1,582	684,110	92,967
2024-2028	51,000	15,387	32,102	5,711	3,292,666	204,518
2029-2033	43,000	4,249	28,532	1,714	-	-
	<u>\$ 136,000</u>	<u>\$ 44,345</u>	<u>\$ 89,182</u>	<u>\$ 16,691</u>	<u>\$ 6,552,706</u>	<u>\$ 829,874</u>

The following bonds payable and notes payable were outstanding at September 30, 2018:

2006 Capital Improvement Revenue Bonds

In November 2006, the City issued \$258,800 in Capital Improvement Revenue Bonds, Series 2006 for the purpose of providing a part of the funds required to finance a part of the cost of acquiring and installing certain capital improvements to the City Hall Building and wastewater utility lift stations. The City established an advance between the General Fund and the Utility Fund for the Utility Fund's portion due for the cost of improvements at the wastewater utility lift stations. The balance of the advance at September 30, 2018 was \$75,456.

Interest on the 2006 bonds is payable annually on September 1 of each year. The bonds carry an interest rate of 4.125%. Bonds maturing on or before September 1, 2015 are not subject to redemption prior to their respective stated dates of maturity. Bonds maturing September 1, 2016 and thereafter shall be redeemable, at the option of the Issuer, in whole or in part, in inverse numerical and maturity order, on September 1, 2015 or on any interest payment date thereafter at par and accrued interest, plus the following premiums, expressed as percentages of the par value of the Bonds so redeemed, if redeemed in the following years:

- 5% if redeemed on September 1, 2015 or thereafter, to and including September 1, 2018;
- 4% if redeemed on September 1, 2019 or thereafter, to and including September 1, 2022;
- 3% if redeemed on September 1, 2023 or thereafter, to and including September 1, 2026;
- 2% if redeemed on September 1, 2027 or thereafter, to and including September 1, 2030;
- 1% if redeemed on September 1, 2031 or thereafter, to and including September 1, 2032.

2016 Capital Improvement Revenue Bonds

In November 2016, the City issued \$94,500 in Capital Improvement Revenue Bonds, Series 2016 for the purpose of purchasing a fire truck. Interest on the 2016 bonds is payable annually on October 1 of each year. The 2016 Bonds have an interest rate of 2.375% and will mature October 1, 2031. The Bonds are not subject to redemption prior to their respected stated dates of maturity.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

2013 Water and Sewer Refunding Revenue Bonds

During 2013, City Council approved Resolution 2013-03 authorizing the issuance of the Water and Sewer Refunding Revenue Bond, Series 2013 of \$9,510,366. This action refunds the Water and Sewer Systems Bonds Series 1999, Water and Sewer Revenue Refunding Bonds Series 2002, and the Hancock Bank Subordinated Water and Sewer Revenue Note Series 2008. The 2013 Bonds have an interest rate of 2.442% and will mature on October 1, 2027. The cash flow savings was \$1,344,518 and the present value of the savings was \$657,542.

The loan requires the City to set aside the annual debt service for three years in the amount of \$777,087. After the three years are up based on meeting certain debt ratios, the \$777,087 will be available for capital or operating expenses. The new loan freed up Renewal and Replacement and Debt Service Fund reserves in the amount of approximately \$390,000 for capital expenditures which was to be used for drilling wells at PHCC. In addition, old Renewal and Replacement (R&R) requirements on the old debt freed up annual required contributions from Water and Sewer Operating funds in the amount of \$65,712 to the year 2039.

Notes Payable

Notes payable included in long-term liabilities as of September 30, 2018 are as follows:

	Amount
Governmental Activities:	
4.136% note payable to SunTrust Bank; principal and interest payable quarterly beginning January 1, 2012 until October 2026; subject to prepayment penalties; financing energy performance projects.	\$ 2,114,045
4.23% note payable to SunTrust Bank; interest only payable for the first two quarters; principal and interest payable quarterly beginning July 26, 2007 until May 10, 2021; used to purchase a 2006 Sutphan Fire Aerial Platform Truck.	151,486
3.77% note payable to SunTrust Bank; principal and interest payable monthly beginning October 14, 2018 until September 14, 2026; used to purchase a Patch Truck	109,137
Total	\$ 2,374,668
Business-Type Activities:	
2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged funds; principal and interest payable in semiannual installments beginning August 15, 2011 until February 15, 2031	\$ 282,844
2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged funds; principal and interest payable in semiannual installments beginning August 15, 2011 until February 15, 2031	427,669
Total	\$ 710,513

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Below is a summary of scheduled debt service charges until maturity for the notes payable.

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 283,276	\$ 93,600	\$ 49,670	\$ 16,058
2020	295,213	81,664	50,819	14,909
2021	297,182	69,221	51,993	13,734
2022	261,921	57,681	53,196	12,532
2023	272,874	46,729	54,427	11,299
2024-2028	964,203	70,567	291,612	37,021
2029-2033	-	-	158,796	5,520
	<u>\$ 2,374,669</u>	<u>\$ 419,462</u>	<u>\$ 710,513</u>	<u>\$ 111,073</u>

Other Long-term Liabilities

The City has recorded a liability for the water and sewer impact fee credits in the Southern Hill Plantation development. As of September 30, 2018 the liability is \$2,567,816.

NOTE 7 DEFINED BENEFIT PENSION PLANS

Plan Description

The City maintains two defined benefit pension plans as follows:

The City provides a Firefighter's Retirement Trust Fund Chapter 175 plan covering substantially all full time firefighters employed by the City. The plan was amended and restated by Ordinance 754-D, adopted by City Council on January 7, 2011. The plan is a defined benefit plan with actuarial valuations performed annually. The most recent valuation was done as of October 1, 2018.

The City Council adopted Ordinance No. 552 on December 18, 1995, providing for the establishment of a Chapter 185 Local Law Municipal Police Officers' Pension Trust Fund effective for all police officers hired after January 1, 1996. The plan was amended and restated by Ordinance No. 770-A adopted by City Council on May 3, 2010. The most recent valuation was done as of October 1, 2018. During the year ended September 30, 2018 the City disbanded the police department and entered into an agreement with the Hernando County Sheriff's Office to provide law enforcement services. However, at September 30, 2018 the Local Law Municipal Police Officers' Pension Trust had not been terminated.

Employees under the Firemen's Retirement Trust Fund who are classified as full-time and volunteer firefighters shall participate in the system as a condition of employment. Employees are 100% vested after 10 years of credited service. Employees who are classified as full-time under the Police Retirement Trust Fund Chapter 185 plan hired after January 1, 1996 shall participate in the system as a condition of employment. Employees are 100% vested after 6 years of credited service.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Plan Description (Continued)

Fire and Police employees are required to contribute 3.29% and 1.00%, respectively, of their annual salary. The City is required to contribute the remaining amounts after employee and state contributions necessary to fund the plans as specified by ordinance.

Summary of Significant Accounting Policies

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

- **Method Used to Value Investments** – Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

Stand-Alone Report – For more information pertaining to the Firefighters' Retirement Plan and the Police Retirement Plan refer to the City of Brooksville, Florida's stand-alone financial statements for each plan, which can be obtained by contacting the City of Brooksville, Finance Department, 201 Howell Avenue, Brooksville, Florida 34601-2041.

Firefighter's Retirement Trust Fund Chapter 175

Plan Description

Employees who are classified as full-time and volunteer firefighters shall participate in the System as a condition of employment.

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a. Two Council appointees,
- b. Two Members of the Department elected by the Membership, and
- c. A Fifth Member elected by the other four and appointed by Council.

Plan membership as of October 1, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	18
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	16
Active Plan Members	15
Total	<u>49</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Plan Description (Continued)

The following is a summary of eligibility, contribution methods, and plan provisions:

Benefits Provided

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

Normal Retirement

Date	Earlier of age 60, age 55 and 10 years of Credit Service, or 20 years of Credited Service regardless of age.
Benefit	3.1% of Average Final Compensation times Credited Service.

Early Retirement

Eligibility	Age 50 and 10 years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.

Cost-of-Living Adjustment

3% increase each January 1 from age 55 through age 65.

Vesting

Schedule	100% after 10 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his/her accrued benefit payable at the otherwise Normal Retirement date.

Disability

Eligibility	Service incurred: Covered from date of employment. Non-Service incurred: 10 years of Credited Service.
Benefit	Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).

Pre-Retirement Death Benefits

Vested	Monthly accrued benefit payable to designated beneficiary for 10 years.
Nonvested	Refund of accumulated contributions, without interest.

Contributions

Member Contributions	3.29% of salary effective 10/01/2010.
City and State Contributions	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any. In no event will the City's contribution be less than 5% of the total salary of the members, as provided in Chapter 112, Florida Statutes.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Investments

Investment Policy

The following is the Board's adopted asset allocation policy as of September 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45%
International Equity	15%
Domestic Fixed Income	35%
Global Fixed Income	5%
	<u>100%</u>

Concentrations

The plan did not hold investments in any one organization that represent 5% or more of the Pension Plan's Fiduciary Net Position.

Rate of Return

For the year ended September 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 7.22%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amount actually invested.

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2015 updated to September 30, 2018 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.65%
Investment Rate of Return	7.65%

Discount Rate

The Discount Rate used to measure the Total Pension Liability was 7.65%. The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Deferred Retirement Option Program

Eligibility Satisfaction of Normal Retirement requirements.
 Participation Not to exceed the earlier of 60 months or the completion of 30 years of service with the City as a Firefighter.
 Rate of Return At Member's election, either 6.5% or Net Investment Return.
 The DROP balance as of September 30, 2018 is \$-0-.

Total Pension Liability

The table below shows the sensitivity of the Net Pension Liability to the changes in the Discount Rate:

	Current Discount		
	1% Decrease 6.65%	Rate 7.65%	1% Increase 8.65%
Sponsor's Net Pension Liability	\$ 1,636,262	\$ 751,608	\$ 23,129

The components of the Net Pension Liability of the Sponsor on September 30, 2018 were as follows:

Total Pension Liability	\$ 7,331,863
Less: Plan Fiduciary Net Position	6,580,255
Sponsor's Net Pension Liability	\$ 751,608

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.75%
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**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

The schedule of changes in Net Pension Liability on September 30, 2018 was as follows:

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2017	\$ 7,033,167	\$ 6,222,185	\$ 810,982
Changes for a Year:			
Service Cost	150,432	-	150,432
Interest	543,429	-	543,429
Change in Excess State Money	-	77,143	(77,143)
Difference between Expected and Actual Experience	82,081	-	82,081
Assumption Changes	(33,387)	-	(33,387)
Contributions - Employer	-	302,731	(302,731)
Contributions - Employee	-	26,044	(26,044)
Net Investment Income	-	474,955	(474,955)
Benefit Payments, Including Refunds of Employee Contributions	(443,859)	(443,859)	-
Administrative Expense	-	(78,944)	78,944
Net Changes	<u>298,696</u>	<u>358,070</u>	<u>(59,374)</u>
Balances at September 30, 2018	<u>\$ 7,331,863</u>	<u>\$ 6,580,255</u>	<u>\$ 751,608</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 810,982	\$ 289,035	\$ 284,856	\$ -
Total Pension Liability Factors:				
Service Cost	150,432	-	-	150,432
Interest	543,429	-	-	543,429
Difference Between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	82,081	-	82,081	-
Current Year Amortization of Experience Difference	-	(110,623)	(41,040)	(69,583)
Change in Assumptions About Future Economic or Demographic Factors or Other Inputs	(33,387)	33,387	-	-
Current Year Amortization of Change in Assumptions	-	(16,693)	-	(16,693)
Benefit Payments	(443,859)	-	-	-
Net Change	298,696	(93,929)	41,041	607,585
Plan Fiduciary Net Position				
Contributions - Employer	302,731	-	-	(302,731)
Contributions - State	77,143	-	-	(77,143)
Contributions - Employee	26,044	-	-	(26,044)
Net Investment Income	474,955	-	-	(474,955)
Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	38,330	(38,330)
Current Year Amortization	-	(44,603)	(140,337)	95,734
Benefit Payments	(443,859)	-	-	-
Administrative Expenses	(78,944)	-	-	78,944
Net Change	358,070	(44,603)	(102,007)	(744,525)
Ending Balance	\$ 751,608	\$ 150,503	\$ 223,890	\$ (136,940)

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter’s Retirement Trust Fund Chapter 175 (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

On September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 41,041	\$ -
Changes of Assumptions	-	16,694
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	182,849	133,809
Total	\$ 223,890	\$ 150,503

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

<u>Year Ending September 30,</u>		
2019	\$	120,081
2020		(17,423)
2021		(36,937)
2022		7,666
Total	\$	73,387

Police Retirement Trust Fund Chapter 185

Plan Description

Employees who are classified as full-time police officers hired after January 1, 1996 shall participate in the System as a condition of employment. On May 31, 2018 the City terminated all employees at the police department and contracted with the Hernando County Sheriff’s Office to provide law enforcement services. The Plan was still active at September 30, 2018 but will be terminated in the future.

