

City of Eustis, Florida



Comprehensive Annual Financial Report

For The Fiscal Year Ended
September 30, 2018



**COMPREHENSIVE ANNUAL FINANCIAL
REPORT
CITY OF EUSTIS, FLORIDA
FISCAL YEAR ENDED SEPTEMBER 30, 2018**

CITY COMMISSION

Mayor	Robert R. Morin, Jr.
Vice Mayor	Marie H. Aliberti
Commissioner	Linda Durham Bob
Commissioner	Carla Gnann-Thompson
Commissioner	Michael L. Holland

CITY MANAGER

Ronald R. Neibert

Prepared by the Department of Finance



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INTRODUCTORY SECTION



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**CITY OF EUSTIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
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City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

March 26 2018

To the Honorable Mayor, City Commissioners, and Citizens of Eustis:

It is an honor to submit this Comprehensive Annual Financial Report (CAFR) for the City of Eustis (City) for the fiscal year ended September 30, 2018. The report fulfills the requirements set forth by City ordinance and State law, in accordance with the City Charter Article V, Florida Statutes Chapters 11.45 and 218, and the Rules of the Auditor General 10.550, which requires that all local governments publish each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

This CAFR consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Florida Statutes, Chapters 11.45 and 10.550, require that an annual financial audit be performed by independent certified public accountants. The audit was completed by Purvis Gray and Company, LLP; a firm of licensed certified public accountants meeting the additional requirements necessary to audit governmental units.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditors expressed an opinion that the City's financial statements for the fiscal year ended September 30, 2018 are fairly stated in conformity with accounting principles in the United States. This is the most favorable conclusion and is commonly known as an "unmodified" or clean opinion. The independent auditor's report is presented as the first component of the financial section of this report.

The City is required to undergo an annual "Single Audit" in conformity with the provisions of the U.S. Office of Management and Budget's Circular A-133, Audits of States, Local Governments and Profit Organizations, and Chapter 10.550 Rules of the Auditor General, State of Florida. The Single Audit is designed to meet the special needs of federal grantor agencies. The City did not meet the threshold levels that require the Single Audit Report for the current year.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Eustis is located in Lake County, Florida, approximately 25 miles northwest of Orlando, Florida. At present, the City's boundaries span over 11 square miles of gently rolling countryside and lakes, with a service area of approximately 26 square miles. The City was incorporated in 1883, and adopted its present charter in 1992. A Charter Review Committee made appropriate recommendations, which updated and streamlined the charter to current state statutes.

Lake County is part of the Orlando Metropolitan Statistical Area (MSA). The area is composed of multiple counties, including Orange, Seminole, and Osceola. The inclusion of Lake County in the Orlando MSA indicates that a preponderance of the people live and work, as well as earn, and spend money in this defined geographic area. The hub of this MSA is Orange County and Lake County serves as a residential unit of the MSA.

The City, with an estimated population of 20,827, provides a full-range of general municipal services including:

- ✓ Building Inspections
- ✓ Code Enforcement
- ✓ Community and Economic Development
- ✓ Parks, Recreation, Library, and Cultural Affairs
- ✓ Police and Fire Protection
- ✓ Stormwater Management
- ✓ Street Maintenance, Traffic Engineering, and Parking
- ✓ Water and Wastewater Services

Internal support services include the following:

- ✓ Accounting and Financial Reporting
- ✓ Accounts Payable and Accounts Receivable
- ✓ Asset Management and Property Control
- ✓ Budget and Budget Monitoring
- ✓ Citywide Management
- ✓ Debt Management
- ✓ Treasury Management
- ✓ Facilities Management
- ✓ Human Resources, Labor Relations, and Risk Management
- ✓ Information and Computer Systems
- ✓ Procurement Services
- ✓ Public Relations

Solid waste disposal is provided under a franchise agreement, and is performed by a private company. The present agreement will expire December 31, 2024, in which the City will issue a request for proposal (RFP) for competitive bids.

In addition to the above activities, the City exercises oversight responsibility for the Community Redevelopment Agency. Accordingly, these activities are included in the reporting entity and reflected in Note 1 in the *Notes to the Financial Statements*.