Plan Administration

The plan is a single-employer defined benefit pension plan administered by the Plan’s Board of Trustees comprised of:

- a. Two Commission appointees,
- b. Two Members of the Department elected by the active Members of the Plan, and a
- c. Fifth Member elected by the other four and appointed by Commission.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Plan Description (Continued)

Plan membership as of October 1, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	4
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	12
Active Plan Members	21
Total	37

The following is a summary of eligibility, contribution methods, and plan provisions:

Benefits Provided

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

Normal Retirement

Date	Earlier of age 55 and 6 years of Credit Service, or 20 years of Credited Service regardless of age.
Benefit	4.00% of Average Final Compensation times Credited Service.

Early Retirement

Eligibility	Age 50 and 6 years of Credited Service.
Benefit	Accrued benefit, reduced 3.00% per year.

Cost-of-Living Adjustment

3% increase each January 1 from age 55 through age 65.

Vesting

Schedule	100% after 6 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his/her accrued benefit payable at the otherwise Normal Retirement date.

Disability

Eligibility	Service incurred: Covered from date of employment. Non-Service incurred: 6 years of Credited Service.
Benefit	Benefit accrued to date of disability but not less than 42% of Average Final Compensation for Service Incurred and 25% of Average Final Compensation for Non-Service incurred.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Benefits Provided (Continued)

Pre-Retirement Death Benefits

Line-of-Duty:

Vested	Maximum of monthly accrued benefit or 75% of salary payable to designated beneficiary for life of beneficiary.
Nonvested	75% of salary payable for life of beneficiary.

Not Line-of-Duty:

Vested	Monthly accrued benefit payable to designated beneficiary for 10 years at member's otherwise Normal or Early (reduced) Retirement Date.
Nonvested	Refund of accumulated contributions, without interest.

Contributions

Member Contributions	1.00% of salary
City and State Contributions	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Investments

Investment Policy

The Plan was terminated as of May 31, 2018, there is no asset allocation policy available.

Concentrations

The Plan does not hold investments in any one organization that represent 5% or more of the Pension Plan's Fiduciary Net Position.

Rate of Return

For the year ended September 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 7.74%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2018 using the following actuarial assumptions:

1. For the members who either indicated “monthly benefit” or “seeking legal advice” or did not respond at all in the most recent survey results that were provided, the actuary used the smallest single premium individual annuity quote that was provided to the Pension Board at the February 28, 2019 meeting.
2. For the remaining individuals, the actuary calculated the lump sum present value, determined as of October 1, 2018, of their accrued benefit. For those who have not yet started to draw benefits, it was assumed that they would draw benefits at the date that gives them the highest actuarial present value. The assumptions used to determine these lump sums were the 1983 Group Annuity Mortality Table and 7.25% interest as outlined in the Plan Document.

Mortality Rate Healthy Active Lives:

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

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% 100% Combined Healthy White Collar, Scale BB.

Mortality Rate Healthy Inactive Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% 100% Combined Healthy White 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 Disable Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

75% of active deaths are assumed to happen in the line of duty.

The most recent actuarial experience study used to review the other significant assumptions was dated May 14, 2012.

Changes of assumptions:

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

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

The interest rate was lowered from 7.50% to 7.25% per year, compounded annually, gross of investment expenses.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Deferred Retirement Option Program

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed the earlier of 60 months or the completion of 25 years of service with the City as a Police Officer.
Rate of Return	At Member's election, either 6.5% or Net Investment Return.

The DROP balance as of September 30, 2018 is \$0.

Total Pension Liability

On May 31, 2018 the City terminated all employees of the police department. All investments were subsequently liquidated and placed in money market funds. Although the Plan was still active at September 30, 2018, it will be terminated within the next twenty months. Due to these changes, a sensitivity analysis was not performed.

The components of the Net Pension Liability of the Sponsor on September 30, 2018 were as follows:

Total Pension Liability	\$ 7,219,465
Less: Plan Fiduciary Net Position	7,425,861
Sponsor's Net Pension Liability	<u>\$ (206,396)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.86%

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Total Pension Liability (Continued)

The schedule of changes in Net Pension Liability on September 30, 2018 was as follows:

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2017	\$ 6,401,862	\$ 6,806,170	\$ (404,308)
Changes for a Year:			
Service Cost	231,019	-	231,019
Interest	321,058	-	321,058
Plan Termination	452,250	-	452,250
Change in Funding Standard Amount			
Difference between Expected and Actual Experience	-	-	-
Changes of Assumptions			
Contributions - Employer and State	-	342,420	(342,420)
Contributions - Employee	-	7,796	(7,796)
Net Investment Income	-	569,054	(569,054)
Benefit Payments, Including Refunds of Employee Contributions	(186,724)	(186,724)	-
Administrative Expense	-	(112,855)	112,855
Net Changes	<u>817,603</u>	<u>619,691</u>	<u>197,912</u>
Balances at September 30, 2018	<u>\$ 7,219,465</u>	<u>\$ 7,425,861</u>	<u>\$ (206,396)</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ (404,308)	\$ 519,487	\$ 528,697	\$ -
Total Pension Liability Factors:				
Service Cost	231,019	-	-	231,019
Interest	321,058	-	-	321,058
Plan Termination	452,250	-	-	452,250
Change in Funding Standard Account Difference Between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	-	-	-	-
Current Year Amortization of Experience Difference	-	(90,543)	(61,760)	(28,783)
Current Year Amortization of Change in Assumptions	-	-	(54,885)	54,885
Benefit Payments	(186,724)	-	-	-
Net Change	817,603	(90,543)	(116,645)	1,030,429
Plan Fiduciary Net Position				
Contributions - Employer and State	342,420	-	-	(342,420)
Contributions - Employee	7,796	-	-	(7,796)
Net Investment Income	569,054	-	-	(569,054)
Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-	-
Current Year Amortization	-	(82,620)	(89,381)	6,761
Benefit Payments	(186,724)	-	-	-
Administrative Expenses	(112,855)	-	-	112,855
Net Change	619,691	(82,620)	(89,381)	(799,654)
Ending Balance	\$ (206,396)	\$ 346,324	\$ 322,671	\$ 230,775

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

On September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 123,520	\$ 181,086
Changes of Assumptions	109,770	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	89,381	165,238
Total	\$ 322,671	\$ 346,324

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

<u>Year Ending September 30,</u>	
2019	\$ 32,864
2020	(56,517)
Total	\$ (23,653)

Florida Retirement System Pension Plan

Pursuant to Chapter 95-338, Laws of Florida, the City of Brooksville declared as its policy and purpose, a revocation of election to participate in the Florida Retirement System for all employees or officers hired on or after January 1, 1996. Effective January 1, 2002, the City elected to again participate in the Florida Retirement System for general employees and officers.

Background

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Background (Continued)

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

The City's pension expense totaled \$203,481 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2018.

The City's pension expense totaled \$297,316 for all of the plans for the year ended September 30, 2018.

Plan Description

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

The following chart shows the percentage value for each year of service credit earned:

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

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

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the City, effective July 1, 2017, were applied to employee salaries as follows: regular employees 6.20%, special risk 21.55%, county elected officials 43.78%, senior management 20.99%, and DROP participants 11.54%. These rates include the normal cost and unfunded actuarial liability contributions for FRS but do not include the 1.66% contribution for the Retiree Health Insurance Subsidy and the fee of 0.06% for administration of the FRS Investment Plan and provision of educational tools for both plans. The City's contributions to the FRS Plan were \$217,041 for the year ended September 30, 2018.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2018, the City reported a liability of \$2,317,351 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2018, the City's proportion was 0.007693597%, which was a decrease of 0.000543550% from its proportion measured as of June 30, 2017.

For the year ended September 30, 2018, the City recognized pension expense of \$193,798 for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 196,314	\$ 7,125
Changes in Actuarial Assumptions	757,198	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	179,044
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	55,687	97,851
City Contributions Subsequent to the Measurement Date	57,141	-
Total	<u>\$ 1,066,340</u>	<u>\$ 284,020</u>

\$57,141 reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

<u>Year Ended September 30,</u>	<u>Amount</u>
2019	\$ 309,877
2020	194,188
2021	15,352
2022	122,597
2023	75,805
Thereafter	7,360
Total	<u>\$ 725,179</u>

Actuarial Assumptions

The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	7.00%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.8%
Fixed Income	18.0%	4.4%	4.3%	4.0%
Global Equity	54.0%	7.6%	6.3%	17.0%
Real Estate (Property)	11.0%	6.6%	6.0%	11.3%
Private Equity	10.0%	10.7%	7.8%	26.5%
Strategic Investments	<u>6.0%</u>	6.0%	5.7%	8.6%
Totals	<u>100%</u>			
Assumed Inflation - Mean			2.6%	1.9%

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	6.00%	7.00%	8.00%
City's Proportionate Share of the FRS Plan Net Pension Liability	\$ 4,229,263	\$ 2,317,351	\$ 729,395

Pension Plan Fiduciary Net Position

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

Retiree Health Insurance Subsidy Program

Plan Description

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided

For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2018, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were \$41,920 for the year ended September 30, 2018.

Pension Costs

At September 30, 2018, the City reported a liability of \$844,595 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all participating employers. At June 30, 2018, the City's proportion was 0.007979838%, which was a decrease of 0.000378909% from its proportion measured as of June 30, 2017.

For the year ended September 30, 2018, the City recognized pension expense of \$9,683 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)
Pension Costs (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 12,930	\$ 1,435
Changes in Actuarial Assumptions	93,929	89,298
Net Difference Between Projected and Actual Earnings on HIS Program Investments	510	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	15,847	60,789
City Contributions Subsequent to the Measurement Date	10,414	-
Total	<u>\$ 133,630</u>	<u>\$ 151,522</u>

\$10,414 reported as deferred outflows of resources related to pensions resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2019	\$ 378
2020	335
2021	1,380
2022	(1,499)
2023	(17,076)
Thereafter	(11,824)
Total	<u>\$ (28,306)</u>

Actuarial Assumptions

The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.87% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.87%	3.87%	4.87%
City's Proportionate Share of the HIS Plan Net Pension Liability	\$ 961,944	\$ 844,595	\$ 746,778

Pension Plan Fiduciary Net Position

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

NOTE 8 DEFINED CONTRIBUTION PENSION PLAN

Investment Plan

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 8 DEFINED CONTRIBUTION PENSION PLAN (CONTINUED)

Investment Plan (Continued)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City's Investment Plan pension expense totaled \$34,215 for the year ended September 30, 2018. Employee contributions to the Investment Plan totaled \$10,883 for the year ended September 30, 2018.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 9 TRUST FUNDS

Butterweck Bond Fund

This Fund is used for the future maintenance of the Butterweck Crypt of the Brooksville Cemetery. As of September 30, 2018, the balance remaining is \$1,271.

NOTE 10 PROPERTY TAXES

Property tax collections, sales, and liens are governed by Chapter 197 of the Florida Statutes.

All property taxes are levied and become due and payable on November 1 of each year, and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4%, 3%, 2%, and 1% in November through February, respectively. Delinquent taxes on real property may be paid after the date of delinquency but prior to the sale of a tax certificate by paying all taxes, costs, advertising charges, and interest of 18% per annum. For all real property with delinquent taxes, the Tax Collector advertises as required by Statute and sells tax certificates. All unsold certificates are issued to the County.

Any persons owning real property upon which a tax certificate has been sold may redeem the property by paying the Tax Collector the face amount of the tax certificate plus interest and costs associated with the sale of the certificate. After taxes have been delinquent (April 1) for two years, the owner of a tax certificate may file an application for tax deed sale. The County is able to do the same two years after taxes were due (November 1). All taxes imposed on any property become a first lien, superior to all other liens, as of January 1 of the year the taxes are levied.

NOTE 11 RESTRICTED NET POSITION

As of September 30, 2018, restricted net position in the enterprise funds were held for the following purposes:

Utility Fund:	
Capital Improvement Reserves	\$ 3,239,275
Debt Retirement	508,125
Total Utility Fund	<u>\$ 3,747,400</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 12 RISK MANAGEMENT

The City's risk management activities are spread through several funds including the General, Utility, and Sanitation funds. Significant losses are covered by commercial insurance, workers' compensation, unemployment, and disability insurance. Settlement amounts have not exceeded insurance coverage for the current year or prior three years. The City carries such insurance as is ordinarily carried by private or public corporations owning and operating similar utilities. The City, in addition to general liability and personal liability for auto accidents and property damage of autos, buildings and equipment, carries an umbrella policy for an additional \$1,000,000. The City does not carry insurance against loss or damage to the Utility Fund's water meters, fire hydrants, or water and sewer lines, but self-funds these expenses.

NOTE 13 IMPACT FEES

On September 20, 2005 the Hernando County Board of County Commissioners voted to extend the prepayment of impact fees from one to three years. County property owners were allowed to prepay their impact fees prior to an increase on July 5, 2005. County property owners who prepaid impact fees were given until June 2, 2008 to obtain a building permit. If a building permit was not pulled by June 2, 2008, the increased impact fees would be charged. Subsequently, the Hernando County Board of Commissioners extended the prepaid program through June 2012. Through Interlocal Agreement, the City opted to assess the same impact fees for roads, public buildings, police, fire, parks, and schools as Hernando County. The City stopped collecting Impact Fees effective November 2011, and impact fees were reinstated for year ending September 30, 2015. As of September 30, 2018, the City had the following in prepaid impact fees: Road Impact Fees \$4,779, Public Building Impact Fees \$525; Police Impact Fees \$341; Fire Impact Fees \$230; and Parks Impact Fees \$318. The amounts are reflected as unearned revenues in the accompanying financial statements.

NOTE 14 INTERNAL SERVICE FUNDS

The five Internal Service Funds are used for three purposes: maintenance, replacement, and employee benefits. The Fleet Maintenance Fund provides maintenance and repairs to the City's vehicles and equipment.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 14 INTERNAL SERVICE FUNDS (CONTINUED)

The Vehicle Replacement Fund and the Equipment Replacement Fund are used to accumulate funds in advance for the purchase of vehicles and equipment. The Vehicle Replacement Fund sets aside cash to purchase a portion of the City's future vehicles. These vehicles are also depreciated within this Fund. The Equipment Replacement Fund reserves cash to purchase equipment for the four General Fund departments or divisions which are Cemetery, Parks, Streets, and the Quarry Golf Course. As of September 30, 2018, the unrestricted net position balances for Fleet Maintenance, Vehicle Replacement, and Equipment Replacement Funds were \$53,718, \$1,127,746, and \$19,703, respectively. If necessary, the annual payments for services transfers are adjusted to maintain adequate, but not excessive cash reserves in the Fleet Maintenance Fund. The Employee Benefits Fund and the Health Insurance Fund are set up to pay for employee health benefits and insurance, respectively. The revenue source is transfers in from the division and department. The expenditures are for employee health/medical premium charges and HRA reimbursement cost. The unrestricted net position balances in these funds are \$34,272 and \$1,048,284, respectively.

The maintenance, replacement, and employee benefits schedule is allocated among the City as follows:

	Fleet Maintenance	Vehicle Replacement	Equipment Replacement	Employee Benefits	Health Insurance	Total
General Fund	\$ 16,652	\$ 117,628	\$ 19,703	\$ 23,305	\$ 754,764	\$ 932,052
Utility Fund	17,727	111,880	-	7,197	199,174	335,978
Sanitation Fund	19,339	898,238	-	3,085	83,863	1,004,525
Internal Service Fleet	-	-	-	685	10,483	11,168
Total	<u>\$ 53,718</u>	<u>\$ 1,127,746</u>	<u>\$ 19,703</u>	<u>\$ 34,272</u>	<u>\$ 1,048,284</u>	<u>\$ 2,283,723</u>

The Utility and Sanitation Funds began participating in the Vehicle Replacement Program during the fiscal year ended September 30, 2004.

The maintenance, replacement, and employee benefits schedule is allocated among the following General Fund departments:

	Fleet Maintenance	Vehicle Replacement	Equipment Replacement	Employee Benefits	Health Insurance	Total
Administration and Finance	\$ 132	\$ -	\$ -	\$ 5,360	\$ 173,596	\$ 179,088
Police	6,143	117,628	-	7,458	241,524	372,753
Fire	2,664	-	-	4,894	158,500	166,058
Streets	4,182	-	-	1,398	45,286	50,866
Parks	3,331	-	6,259	2,797	90,572	102,959
Cemetery	67	-	13,444	466	15,095	29,072
Community Development	133	-	-	932	30,191	31,256
Total	<u>\$ 16,652</u>	<u>\$ 117,628</u>	<u>\$ 19,703</u>	<u>\$ 23,305</u>	<u>\$ 754,764</u>	<u>\$ 932,052</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 15 COMMITMENTS AND CONTINGENCIES

Commitments

The City routinely enters into various construction commitments. As of September 30, 2018, the City has the following outstanding major construction commitments in process:

<u>Project</u>	<u>Project Authorization</u>	<u>Expended in Prior Years</u>	<u>Expended in September 30, 2018</u>	<u>Commitment</u>
Governmental Activities:				
CRA Development Projects				
Water Tower Project	118,000	17,048	76,180	24,772
Total Governmental Activities	<u>\$ 118,000</u>	<u>\$ 17,048</u>	<u>\$ 76,180</u>	<u>\$ 24,772</u>

Contingencies

Various suits and claims, arising in the ordinary course of the City's operations, are pending. These claims consists of suits involving sewer fees, loss of employment and discrimination. Management does not expect the resolution of these matters to have a material effect on the City's financial statements.

At September 30, 2018, the City held approximately \$1.7 million of road impact fees that were collected more than ten years ago. A significant portion of these impact fees have been encumbered.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 16 GOVERNMENTAL FUND BALANCE CLASSIFICATION

The specific purpose detail for the fund balances of governmental funds as of September 30, 2018 were as follows:

	Major Funds				Total Governmental Funds
	City of Brooksville Community Development Agency	Fire Department Fund	Nonmajor Governmental Funds	General Fund	
Nonspendable:					
Inventories	\$ 2,247	\$ -	\$ -	\$ -	\$ 2,247
Prepaid Items	108,913	-	-	2,615	111,528
Note Receivable	67,500	-	-	-	67,500
Advance to Other Funds	75,456	-	-	-	75,456
Cemetery Perpetual Care	-	-	-	245,208	245,208
Total Nonspendable	254,116	-	-	247,823	501,939
Restricted:					
Community Redevelopment	-	397,161	-	-	397,161
Local Option Gas Tax	-	-	-	555,505	555,505
Law Enforcement	-	-	-	195,929	195,929
Impact Fees	-	-	-	2,674,577	2,674,577
Public Safety Grants and Donations	-	-	-	23,509	23,509
Enrichment Center	-	-	-	1,048	1,048
Capital Project Funds	-	-	-	4,468	4,468
Debt Service Funds	-	-	-	79,367	79,367
Total Restricted	-	397,161	-	3,534,403	3,931,564
Committed:					
Traffic Camera	-	-	-	277,392	277,392
First Tee	-	-	-	30,793	30,793
Total Committed	-	-	-	308,185	308,185
Assigned:					
Fire	-	-	123,042	-	123,042
Law Enforcement	-	-	-	1,147	1,147
Capital Project Funds	-	-	-	88,423	88,423
Cemetery Perpetual Care	-	-	-	163,380	163,380
Total Assigned	-	-	123,042	252,950	375,992
Unassigned (Deficit)	1,118,113	-	-	(1,877)	1,116,236
Total Fund Balance (Deficit)	<u>\$ 1,372,229</u>	<u>\$ 397,161</u>	<u>\$ 123,042</u>	<u>\$ 4,341,484</u>	<u>\$ 6,233,916</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
FIREFIIGHTERS’ RETIREMENT TRUST FUND CHAPTER 175 PLAN
LAST SIX FISCAL YEARS ¹

	2013	2014	2015	2016	2017	2018
Total Pension Liability						
Service Cost	\$ 130,102	\$ 140,185	\$ 122,018	\$ 127,478	\$ 125,632	\$ 150,432
Interest	501,977	528,251	554,808	539,879	508,878	543,429
Change in Excess State Money	-	-	-	-	28,271	-
Differences Between Expected and Actual Experience	-	-	(277,496)	(103,758)	(221,245)	82,081
Changes of Assumptions	-	-	-	213,065	-	(33,387)
Benefit Payments, Including Refunds of Employee Contributions	(304,630)	(301,643)	(313,547)	(881,295)	(583,203)	(443,859)
Net Change in Total Pension Liability	<u>327,449</u>	<u>366,793</u>	<u>85,783</u>	<u>(104,631)</u>	<u>(141,667)</u>	<u>298,696</u>
Total Pension Liability - Beginning	6,499,440	6,826,889	7,193,682	7,279,465	7,174,834	7,033,167
Total Pension Liability - Ending	<u>\$ 6,826,889</u>	<u>\$ 7,193,682</u>	<u>\$ 7,279,465</u>	<u>\$ 7,174,834</u>	<u>\$ 7,033,167</u>	<u>\$ 7,331,863</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 317,086	\$ 336,626	\$ 348,049	\$ 387,364	\$ 398,569	\$ 379,874
Contributions - Employee	20,156	20,225	20,999	24,646	24,914	26,044
Net Investment Income	512,316	543,039	(98,629)	342,409	691,977	474,955
Benefit Payments, Including Refunds of Employee Contributions	(304,630)	(301,643)	(313,547)	(881,295)	(583,203)	(443,859)
Administrative Expense	(25,208)	(30,968)	(48,230)	(42,052)	(73,972)	(78,944)
Net Change in Plan Fiduciary Net Position	<u>519,720</u>	<u>567,279</u>	<u>(91,358)</u>	<u>(168,928)</u>	<u>458,285</u>	<u>358,070</u>
Plan Fiduciary Net Position - Beginning	4,937,187	5,456,907	6,024,186	5,932,828	5,763,900	6,222,185
Plan Fiduciary Net Position - Ending	<u>5,456,907</u>	<u>6,024,186</u>	<u>5,932,828</u>	<u>5,763,900</u>	<u>6,222,185</u>	<u>6,580,255</u>
City's Net Pension Liability	<u>\$ 1,369,982</u>	<u>\$ 1,169,496</u>	<u>\$ 1,346,637</u>	<u>\$ 1,410,934</u>	<u>\$ 810,982</u>	<u>\$ 751,608</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.93%	83.74%	81.50%	80.33%	88.47%	89.75%
Covered Payroll*	\$ 612,631	\$ 614,729	\$ 732,006	\$ 749,109	\$ 786,866	\$ 790,608
City's Net Pension Liability as a Percentage of Employee Payroll	223.62%	190.25%	183.97%	188.35%	103.06%	95.07%

Notes to Schedule:

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

Changes of Assumptions:

* For measurement date 09/30/2018, amounts reported as changed of assumptions resulted from the actuarial experience study dated September 18, 2018, the Board adopted the following changes:

- Reduced interest rate to 7.65%.
- Modified salary increase rates to use a service-based table.
- Updated retirement and termination rates.

* 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 the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
POLICE OFFICERS' RETIREMENT TRUST FUND CHAPTER 185 PLAN
LAST SIX FISCAL YEARS ¹

	2013	2014	2015	2016	2017	2018
Total Pension Liability						
Service Cost	\$ 358,727	\$ 385,631	\$ 375,707	\$ 389,348	\$ 412,219	\$ 231,019
Interest	256,068	304,047	339,216	361,055	419,346	321,058
Change in Excess State Money	-	-	-	-	(9,465)	-
Differences Between Expected and Actual Experience	-	-	(433,973)	(91,070)	231,600	-
Plan Termination	-	-	-	-	-	452,250
Changes of Assumptions	-	-	-	274,425	-	-
Other Changes	-	(208,542)	-	(17,723)	22,846	-
Benefit Payments, Including Refunds of Employee Contributions	-	(3,941)	(662)	(6,143)	(21,827)	(186,724)
Net Change in Total Pension Liability	614,795	477,195	280,288	909,892	1,054,719	817,603
Total Pension Liability - Beginning	3,064,973	3,679,768	4,156,963	4,437,251	5,347,143	6,401,862
Total Pension Liability - Ending	<u>\$ 3,679,768</u>	<u>\$ 4,156,963</u>	<u>\$ 4,437,251</u>	<u>\$ 5,347,143</u>	<u>\$ 6,401,862</u>	<u>\$ 7,219,465</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 152,993	\$ 177,670	\$ 177,966	\$ 404,800	\$ 396,856	\$ 342,420
Contributions - Employee	11,376	12,704	12,418	13,413	12,149	7,796
Net Investment Income	441,974	371,180	(77,684)	470,503	675,930	569,054
Benefit Payments, Including Refunds of Employee Contributions	-	(3,941)	(662)	(6,143)	(21,827)	(186,724)
Administrative Expense	(12,623)	(13,662)	(18,925)	(30,335)	(39,809)	(112,855)
Net Change in Plan Fiduciary Net Position	593,720	543,951	93,113	852,238	1,023,299	619,691
Plan Fiduciary Net Position - Beginning	3,699,849	4,293,569	4,837,520	4,930,633	5,782,871	6,806,170
Plan Fiduciary Net Position - Ending	<u>4,293,569</u>	<u>4,837,520</u>	<u>4,930,633</u>	<u>5,782,871</u>	<u>6,806,170</u>	<u>7,425,861</u>
Net Pension Liability - Ending	<u>\$ (613,801)</u>	<u>\$ (680,557)</u>	<u>\$ (493,382)</u>	<u>\$ (435,728)</u>	<u>\$ (404,308)</u>	<u>\$ (206,396)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	116.68%	116.37%	111.12%	108.15%	106.32%	102.86%
Covered Employee Payroll*	\$ 1,137,593	\$ 1,270,433	\$ 1,241,801	\$ 1,341,342	\$ 1,214,837	\$ 737,813
Net Pension Liability as a Percentage of Employee Payroll	-53.96%	-53.57%	-39.73%	-32.48%	-33.28%	-27.97%

Notes to Schedule:

All employees of the Police Dept. were terminated May 31, 2018 and the County Sheriff took over policing services for the City. Because of this event, the plan is in the process of being terminated

Changes of Assumptions:

* For year ending 9/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

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

* The interest rate was lowered from 7.50% to 7.25% per year, compounded annually, gross of investment related expenses.

1

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

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CONTRIBUTIONS –
FIREFIGHTERS’ RETIREMENT TRUST FUND CHAPTER 175 PLAN
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 279,598	\$ 299,293	\$ 310,150	\$ 291,265	\$ 316,975	\$ 336,626	\$ 348,049	\$ 387,364	\$ 398,569	\$ 379,874
Contributions in Relation to the Actuarially Determined Contributions	<u>279,598</u>	<u>299,293</u>	<u>310,150</u>	<u>291,265</u>	<u>316,975</u>	<u>336,626</u>	<u>348,049</u>	<u>387,364</u>	<u>398,569</u>	<u>379,874</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll *	\$ 831,397	\$ 800,247	\$ 764,108	\$ 650,368	\$ 612,631	\$ 614,729	\$ 732,006	\$ 749,109	\$ 786,866	\$ 790,608
Contributions as a Percentage of Covered Payroll	33.63%	37.40%	40.59%	44.78%	51.74%	54.76%	47.55%	51.71%	50.65%	48.05%

* The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

**CITY OF BROOKSVILLE, FLORIDA
 SCHEDULE OF EMPLOYER CONTRIBUTIONS –
 FIREFIGHTERS’ RETIREMENT TRUST FUND CHAPTER 175 PLAN (CONTINUED)
 LAST TEN FISCAL YEARS**

Notes to the Schedule of Contributions

Valuation Date: 10/1/2017

Actuarially determined contributions 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.
 Mortality: *Healthy Lives:*
 Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
 Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.
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 years 40% Annuitant White Collar with no setback, no projection scale.
 The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates: See table below.
 Disability Rates: See table below. It is assumed that 75% of disablements and active Member deaths are service related.

Retirement Age: Earlier of age 55 and the completion of 10 years of service, or the completion of 20 years of service regardless of age, or age 60, regardless of service. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.

Early Retirement: Commencing upon a Member's eligibility for Early Retirement (Age 50 with 10 years of Credited Service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Interest Rate: 7.65% (prior year 7.75%) per year, compounded annually, net of investment related expenses
 Salary Increases: 10.0% in year 1, 5.0% in years 2 and up
 Payroll Increase: None.
 Cost of Living Adjustments: 3% per year, from age 55 to 65.
 Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Termination and Disability Rate Table:

Termination rates are 20% in year 1, 10% in years 2 through 9, and 6% in years 10 and up

Age	% Becoming Disabled
20	0.05%
30	0.06%
40	0.12%
50	0.43%

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS –
POLICE OFFICERS’ RETIREMENT TRUST FUND CHAPTER 185 PLAN
LAST TEN FISCAL YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 292,030	\$ 340,437	\$ 401,006	\$ 394,875	\$ 397,020	\$ 386,212	\$ 378,753	\$ 422,523	\$ 383,475	\$ 279,631
Contributions in Relation to the Actuarially Determined Contributions	149,184	119,344	123,439	102,276	152,993	177,670	177,966	404,800	396,856	342,420
Contribution from Excess State Money	-	-	-	-	-	-	-	-	9,465	-
Contribution from Contribution Surplus Account	142,846	221,093	277,567	292,599	244,027	208,542	200,787	17,723	(22,846)	(62,789)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll *	\$ 880,431	\$ 989,643	\$ 1,057,365	\$ 1,081,850	\$ 1,137,593	\$ 1,270,433	\$ 1,241,801	\$ 1,341,342	\$ 1,214,837	\$ 737,813
Contributions as a Percentage of Covered Payroll	16.94%	12.06%	11.67%	9.45%	13.45%	13.98%	14.33%	30.18%	32.67%	46.41%

* The Covered Payroll figures were not available. Pensionable Salary has been reported instead.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS –
POLICE OFFICERS’ RETIREMENT TRUST FUND CHAPTER 185 PLAN
LAST TEN FISCAL YEARS**

Valuation Date: 10/1/2016
Actuarially determined contributions rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Aggregate Actuarial Cost Method.
Mortality: *Healthy Lives:*
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.
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 years 40% Annuitant White Collar with no setback, no projection scale.
The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report. We feel this assumption sufficiently accommodates future mortality improvements. 75% of active deaths are assumed to happen in the line of duty.
Termination Rates: See table below.
Disability Rates: See table below. It is assumed that 75% of disablements are service related.
Retirement Rate: See table below. If Member has less than 20 years of service, the rates are 15% from ages 50-54, and 100% at age 55.
Interest Rate: 7.25% per year, compounded annually, gross of investment related expenses.
Salary Increases: This assumption is deemed reasonable based on an experience study issued May 14, 2012.

Year	1	2	3	4	5 & Up
	8.0%	7.0%	6.0%	5.5%	5.2%

Final Average Salary is increased individually to account for additional non-regular compensation.
N/A.

Payroll Increase: N/A.
Cost of Living Adjustments: 3.0% per year from age 55 to 65, for Normal and Early Retirees only.
Termination Benefit Assumptions: Vested Participants are assumed to elect a deferred benefit, except that Participants that are under age 40 or have less than 15 years of service are assumed to elect a refund of contributions with interest.
In-Line-of-Duty Death Rate: 75% of all deaths are assumed to be in the line of duty.
Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Termination Rate Table:

Select Rates					
Year	1	3	5	7	9
Male	15.00%	8.52%	6.00%	5.20%	4.30%
Female	10.01%	8.52%	7.00%	5.75%	4.75%

Ultimate Rates				
Age	25	35	45	55
Male	4.28%	3.12%	2.88%	0.00%
Female	5.41%	4.03%	3.67%	0.00%

Disability Rate Table:

Age	25	35	45	55
Male	0.07%	0.12%	0.46%	1.00%
Female	0.04%	0.12%	0.44%	0.84%

**CITY OF BROOKSVILLE, FLORIDA
 SCHEDULE OF EMPLOYER CONTRIBUTIONS –
 POLICE OFFICERS’ RETIREMENT TRUST FUND CHAPTER 185 PLAN
 LAST TEN FISCAL YEARS**

Retirement Rate Table:

Age	50	51	52
Hired After Age 35	15%	15%	15%
Hired at 34	15%	15%	15%
Hired at 33	15%	15%	15%
Hired at 32	15%	15%	40%
Hired at 31	15%	40%	15%

Age	53	54	55
Hired After Age 35	15%	15%	100%
Hired at 34	15%	40%	100%
Hired at 33	40%	15%	100%
Hired at 32	15%	15%	100%
Hired at 31	15%	15%	100%

Service	20	21	22	23
Hired before 31	50%	20%	20%	100%

Interest Rate: 7.25% per year, compounded annually, gross of investment related expenses.
 This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Salary Increases: This assumption is deemed reasonable based on an experience study issued May 14,2012.

Year	1	2	3	4	5 & Up
	8.0%	7.0%	6.0%	5.5%	5.2%

Final Average Salary is increased individually to account for additional non-regular compensation.

Payroll Increase: N/A

Cost of Living Adjustments: 3.0% per year from age 55 to 65, for Normal and Early Retirees only.

Termination Benefit Assumptions: Vested Participants are assumed to elect a deferred benefit, except that Participants that are under age 40 or have less than 15 years of service are assumed to elect a refund of contributions with interest.

In-Line-of-Duty Death Rate: 75% of all deaths are assumed to be in the line of duty.

Funding Method: Aggregate Actuarial Cost Method.

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

**CITY OF BROOKSVILLE, FLORIDA
 SCHEDULE OF INVESTMENT RETURNS –
 FIREFIGHTERS' RETIREMENT TRUST FUND CHAPTER 175 PLAN AND
 POLICE OFFICERS' RETIREMENT TRUST FUND CHAPTER 185 PLAN
 LAST SIX FISCAL YEARS ¹**

FIREFIGHTERS' RETIREMENT TRUST FUND

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Annual Money-Weighted Rate of Return Net of Investment Expenses	10.35%	9.91%	-1.64%	6.14%	11.82%	7.22%

POLICE OFFICERS' RETIREMENT TRUST FUND

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Annual Money-Weighted Rate of Return Net of Investment Expenses	12.30%	8.58%	-1.60%	9.32%	11.50%	7.74%

¹ Note: Information is required to be presented for 10 years. However, until a full 1-year trend is compiled, the City will present information for only those years for which information is available.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
LAST FIVE FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's Proportion of the Net Pension Liability	0.008330218%	0.008047984%	0.008173955%	0.008237147%	0.007693597%
City's proportionate Share of the Net Pension Liability	\$ 508,266	\$ 1,039,505	\$ 2,063,930	\$ 2,436,493	\$ 2,317,351
City's covered payroll	\$ 2,206,164	\$ 2,199,427	\$ 2,288,357	\$ 2,253,845	\$ 2,245,594
City's proportionate Share of the Net Pension Liability as a Percentage of its covered payroll	23.04%	47.26%	90.19%	108.10%	103.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.09%	92.00%	84.88%	83.89%	84.26%

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

¹ Note: Information is required to be presented for 10 years. However, until a full 1-year trend is compiled, the City will present information for only those years for which information is available.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CITY CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
LAST FIVE FISCAL YEARS**

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 212,334	\$ 218,403	\$ 233,891	\$ 212,061	\$ 217,041
Contributions in Relation to the Contractually Required Contribution	(212,334)	(218,403)	(233,891)	(212,061)	(217,041)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 2,228,408	\$ 2,173,995	\$ 2,385,999	\$ 2,255,539	\$ 2,132,015
Contributions as a Percentage of Covered Payroll	9.53%	10.05%	9.80%	9.40%	10.18%

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

¹ Note: Information is required to be presented for 10 years. However, until a full 1-year trend is compiled, the City will present information for only those years for which information is available.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN ¹
LAST FIVE FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's Proportion of the Net Pension Liability	0.008384457%	0.008156699%	0.008445996%	0.008358747%	0.007979838%
City's proportionate Share of the Net Pension Liability	\$ 783,967	\$ 831,855	\$ 984,346	\$ 893,756	\$ 844,595
City's covered payroll	\$ 2,491,146	\$ 2,521,077	\$ 2,607,338	\$ 2,665,147	\$ 2,608,363
City's proportionate Share of the Net Pension Liability as a Percentage of its covered payroll	31.47%	33.00%	37.75%	33.53%	32.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.99%	0.50%	0.97%	1.64%	2.15%

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

¹ Note: Information is required to be presented for 10 years. However, until a full 1-year trend is compiled, the City will present information for only those years for which information is available.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CITY CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN ¹
LAST FIVE FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 33,880	\$ 31,765	\$ 45,593	\$ 44,278	\$ 41,920
Contributions in Relation to the Contractually Required Contribution	(33,880)	(31,765)	(45,593)	(44,278)	(41,920)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 2,530,934	\$ 2,487,433	\$ 2,745,922	\$ 2,665,371	\$ 2,526,749
Contributions as a Percentage of Covered Payroll	1.34%	1.28%	1.66%	1.66%	1.66%

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

¹ Note: Information is required to be presented for 10 years. However, until a full 1-year trend is compiled, the City will present information for only those years for which information is available.

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2018

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes	\$ 3,948,604	\$ 3,948,604	\$ 3,992,590	\$ 43,986
Licenses and Permits	909,709	945,309	1,032,152	86,843
Intergovernmental Revenue	849,388	849,388	923,072	73,684
Charges for Services	212,100	212,100	266,917	54,817
Fines and Forfeits	54,500	54,500	63,489	8,989
Net Investment Earnings	8,000	8,000	17,969	9,969
Miscellaneous Revenues	169,252	192,994	194,465	1,471
Total Revenues	<u>6,151,553</u>	<u>6,210,895</u>	<u>6,490,654</u>	<u>279,759</u>
EXPENDITURES				
Current:				
General Government	2,038,385	2,069,268	1,916,253	153,015
Culture and Recreation	729,213	727,457	670,047	57,410
Public Safety	2,516,305	2,445,351	2,109,481	335,870
Physical Environment	149,973	149,973	143,579	6,394
Transportation	-	-	62,818	(62,818)
Debt Service:				
Principal	-	73,100	73,090	10
Capital Outlay	43,466	105,884	62,352	43,532
Total Expenditures	<u>5,477,342</u>	<u>5,571,033</u>	<u>5,037,620</u>	<u>533,413</u>
Excess (Deficiency) of Revenues Over Expenditures	674,211	639,862	1,453,034	813,172
OTHER FINANCING SOURCES (USES)				
Transfers In	503,120	503,120	505,121	2,001
Transfers Out	(1,171,751)	(1,173,751)	(1,166,583)	7,168
Reserves	(588,417)	(552,068)	-	552,068
Total Other Financing Sources (Uses)	<u>(1,257,048)</u>	<u>(1,222,699)</u>	<u>(661,462)</u>	<u>561,237</u>
NET CHANGE IN FUND BALANCES	(582,837)	(582,837)	791,572	1,374,409
Fund Balances, Beginning of Year	<u>582,837</u>	<u>582,837</u>	<u>580,657</u>	<u>(2,180)</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,372,229</u>	<u>\$ 1,372,229</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – COMMUNITY REDEVELOPMENT AGENCY
YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 84,532	\$ 84,532	\$ 74,232	\$ (10,300)
Net Investment Earnings	250	250	209	(41)
Total Revenues	<u>84,782</u>	<u>84,782</u>	<u>74,441</u>	<u>(10,341)</u>
EXPENDITURES				
Current:				
Physical Environment	71,420	71,420	29,130	42,290
Aids to Private Organizations	60,000	60,000	17,175	42,825
Capital Outlay	<u>253,000</u>	<u>253,000</u>	<u>92,643</u>	<u>160,357</u>
Total Expenditures	<u>384,420</u>	<u>384,420</u>	<u>138,948</u>	<u>245,472</u>
Excess (Deficiency) of Revenues Over Expenditures	(299,638)	(299,638)	(64,507)	235,131
OTHER FINANCING SOURCES (USES)				
Reserves	<u>(166,424)</u>	<u>(166,424)</u>	<u>-</u>	<u>166,424</u>
Total Other Financing Sources (Uses)	<u>(166,424)</u>	<u>(166,424)</u>	<u>-</u>	<u>166,424</u>
NET CHANGE IN FUND BALANCE	(466,062)	(466,062)	(64,507)	401,555
Fund Balances - Beginning of Year	<u>466,062</u>	<u>466,062</u>	<u>461,668</u>	<u>(4,394)</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,161</u>	<u>\$ 397,161</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – FIRE DEPARTMENT FUND
YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 803,877	\$ 803,877	\$ 834,171	\$ 30,294
Licenses and Permits	100	100	25	(75)
Intergovernmental Revenue	3,121	3,121	16,784	13,663
Charges for Services	9,220	9,220	9,028	(192)
Miscellaneous Revenues	413	413	1,481	1,068
Total Revenues	816,731	816,731	861,489	44,758
EXPENDITURES				
Current:				
Public Safety	1,635,558	1,726,595	1,642,197	84,398
Debt Service:				
Principal	45,443	48,506	48,506	-
Interest	11,827	8,764	8,764	-
Capital Outlay	25,300	25,300	19,873	5,427
Total Expenditures	1,718,128	1,809,165	1,719,340	89,825
Excess (Deficiency) of Revenues Over Expenditures	(901,397)	(992,434)	(857,851)	134,583
OTHER FINANCING SOURCES (USES)				
Transfers In	803,581	803,581	798,404	(5,177)
Transfers Out	(8,320)	(13,871)	(13,871)	-
Reserves	(96,111)	-	-	-
Total Other Financing Sources (Uses)	699,150	789,710	784,533	(5,177)
NET CHANGE IN FUND BALANCE	(202,247)	(202,724)	(73,318)	129,406
Fund Balances - Beginning of Year	202,247	202,247	196,360	(5,887)
FUND BALANCES - END OF YEAR	\$ -	\$ (477)	\$ 123,042	\$ 123,519

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	Special Revenue Funds							
	Police Special Education Fund	Law Enforcement Trust Fund	Local Option Gas Tax	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees	
ASSETS								
Pooled Cash and Investments	\$ 63,204	\$ 87,356	\$ 250,797	\$ 44,979	\$ 15,375	\$ 185,065	\$ 122,385	\$ 100,741
Restricted Pooled Cash and Investments	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Due from Other Governments	390	-	75,248	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-
Total Assets	\$ 63,594	\$ 87,356	\$ 326,045	\$ 44,979	\$ 15,375	\$ 185,065	\$ 122,385	\$ 100,741
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ 17,173	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wages Payable	-	-	3,045	-	-	-	-	-
Unearned Revenue	-	-	-	-	341	525	230	318
Due to Other Funds	-	-	-	-	-	-	-	-
Other Liabilities	-	-	619	-	-	-	-	-
Total Liabilities	-	-	20,837	-	341	525	230	318
Fund Balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	63,594	87,356	305,208	44,979	15,034	184,540	122,155	100,423
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	63,594	87,356	305,208	44,979	15,034	184,540	122,155	100,423
Total Liabilities and Fund Balance	\$ 63,594	\$ 87,356	\$ 326,045	\$ 44,979	\$ 15,375	\$ 185,065	\$ 122,385	\$ 100,741

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2018**

	Special Revenue Funds							
	Justice Assistance Grant	Road Impact Fees	Fire Grants and Donations	Police Grants and Donations	Traffic Camera	First Tee	Enrichment Center Premises Maintenance	FDOT Projects
ASSETS								
Pooled Cash and Investments	\$ 1,147	\$ 2,388,729	\$ 12,826	\$ 10,713	\$ 276,846	\$ 30,793	\$ 1,832	\$ 1
Restricted Pooled Cash and Investments	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	1,919	-
Due from Other Funds	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	546	-	-	1,879
Prepaid Items	-	-	-	-	-	-	2,615	-
Total Assets	<u>\$ 1,147</u>	<u>\$ 2,388,729</u>	<u>\$ 12,826</u>	<u>\$ 10,713</u>	<u>\$ 277,392</u>	<u>\$ 30,793</u>	<u>\$ 6,366</u>	<u>\$ 1,880</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ 2,703	\$ -
Accrued Wages Payable	-	-	-	-	-	-	-	-
Unearned Revenue	-	4,779	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	1,880
Other Liabilities	-	131,525	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>136,304</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,703</u>	<u>1,880</u>
Fund Balance:								
Nonspendable	-	-	-	-	-	-	2,615	-
Restricted	-	2,252,425	12,796	10,713	-	-	1,048	-
Committed	-	-	-	-	277,392	30,793	-	-
Assigned	1,147	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	<u>1,147</u>	<u>2,252,425</u>	<u>12,796</u>	<u>10,713</u>	<u>277,392</u>	<u>30,793</u>	<u>3,663</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 1,147</u>	<u>\$ 2,388,729</u>	<u>\$ 12,826</u>	<u>\$ 10,713</u>	<u>\$ 277,392</u>	<u>\$ 30,793</u>	<u>\$ 6,366</u>	<u>\$ 1,880</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2018**

	Special Revenue Funds			Capital Project Funds			
	Brownfields Assessment Grant	1/5 Cent Local Option Gas Tax	Total Special Revenue Funds	McKethan Park	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note - 2011
ASSETS							
Pooled Cash and Investments	\$ 1,956	\$ 221,216	\$ 3,815,961	\$ 25,830	\$ 62,593	\$ 1,685	\$ -
Restricted Pooled Cash and Investments	-	-	-	-	-	2,629	-
Accounts Receivable	-	-	1,919	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	29,081	107,144	-	-	154	-
Prepaid Items	-	-	2,615	-	-	-	-
Total Assets	<u>\$ 1,956</u>	<u>\$ 250,297</u>	<u>\$ 3,927,639</u>	<u>\$ 25,830</u>	<u>\$ 62,593</u>	<u>\$ 4,468</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ 1,956	\$ -	\$ 21,862	\$ -	\$ -	\$ -	\$ -
Accrued Wages Payable	-	-	3,045	-	-	-	-
Unearned Revenue	-	-	6,193	-	-	-	-
Due to Other Funds	-	-	1,880	-	-	-	-
Other Liabilities	-	-	132,144	-	-	-	-
Total Liabilities	<u>1,956</u>	<u>-</u>	<u>165,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:							
Nonspendable	-	-	2,615	-	-	-	-
Restricted	-	250,297	3,450,568	-	-	4,468	-
Committed	-	-	308,185	-	-	-	-
Assigned	-	-	1,147	25,830	62,593	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>250,297</u>	<u>3,762,515</u>	<u>25,830</u>	<u>62,593</u>	<u>4,468</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 1,956</u>	<u>\$ 250,297</u>	<u>\$ 3,927,639</u>	<u>\$ 25,830</u>	<u>\$ 62,593</u>	<u>\$ 4,468</u>	<u>\$ -</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2018**

	Capital Project Funds			Debt Service Funds			
	Bond Settlement	Capital Improvement Revenue Loan - 2016	Total Capital Project Funds	Capital Improvement Revenue Loan - 2016	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	Total Debt Service Funds
ASSETS							
Pooled Cash and Investments	\$ -	\$ 2	\$ 90,110	\$ -	\$ -	\$ -	\$ -
Restricted Pooled Cash and Investments	-	-	2,629	14,860	50,654	13,853	79,367
Accounts Receivable	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	-	154	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 92,893</u>	<u>\$ 14,860</u>	<u>\$ 50,654</u>	<u>\$ 13,853</u>	<u>\$ 79,367</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wages Payable	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Due to Other Funds	-	1,879	1,879	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>1,879</u>	<u>1,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	4,468	14,860	50,654	13,853	79,367
Committed	-	-	-	-	-	-	-
Assigned	-	-	88,423	-	-	-	-
Unassigned	-	(1,877)	(1,877)	-	-	-	-
Total Fund Balance	<u>-</u>	<u>(1,877)</u>	<u>91,014</u>	<u>14,860</u>	<u>50,654</u>	<u>13,853</u>	<u>79,367</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 92,893</u>	<u>\$ 14,860</u>	<u>\$ 50,654</u>	<u>\$ 13,853</u>	<u>\$ 79,367</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2018**

	<u>Permanent Fund</u>		
	Cemetery Perpetual Care	Total Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Pooled Cash and Investments	\$ 152,619	\$ 152,619	\$ 4,058,690
Restricted Pooled Cash and Investments	245,208	245,208	327,204
Accounts Receivable	-	-	1,919
Due from Other Funds	10,761	10,761	10,761
Due from Other Governments	-	-	107,298
Prepaid Items	-	-	2,615
Total Assets	<u>\$ 408,588</u>	<u>\$ 408,588</u>	<u>\$ 4,508,487</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 21,862
Accrued Wages Payable	-	-	3,045
Unearned Revenue	-	-	6,193
Due to Other Funds	-	-	3,759
Other Liabilities	-	-	132,144
Total Liabilities	<u>-</u>	<u>-</u>	<u>167,003</u>
Fund Balance:			
Nonspendable	245,208	245,208	247,823
Restricted	-	-	3,534,403
Committed	-	-	308,185
Assigned	163,380	163,380	252,950
Unassigned	-	-	(1,877)
Total Fund Balance	<u>408,588</u>	<u>408,588</u>	<u>4,341,484</u>
Total Liabilities and Fund Balance	<u>\$ 408,588</u>	<u>\$ 408,588</u>	<u>\$ 4,508,487</u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds							
	Police Special Education Fund	Law Enforcement Trust Fund	Local Option Gas Tax	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees	Parks Impact Fees
REVENUES								
Taxes	\$ -	\$ -	\$ 250,753	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	9,985	54,096	31,100	39,097
Intergovernmental Revenue	-	-	34,958	-	-	-	-	-
Fines and Forfeits	9,287	5,336	-	9,122	-	-	-	-
Net Investment Earnings	131	73	-	99	54	473	462	303
Miscellaneous Revenues	-	-	132,755	-	-	-	-	-
Total Revenues	<u>9,418</u>	<u>5,409</u>	<u>418,466</u>	<u>9,221</u>	<u>10,039</u>	<u>54,569</u>	<u>31,562</u>	<u>39,400</u>
EXPENDITURES								
Current:								
Culture and Recreation	-	-	-	-	-	-	-	-
Public Safety	1,295	-	-	5,638	-	-	-	-
Transportation	-	-	570,747	-	-	-	-	-
Debt Services:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Outlay	-	-	109,137	-	-	-	-	12,112
Total Expenditures	<u>1,295</u>	<u>-</u>	<u>679,884</u>	<u>5,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,112</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,123	5,409	(261,418)	3,583	10,039	54,569	31,562	27,288
OTHER FINANCING SOURCES (USES)								
Proceeds from Debt Issuance	-	-	109,137	-	-	-	-	-
Transfers In	-	-	339,269	-	-	-	-	-
Transfers Out	-	-	(1,543)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>446,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	8,123	5,409	185,445	3,583	10,039	54,569	31,562	27,288
Fund Balances - Beginning of Year	<u>55,471</u>	<u>81,947</u>	<u>119,763</u>	<u>41,396</u>	<u>4,995</u>	<u>129,971</u>	<u>90,593</u>	<u>73,135</u>
FUND BALANCES - END OF YEAR	<u>\$ 63,594</u>	<u>\$ 87,356</u>	<u>\$ 305,208</u>	<u>\$ 44,979</u>	<u>\$ 15,034</u>	<u>\$ 184,540</u>	<u>\$ 122,155</u>	<u>\$ 100,423</u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds							
	Justice Assistance Grant	Road Impact Fees	Fire Grants and Donations	Police Grants and Donations	Traffic Camera	First Tee	Enrichment Center Premises Maintenance	FDOT Projects
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	176,239	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	8,067	-	-	-
Net Investment Earnings	-	17,942	40	91	-	174	-	-
Miscellaneous Revenues	-	-	2,261	-	600	-	10,057	-
Total Revenues	<u>-</u>	<u>194,181</u>	<u>2,301</u>	<u>91</u>	<u>8,667</u>	<u>174</u>	<u>10,057</u>	<u>-</u>
EXPENDITURES								
Current:								
Culture and Recreation	-	-	-	-	-	-	15,592	-
Public Safety	-	-	1,052	1,078	6,411	-	-	-
Transportation	-	15,228	-	-	-	-	-	-
Debt Services:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Outlay	-	2,000	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>17,228</u>	<u>1,052</u>	<u>1,078</u>	<u>6,411</u>	<u>-</u>	<u>15,592</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	176,953	1,249	(987)	2,256	174	(5,535)	-
OTHER FINANCING SOURCES (USES)								
Proceeds from Debt Issuance	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	7,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	176,953	1,249	(987)	2,256	174	1,465	-
Fund Balances - Beginning of Year	<u>1,147</u>	<u>2,075,472</u>	<u>11,547</u>	<u>11,700</u>	<u>275,136</u>	<u>30,619</u>	<u>2,198</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,147</u>	<u>\$ 2,252,425</u>	<u>\$ 12,796</u>	<u>\$ 10,713</u>	<u>\$ 277,392</u>	<u>\$ 30,793</u>	<u>\$ 3,663</u>	<u>\$ -</u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds			Capital Project Funds			
	Brownfields Assessment Grant	1/5 Cent Local Option Gas Tax	Total Special Revenue Funds	McKethan Park	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note - 2011
REVENUES							
Taxes	\$ -	\$ 173,637	\$ 424,390	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	310,517	-	-	35,841	-
Intergovernmental Revenue	-	-	34,958	-	-	-	-
Fines and Forfeits	-	-	31,812	-	-	-	-
Net Investment Earnings	-	778	20,620	191	762	50	-
Miscellaneous Revenues	-	-	145,673	18,667	-	-	-
Total Revenues	-	174,415	967,970	18,858	762	35,891	-
EXPENDITURES							
Current:							
Culture and Recreation	-	-	15,592	800	-	-	-
Public Safety	-	-	15,474	-	-	-	-
Transportation	-	-	585,975	-	-	-	-
Debt Services:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Outlay	-	189,094	312,343	18,000	-	-	-
Total Expenditures	-	189,094	929,384	18,800	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(14,679)	38,586	58	762	35,891	-
OTHER FINANCING SOURCES (USES)							
Proceeds from Debt Issuance	-	-	109,137	-	-	-	-
Transfers In	-	-	346,269	-	-	-	278,465
Transfers Out	-	-	(1,543)	-	-	(34,156)	(278,465)
Total Other Financing Sources (Uses)	-	-	453,863	-	-	(34,156)	-
NET CHANGE IN FUND BALANCES	-	(14,679)	492,449	58	762	1,735	-
Fund Balances - Beginning of Year	-	264,976	3,270,066	25,772	61,831	2,733	-
FUND BALANCES - END OF YEAR	\$ -	\$ 250,297	\$ 3,762,515	\$ 25,830	\$ 62,593	\$ 4,468	\$ -

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2018

	Capital Project Funds			Debt Service Funds			
	Bond Settlement	Capital Improvement Revenue Loan - 2016	Total Capital Project Funds	Capital Improvement Revenue Loan - 2016	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	Total Debt Service Funds
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	35,841	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Net Investment Earnings	-	-	1,003	-	-	-	-
Miscellaneous Revenues	-	-	18,667	-	-	-	-
Total Revenues	-	-	55,511	-	-	-	-
EXPENDITURES							
Current:							
Culture and Recreation	-	-	800	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Debt Services:							
Principal	-	-	-	5,318	210,858	7,000	223,176
Interest and Fiscal Charges	-	-	-	2,244	92,921	5,899	101,064
Capital Outlay	-	-	18,000	-	-	-	-
Total Expenditures	-	-	18,800	7,562	303,779	12,899	324,240
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	36,711	(7,562)	(303,779)	(12,899)	(324,240)
OTHER FINANCING SOURCES (USES)							
Proceeds from Debt Issuance	-	-	-	-	-	-	-
Transfers In	-	13,871	292,336	13,871	278,465	11,836	304,172
Transfers Out	(60,862)	(13,871)	(387,354)	-	-	-	-
Total Other Financing Sources (Uses)	(60,862)	-	(95,018)	13,871	278,465	11,836	304,172
NET CHANGE IN FUND BALANCES	(60,862)	-	(58,307)	6,309	(25,314)	(1,063)	(20,068)
Fund Balances - Beginning of Year	60,862	(1,877)	149,321	8,551	75,968	14,916	99,435
FUND BALANCES - END OF YEAR	\$ -	\$ (1,877)	\$ 91,014	\$ 14,860	\$ 50,654	\$ 13,853	\$ 79,367

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2018

	<u>Permanent Fund</u>		
	Cemetery Perpetual Care	Total Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 424,390
Licenses and Permits	-	-	346,358
Intergovernmental Revenue	-	-	34,958
Fines and Forfeits	-	-	31,812
Net Investment Earnings	1,652	1,652	23,275
Miscellaneous Revenues	-	-	164,340
Total Revenues	<u>1,652</u>	<u>1,652</u>	<u>1,025,133</u>
EXPENDITURES			
Current:			
Culture and Recreation	-	-	16,392
Public Safety	-	-	15,474
Transportation	-	-	585,975
Debt Services:			
Principal	-	-	223,176
Interest and Fiscal Charges	-	-	101,064
Capital Outlay	-	-	330,343
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,272,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,652	1,652	(247,291)
OTHER FINANCING SOURCES (USES)			
Proceeds from Debt Issuance	-	-	109,137
Transfers In	-	-	942,777
Transfers Out	-	-	(388,897)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>663,017</u>
NET CHANGE IN FUND BALANCES	1,652	1,652	415,726
Fund Balances - Beginning of Year	<u>406,936</u>	<u>406,936</u>	<u>3,925,758</u>
FUND BALANCES - END OF YEAR	<u>\$ 408,588</u>	<u>\$ 408,588</u>	<u>\$ 4,341,484</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds							
	Police Special Education Fund				Law Enforcement Trust Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Fines and Forfeits	\$ 8,000	\$ 8,000	\$ 9,287	\$ 1,287	\$ 5,000	\$ 5,000	\$ 5,336	\$ 336
Net Investment Earnings	70	70	131	61	44	44	73	29
Total Revenues	8,070	8,070	9,418	1,348	5,044	5,044	5,409	365
EXPENDITURES								
Current:								
Public Safety	12,000	12,000	1,295	10,705	21,000	21,000	-	21,000
Total Expenditures	12,000	12,000	1,295	10,705	21,000	21,000	-	21,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,930)	(3,930)	8,123	12,053	(15,956)	(15,956)	5,409	21,365
OTHER FINANCING SOURCES (USES)								
Reserves	(54,921)	(54,921)	-	54,921	(54,690)	(54,690)	-	54,690
Total Other Financing Sources (Uses)	(54,921)	(54,921)	-	54,921	(54,690)	(54,690)	-	54,690
NET CHANGE IN FUND BALANCES	(58,851)	(58,851)	8,123	66,974	(70,646)	(70,646)	5,409	76,055
Fund Balances - Beginning of Year	58,851	58,851	55,471	(3,380)	70,646	70,646	81,947	11,301
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,594</u>	<u>\$ 63,594</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,356</u>	<u>\$ 87,356</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds							
	Local Option Gas Tax				Law Enforcement Investigative Trust			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ 207,680	\$ 207,680	\$ 250,753	\$ 43,073	\$ -	\$ -	\$ -	\$ -
Fines and Forfeits	-	-	-	-	20,000	20,000	9,122	(10,878)
Net Investment Earnings	-	-	-	-	50	50	99	49
Intergovernmental Revenue	-	-	34,958	34,958	-	-	-	-
Miscellaneous Revenues	93,528	93,528	132,755	39,227	-	-	-	-
Total Revenues	301,208	301,208	418,466	117,258	20,050	20,050	9,221	(10,829)
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	37,500	37,500	5,638	31,862
Transportation	641,816	642,627	570,747	71,880	-	-	-	-
Capital Outlay	4,650	113,788	109,137	4,651	10,000	10,000	-	10,000
Total Expenditures	646,466	756,415	679,884	76,531	47,500	47,500	5,638	41,862
Excess (Deficiency) of Revenues Over (Under) Expenditures	(345,258)	(455,207)	(261,418)	193,789	(27,450)	(27,450)	3,583	31,033
OTHER FINANCING SOURCES (USES)								
Proceeds on Issuance of Debt	-	109,137	109,137	-				
Transfers In	339,269	339,269	339,269	-	-	-	-	-
Transfers Out	(1,683)	(1,683)	(1,543)	140	-	-	-	-
Reserves	(77,929)	(77,929)	-	77,929	(19,363)	(19,363)	-	19,363
Total Other Financing Sources (Uses)	259,657	368,794	446,863	78,069	(19,363)	(19,363)	-	19,363
NET CHANGE IN FUND BALANCES	(85,601)	(86,413)	185,445	271,858	(46,813)	(46,813)	3,583	50,396
Fund Balances - Beginning of Year	85,601	86,413	119,763	33,350	46,813	46,813	41,396	(5,417)
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 305,208	\$ 305,208	\$ -	\$ -	\$ 44,979	\$ 44,979

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds							
	Law Enforcement Impact Fees				Public Building Impact Fees			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 3,340	\$ 3,340	\$ 9,985	\$ 6,645	\$ 17,988	\$ 17,988	54,096	\$ 36,108
Net Investment Earnings	28	28	54	26	250	250	473	223
Total Revenues	3,368	3,368	10,039	6,671	18,238	18,238	54,569	36,331
EXPENDITURES								
Current:								
Public Safety	7,000	7,000	-	7,000	-	-	-	-
Total Expenditures	7,000	7,000	-	7,000	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,632)	(3,632)	10,039	13,671	18,238	18,238	54,569	36,331
OTHER FINANCING SOURCES (USES)								
Reserves	(417)	(417)	-	417	(143,275)	(143,275)	-	143,275
Total Other Financing Sources (Uses)	(417)	(417)	-	417	(143,275)	(143,275)	-	143,275
NET CHANGE IN FUND BALANCES	(4,049)	(4,049)	10,039	14,088	(125,037)	(125,037)	54,569	179,606
Fund Balances - Beginning of Year	4,049	4,049	4,995	946	125,037	125,037	129,971	4,934
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,034</u>	<u>\$ 15,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 184,540</u>	<u>\$ 184,540</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds							
	Fire Impact Fees				Parks Impact Fees			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 8,300	\$ 8,300	\$ 31,100	\$ 22,800	\$ 15,572	\$ 15,572	\$ 39,097	\$ 23,525
Net Investment Earnings	250	250	462	212	160	160	303	143
Total Revenues	8,550	8,550	31,562	23,012	15,732	15,732	39,400	23,668
EXPENDITURES								
Capital Outlay	90,000	-	-	-	-	12,792	12,112	680
Total Expenditures	90,000	-	-	-	-	12,792	12,112	680
Excess (Deficiency) of Revenues Over (Under) Expenditures	(81,450)	8,550	31,562	23,012	15,732	2,940	27,288	24,348
OTHER FINANCING SOURCES (USES)								
Reserves	(6,774)	(6,774)	-	6,774	(86,988)	(86,988)	-	86,988
Total Other Financing Sources (Uses)	(6,774)	(6,774)	-	6,774	(86,988)	(86,988)	-	86,988
NET CHANGE IN FUND BALANCES	(88,224)	1,776	31,562	29,786	(71,256)	(84,048)	27,288	111,336
Fund Balances - Beginning of Year	88,224	(1,776)	90,593	92,369	71,256	84,048	73,135	(10,913)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,155</u>	<u>\$ 122,155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,423</u>	<u>\$ 100,423</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds							
	Justice Assistance Grant				Road Impact Fees			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ 50,202	\$ 50,202	\$ 176,239	\$ 126,037
Intergovernmental Revenue	20,000	20,000	-	(20,000)	-	-	-	-
Net Investment Earnings	-	-	-	-	10,300	10,300	17,942	7,642
Total Revenues	20,000	20,000	-	(20,000)	60,502	60,502	194,181	133,679
EXPENDITURES								
Current:								
Transportation	-	-	-	-	-	-	15,228	(15,228)
Capital Outlay	20,000	20,000	-	20,000	1,245,223	1,245,223	2,000	1,243,223
Total Expenditures	20,000	20,000	-	20,000	1,245,223	1,245,223	17,228	1,227,995
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(1,184,721)	(1,184,721)	176,953	1,361,674
OTHER FINANCING SOURCES (USES)								
Reserves	(1,147)	(1,147)	-	1,147	(812,680)	(812,680)	-	812,680
Total Other Financing Sources (Uses)	(1,147)	(1,147)	-	1,147	(812,680)	(812,680)	-	812,680
NET CHANGE IN FUND BALANCES	(1,147)	(1,147)	-	1,147	(1,997,401)	(1,997,401)	176,953	2,174,354
Fund Balances - Beginning of Year	1,147	1,147	1,147	-	1,997,401	1,997,401	2,075,472	78,071
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 1,147	\$ 1,147	\$ -	\$ -	\$ 2,252,425	\$ 2,252,425

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds							
	Fire Grants and Donations				Police Grants and Donations			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Net Investment Earnings	\$ 22	\$ 22	\$ 40	\$ 18	\$ 65	\$ 65	\$ 91	\$ 26
Miscellaneous Revenues	2,500	2,500	2,261	(239)	2,500	2,500	-	(2,500)
Total Revenues	<u>2,522</u>	<u>2,522</u>	<u>2,301</u>	<u>(221)</u>	<u>2,565</u>	<u>2,565</u>	<u>91</u>	<u>(2,474)</u>
EXPENDITURES								
Current:								
Public Safety	2,000	2,000	1,052	948	2,000	2,000	1,078	922
Capital Outlay	-	-	-	-	8,700	8,700	-	8,700
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,052</u>	<u>948</u>	<u>10,700</u>	<u>10,700</u>	<u>1,078</u>	<u>9,622</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	522	522	1,249	727	(8,135)	(8,135)	(987)	7,148
OTHER FINANCING SOURCES (USES)								
Reserves	(12,239)	(12,239)	-	12,239	(3,639)	(3,639)	-	3,639
Total Other Financing Sources (Uses)	<u>(12,239)</u>	<u>(12,239)</u>	<u>-</u>	<u>12,239</u>	<u>(3,639)</u>	<u>(3,639)</u>	<u>-</u>	<u>3,639</u>
NET CHANGE IN FUND BALANCES	<u>(11,717)</u>	<u>(11,717)</u>	<u>1,249</u>	<u>12,966</u>	<u>(11,774)</u>	<u>(11,774)</u>	<u>(987)</u>	<u>10,787</u>
Fund Balances - Beginning of Year	11,717	11,717	11,547	(170)	11,774	11,774	11,700	(74)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,796</u>	<u>\$ 12,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,713</u>	<u>\$ 10,713</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds							
	Traffic Camera				First Tee			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Fines and Forfeits	\$ -	\$ -	\$ 8,067	\$ 8,067	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	-	-	-	-	-	-	174	174
Miscellaneous Revenues	-	-	600	600	-	-	-	-
Total Revenues	-	-	8,667	8,667	-	-	174	174
EXPENDITURES								
Current:								
Public Safety	8,000	8,000	6,411	1,589	-	-	-	-
Total Expenditures	8,000	8,000	6,411	1,589	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,000)	(8,000)	2,256	10,256	-	-	174	174
OTHER FINANCING SOURCES (USES)								
Reserves	(263,571)	(263,571)	-	263,571	(30,507)	(30,507)	-	30,507
Total Other Financing Sources (Uses)	(263,571)	(263,571)	-	263,571	(30,507)	(30,507)	-	30,507
NET CHANGE IN FUND BALANCES	(271,571)	(271,571)	2,256	273,827	(30,507)	(30,507)	174	30,681
Fund Balances - Beginning of Year	271,571	271,571	275,136	3,565	30,507	30,507	30,619	112
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,392</u>	<u>\$ 277,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,793</u>	<u>\$ 30,793</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds							
	Enrichment Center Premises Maintenance				1/5 Cent Local Option Gas Tax			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 143,946	\$ 143,946	\$ 173,637	\$ 29,691
Net Investment Earnings	-	-	-	-	350	350	778	428
Miscellaneous Revenues	9,000	10,000	10,057	57	-	-	-	-
Total Revenues	9,000	10,000	10,057	57	144,296	144,296	174,415	30,119
EXPENDITURES								
Current:								
Culture and Recreation	13,330	16,001	15,592	409	-	-	-	-
Capital Outlay	-	-	-	-	325,000	325,000	189,094	135,906
Total Expenditures	13,330	16,001	15,592	409	325,000	325,000	189,094	135,906
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,330)	(6,001)	(5,535)	466	(180,704)	(180,704)	(14,679)	166,025
OTHER FINANCING SOURCES (USES)								
Transfers In	5,000	7,000	7,000	-	-	-	-	-
Reserves	(4,020)	(4,349)	-	4,349	(57,336)	(57,336)	-	57,336
Total Other Financing Sources (Uses)	980	2,651	7,000	4,349	(57,336)	(57,336)	-	57,336
NET CHANGE IN FUND BALANCES	(3,350)	(3,350)	1,465	4,815	(238,040)	(238,040)	(14,679)	223,361
Fund Balances - Beginning of Year	3,350	3,350	2,198	(1,152)	238,040	238,040	264,976	26,936
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 3,663	\$ 3,663	\$ -	\$ -	\$ 250,297	\$ 250,297

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Capital Project Funds							
	McKethan Park				Multi-Year Capital Project Accumulation			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Net Investment Earnings	\$ 115	\$ 115	\$ 191	\$ 76	\$ 350	\$ 350	\$ 762	\$ 412
Miscellaneous Revenues	400	21,901	18,667	(3,234)	-	-	-	-
Total Revenues	515	22,016	18,858	(3,158)	350	350	762	412
EXPENDITURES								
Current:								
Transportation	-	800	800	-	-	-	-	-
Capital Outlay	-	18,000	18,000	-	-	-	-	-
Total Expenditures	-	18,800	18,800	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	515	3,216	58	(3,158)	350	350	762	412
OTHER FINANCING SOURCES (USES)								
Reserves	(26,471)	(29,172)	-	29,172	(62,172)	(62,172)	-	62,172
Total Other Financing Sources (Uses)	(26,471)	(29,172)	-	29,172	(62,172)	(62,172)	-	62,172
NET CHANGE IN FUND BALANCES	(25,956)	(25,956)	58	26,014	(61,822)	(61,822)	762	62,584
Fund Balances - Beginning of Year	25,956	25,956	25,772	(184)	61,822	61,822	61,831	9
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,830</u>	<u>\$ 25,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,593</u>	<u>\$ 62,593</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Capital Project Funds							
	Capital Improvement Revenue 2006 Bond				Capital Improvement Revenue Note - 2011			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 36,500	\$ 36,500	\$ 35,841	\$ (659)	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	26	26	50	24	-	-	-	-
Total Revenues	36,526	36,526	35,891	(635)	-	-	-	-
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,526	36,526	35,891	(635)	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	303,780	303,780	278,465	25,315
Transfers Out	(35,520)	(35,520)	(34,156)	1,364	(303,780)	(303,780)	(278,465)	(25,315)
Reserves	(4,320)	(4,320)	-	4,320	-	-	-	-
Total Other Financing Sources (Uses)	(39,840)	(39,840)	(34,156)	5,684	-	-	-	-
NET CHANGE IN FUND BALANCES	(3,314)	(3,314)	1,735	5,049	-	-	-	-
Fund Balances - Beginning of Year	3,314	3,314	2,733	(581)	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,468</u>	<u>\$ 4,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Capital Project Funds							
	Bond Settlement				Capital Improvement Revenue Loan - 2016			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	8,320	13,871	13,871	-
Transfers Out	-	(60,862)	(60,862)	-	(8,320)	(13,871)	(13,871)	-
Reserves	(60,862)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(60,862)	(60,862)	(60,862)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(60,862)	(60,862)	(60,862)	-	-	-	-	-
Fund Balances - Beginning of Year	60,862	60,862	60,862	-	-	-	(1,877)	(1,877)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,877)</u>	<u>\$ (1,877)</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Debt Service Funds							
	Capital Improvement Revenue Loan - 2016				Capital Improvement Revenue Note - 2011			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES								
Debt Service:								
Principal	5,445	5,318	5,318	-	202,358	202,358	210,858	(8,500)
Interest	2,118	2,245	2,244	1	101,422	101,422	92,921	8,501
Total Expenditures	<u>7,563</u>	<u>7,563</u>	<u>7,562</u>	<u>1</u>	<u>303,780</u>	<u>303,780</u>	<u>303,779</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,563)	(7,563)	(7,562)	1	(303,780)	(303,780)	(303,779)	1
OTHER FINANCING SOURCES (USES)								
Transfers In	8,320	13,871	13,871	-	303,780	303,780	278,465	(25,315)
Reserves	(1,534)	(7,085)	-	7,085	(47,811)	(47,811)	-	47,811
Total Other Financing Sources (Uses)	<u>6,786</u>	<u>6,786</u>	<u>13,871</u>	<u>7,085</u>	<u>255,969</u>	<u>255,969</u>	<u>278,465</u>	<u>22,496</u>
NET CHANGE IN FUND BALANCES	(777)	(777)	6,309	7,086	(47,811)	(47,811)	(25,314)	22,497
Fund Balances - Beginning of Year	<u>777</u>	<u>777</u>	<u>8,551</u>	<u>7,774</u>	<u>47,811</u>	<u>47,811</u>	<u>75,968</u>	<u>28,157</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,860</u>	<u>\$ 14,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,654</u>	<u>\$ 50,654</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Debt Service Funds				Permanent Fund			
	Capital Improvement Revenue Bond - 2006				Cemetery Perpetual Care			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Net Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ 889	\$ 889	\$ 1,652	\$ 763
Total Revenues	-	-	-	-	889	889	1,652	763
EXPENDITURES								
Debt Service:								
Principal	7,000	7,000	7,000	-	-	-	-	-
Interest	6,188	6,188	5,899	289	-	-	-	-
Total Expenditures	13,188	13,188	12,899	289	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,188)	(13,188)	(12,899)	289	889	889	1,652	763
OTHER FINANCING SOURCES (USES)								
Transfers In	13,188	13,188	11,836	(1,352)	-	-	-	-
Reserves	(14,112)	(14,112)	-	14,112	(407,752)	(407,752)	-	407,752
Total Other Financing Sources (Uses)	(924)	(924)	11,836	12,760	(407,752)	(407,752)	-	407,752
NET CHANGE IN FUND BALANCES	(14,112)	(14,112)	(1,063)	13,049	(406,863)	(406,863)	1,652	408,515
Fund Balances - Beginning of Year	14,112	14,112	14,916	804	406,863	406,863	406,936	73
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,853</u>	<u>\$ 13,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 408,588</u>	<u>\$ 408,588</u>

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2018**

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
ASSETS						
Current Assets:						
Pooled Cash and Investments	\$ 55,148	\$ 1,112,618	\$ 19,703	\$ 9,561	\$ 1,106,036	\$ 2,303,066
Accounts Receivable	-	15,128	-	-	-	15,128
Prepaid	-	-	-	24,711	-	24,711
Inventories	3,901	-	-	-	-	3,901
Total Current Assets	<u>59,049</u>	<u>1,127,746</u>	<u>19,703</u>	<u>34,272</u>	<u>1,106,036</u>	<u>2,346,806</u>
Noncurrent Assets:						
Machinery and Equipment	32,403	2,023,255	64,491	-	-	2,120,149
Less: Accumulated Depreciation	32,403	1,148,709	45,642	-	-	1,226,754
Net Capital Assets	<u>-</u>	<u>874,546</u>	<u>18,849</u>	<u>-</u>	<u>-</u>	<u>893,395</u>
Total Assets	<u>\$ 59,049</u>	<u>\$ 2,002,292</u>	<u>\$ 38,552</u>	<u>\$ 34,272</u>	<u>\$ 1,106,036</u>	<u>\$ 3,240,201</u>
LIABILITIES AND NET POSITION						
Current Liabilities:						
Accounts Payable	\$ 1,495	\$ -	\$ -	\$ -	\$ 57,752	\$ 59,247
Accrued Wages Payable	420	-	-	-	-	420
Accrued Compensated Absences - Current	129	-	-	-	-	129
Other Current Liabilities	99	-	-	-	-	99
Total Current Liabilities	<u>2,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,752</u>	<u>59,895</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	3,188	-	-	-	-	3,188
Total Liabilities	<u>5,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,752</u>	<u>63,083</u>
NET POSITION						
Net Investment in Capital Assets	-	874,546	18,849	-	-	893,395
Unrestricted	53,718	1,127,746	19,703	34,272	1,048,284	2,283,723
Total Net Position	<u>53,718</u>	<u>2,002,292</u>	<u>38,552</u>	<u>34,272</u>	<u>1,048,284</u>	<u>3,177,118</u>
Total Liabilities and Net Position	<u>\$ 59,049</u>	<u>\$ 2,002,292</u>	<u>\$ 38,552</u>	<u>\$ 34,272</u>	<u>\$ 1,106,036</u>	<u>\$ 3,240,201</u>

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
OPERATING REVENUE						
Charges for Services	\$ 95,020	\$ 297,267	\$ 10,001	\$ 62,002	\$ 793,971	\$ 1,258,261
Miscellaneous Revenues	139	-	-	-	112,327	112,466
Total Operating Revenues	<u>95,159</u>	<u>297,267</u>	<u>10,001</u>	<u>62,002</u>	<u>906,298</u>	<u>1,370,727</u>
OPERATING EXPENSES						
Personnel Services	58,084	-	-	53,730	765,592	877,406
Other Services and Charges	27,538	-	-	-	-	27,538
Depreciation	-	147,870	8,053	-	-	155,923
Total Operating Expenses	<u>85,622</u>	<u>147,870</u>	<u>8,053</u>	<u>53,730</u>	<u>765,592</u>	<u>1,060,867</u>
OPERATING INCOME	9,537	149,397	1,948	8,272	140,706	309,860
NONOPERATING REVENUES						
Net Investment Earnings	82	11,532	23	-	-	11,637
Gain on Sale of Capital Assets	-	24,718	-	-	-	24,718
Total Nonoperating Revenues	<u>82</u>	<u>36,250</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>36,355</u>
CHANGE IN NET POSITION	9,619	185,647	1,971	8,272	140,706	346,215
Net Position - Beginning of Year	<u>44,099</u>	<u>1,816,645</u>	<u>36,581</u>	<u>26,000</u>	<u>907,578</u>	<u>2,830,903</u>
NET POSITION - END OF YEAR	<u>\$ 53,718</u>	<u>\$ 2,002,292</u>	<u>\$ 38,552</u>	<u>\$ 34,272</u>	<u>\$ 1,048,284</u>	<u>\$ 3,177,118</u>

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2018**

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 95,159	\$ 297,267	\$ 10,001	\$ 62,002	\$ 906,298	\$ 1,370,727
Payments to Employees	(58,886)	-	-	(64,758)	(765,592)	(889,236)
Payments to Suppliers	(27,093)	-	-	-	38,273	11,180
Net Cash Provided (Used) by Operating Activities	9,180	297,267	10,001	(2,756)	178,979	492,671
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	-	(258,812)	-	-	-	(258,812)
Proceeds from Sale of Assets	-	102,501	-	-	-	102,501
Net Cash Used by Capital and Related Financing Activities	-	(156,311)	-	-	-	(156,311)
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts of Interest and Dividends	82	11,532	23	-	-	11,637
Net Cash Provided (Used) by Investing Activities	82	11,532	23	-	-	11,637
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,262	152,488	10,024	(2,756)	178,979	347,997
Cash and Cash Equivalents - Beginning of Year	45,886	960,130	9,679	12,317	927,057	1,955,069
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 55,148</u>	<u>\$ 1,112,618</u>	<u>\$ 19,703</u>	<u>\$ 9,561</u>	<u>\$ 1,106,036</u>	<u>\$ 2,303,066</u>

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2018**

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income	\$ 9,537	\$ 149,397	\$ 1,948	\$ 8,272	\$ 140,706	\$ 309,860
Depreciation and Amortization	-	147,870	8,053	-	-	155,923
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
(Increase) Decrease in:						
Inventories	301	-	-	-	-	301
Increase (Decrease) in:						
Accounts Payable	144	-	-	(11,028)	38,273	27,389
Accrued Wages Payable	(326)	-	-	-	-	(326)
Other Current Liabilities	(48)	-	-	-	-	(48)
Accrued Compensated Absences	(428)	-	-	-	-	(428)
Total Adjustments	<u>(357)</u>	<u>147,870</u>	<u>8,053</u>	<u>(11,028)</u>	<u>38,273</u>	<u>182,811</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,180</u>	<u>\$ 297,267</u>	<u>\$ 10,001</u>	<u>\$ (2,756)</u>	<u>\$ 178,979</u>	<u>\$ 492,671</u>

**CITY OF BROOKSVILLE, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 SEPTEMBER 30, 2018**

	Private Purpose Trust Funds		Pension Trust Funds		
	Butterweck Bond Fund	Total Private Purpose Trust Funds	Fireman's Retirement Fund	Police Retirement Fund	Total Pension Trust Funds
ASSETS					
Cash and Pooled Cash	\$ 1,271	\$ 1,271	\$ 692,007	\$ 7,416,932	\$ 8,108,939
Investment in Debt Securities	-	-	1,985,100	-	1,985,100
Investment in Marketable Equity Securities	-	-	3,891,066	-	3,891,066
Accounts Receivable	-	-	12,082	8,929	21,011
Total Assets	1,271	1,271	6,580,255	7,425,861	14,006,116
NET POSITION					
Held in Trust for Retirement and Other Purposes	1,271	1,271	6,580,255	7,425,861	14,006,116
Total Net Position	\$ 1,271	\$ 1,271	\$ 6,580,255	\$ 7,425,861	\$ 14,006,116

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2018

	Private Purpose Trust Funds		Pension Trust Funds		Total Pension Trust Funds
	Butterweck Bond Fund	Total Private Purpose Trust Funds	Fireman's Retirement Fund	Police Retirement Fund	
ADDITIONS:					
CONTRIBUTIONS					
Employer	\$ -	\$ -	\$ 379,874	\$ 342,420	\$ 722,294
Plan Members	-	-	26,044	7,796	33,840
Total Contributions	-	-	405,918	350,216	756,134
INVESTMENT EARNINGS					
Net Increase (Decrease) in Fair Value	-	-	98,156	(989,910)	(891,754)
Gain/(Loss) on Sales of Investments	-	-	169,399	1,407,466	1,576,865
Interest/Dividends	44	44	207,072	151,349	358,421
Total Investment Earnings	44	44	474,627	568,905	1,043,532
MISCELLANEOUS REVENUES	-	-	328	149	477
Total Additions	44	44	880,873	919,270	1,800,143
DEDUCTIONS:					
BENEFIT PAYMENTS	-	-	443,859	186,724	630,583
ADMINISTRATIVE EXPENSES	-	-	78,944	112,855	191,799
Total Deductions	-	-	522,803	299,579	822,382
CHANGE IN NET POSITION	44	44	358,070	619,691	977,761
Net Position - Beginning of Year	1,227	1,227	6,222,185	6,806,170	13,028,355
NET POSITION - END OF YEAR	\$ 1,271	\$ 1,271	\$ 6,580,255	\$ 7,425,861	\$ 14,006,116



**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***

City Council
City of Brooksville, Florida
Brooksville, 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 City of Brooksville, Florida (City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 7, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2018-001, that we consider to be a material weakness.

Compliance and Other Matters

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

City of Brooksville's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



CliftonLarsonAllen LLP

Lakeland, Florida
June 7, 2019



MANAGEMENT LETTER

City Council
City of Brooksville, Florida
Brooksville, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Brooksville, Florida (City), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 7, 2019.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent 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*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 7, 2019, 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 a financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report except as noted in the schedule of findings and responses.

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. See Note 1 in the notes to the financial statements.

Financial Condition and Management

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

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

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

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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



CliftonLarsonAllen LLP

Lakeland, Florida
June 7, 2019

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2018**

STATUS OF PRIOR YEAR FINDINGS

Prior Years Findings		Current	2016-2017	2015-2016
		Year Finding #	Year Finding #	Year Finding #
Purchasing Card Expenditures	Significant Deficiency	N/A	2017-001	N/A
Fuel Card Expenditures	Significant Deficiency	N/A	2017-002	N/A

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2018-001 – Revenue Recognition and Audit Adjustments

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: As part of the audit, we proposed adjustments to correct the following errors in the City’s financial statements:

- Taxes revenue and receivables in the General Fund were overstated because amounts recognized in the prior year were also recognized in the current year.
- Licenses and permits revenue and receivables in the General Fund were overstated because amounts recognized in the prior year were also recognized in the current year.
- Fund balance and receivables in the General Fund were understated because a prior year audit adjustment was not posted.
- Fund balance was overstated and liabilities understated in the Solid Waste Fund because a prior year audit adjustment was not posted.
- Cash and accounts payable were understated in the CRA Fund because a check dated after fiscal year end was treated as a current year transaction.

Criteria or specific requirement: The City’s management is responsible for establishing and maintaining internal controls to ensure that transactions are properly recorded and reported in the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Context: Testing of account balances identified the errors.

Effect: Revenue, receivables, liabilities and fund balance were misstated.

Cause: Certain prior year audit entries were not posted. Current year receivable balances were not reconciled to supporting schedules. Beginning fund balances were not reconciled to prior year ending fund balances. And, cash transactions were not recorded in the appropriate period.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
SEPTEMBER 30, 2018**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2018-001 – Revenue Recognition and Audit Adjustments (Continued)

Recommendation: Account reconciliations should be prepared monthly by a staff member and reviewed by a member of management, allowing management the ability to perform analytical analysis and to identify unusual account balances. Reconciliations should be performed for all balance sheet accounts. Trial balances should be reviewed to ensure that all accounts are reconciled and any related adjustments, including past audit adjustments, are posted.

Views of responsible officials and planned corrective actions: We are in agreement with the audit finding. Before finalizing the year staff will run the necessary reports to account for any items that may be placed in the incorrect accounts and make the appropriate adjustments. Staff will also compare the Trial Balance to the Audit to insure all accounts are properly balanced.



INDEPENDENT ACCOUNTANTS' REPORT

City Council
City of Brooksville, Florida
Brooksville, Florida

We have examined the City of Brooksville, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2018. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2018.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
June 7, 2019