The City utilizes a Commission/Manager form of government. Five Commission members are elected to staggered four-year terms. Each year the Commission chooses a new Mayor from the existing group of Commissioners. Elections are held on the first Tuesday after the first Monday in November.

The City Manager is a full-time position appointed by the Commission and serves as the City's Chief Executive/Administrative Officer. The City Manager, per the charter, appoints both the Finance Director and the City Clerk. Once the City Manager appoints these positions, the City Commission must also approve the positions. The charter authorizes departments for Finance, Police, Fire, Water, Sewer, and Public Works. Other departments may be established by ordinance upon recommendation of the City Manager. A Director shall head each department, subject to discretion of the City Manager.

The annual budget serves as the foundation for the City's financial planning and control. All City departments are required to submit requests for appropriations to the City Manager. The City Manager uses these requests as the basis for developing the proposed budget. The City Commission must approve budget amendments in excess of \$25,000. Staff prepares a resolution for any increase in expenditures.

The City Manager presents the proposed budget to City Commission for review no less than forty-five (45) days before the expiration of each fiscal year. The City Commission is required to hold two (2) public hearings on the proposed budget and adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function, and department. Budgets for all governmental fund types are adopted consistent with generally accepted accounting principles. Budget-to-actual comparisons are provided for each governmental fund.

The City also prepares a five year Capital Improvement Plan, which is reviewed and updated annually. The Five-Year Capital Improvement Plan provides a City-wide plan for utility improvements, equipment replacements, and projects related to growth. The plan details the development of revenue projections and capital needs assumptions. The Sales Tax Capital Projects Fund revenue continues to provide many improvements that benefit the community, such as police and fire vehicles and equipment, along with parks and recreation enhancements.

In general, both budgeted revenue and operating expenditures are currently very conservative and calculated based on the most recent history for revenue with a modest increase for expenditures. In addition to the general assumptions, each department estimates the manpower and equipment necessary to maintain adequate levels of service. The City currently maintains a healthy Unassigned Fund Balance in the General Fund of \$6.92 million, which 85.1% of total fund balance; a strong funding level.

As stated above, the City develops multi-year forecasts for the major funds and capital improvement plan. Some of the key projects reflected in the capital improvement plans are:

- ✓ Multiple Community Park improvements including Palmetto Plaza and Ferran Park
- ✓ Street rehabilitation
- ✓ Library facility maintenance and computer upgrades
- ✓ City-wide Information Technology Upgrades
- ✓ Water and sewer improvements

- ✓ Public Safety vehicle replacement program
- ✓ Street lighting program

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy – The local economy continues to improve. For the past several years, the assessed taxable value of real and personal property increased. This year's tax value of \$991,024,774 represents an increase of 10.10%. In addition, the unemployment rate for the County decreased to a low of 2.9% as of September 2018.

The tax base of the City is primarily residential in nature, as evidenced by the number of utility accounts served. With over 13,000 utility accounts, the City maintains 816 commercial accounts. This proportion illustrates that the City is more of a bedroom community for the Orlando MSA. Based on these facts, the City has addressed its needs for the future, recognizing that the direction has shifted from an agricultural community to one that is substantially residential.

The State of Florida has found the City's Comprehensive Plan, mandated under the state growth management regulations, to be in compliance with the statutory requirements. The plan's objective is to address the needs of a predominantly residential sector with provisions for light commercial and industrial sectors, and to establish a well-rounded community that serves the needs of the citizens. This plan reinforces and establishes the future direction of the City.

Based on current and future needs as set forth in the Comprehensive Plan, the City has identified and established appropriate projects and funding sources to assist in the completion of the goals. A State Revolving Loan and a Revenue Bond provide funding for the immediate needs for water, sewer and other infrastructure. The City adopted impact fees for water, sewer, recreation, police, fire, and library services.

The City adopted new Land Development Regulations (LDRs) in 2008 and the Commission adopted amendments in 2015, 2016, and 2017. The LDRs set forth requirements for density, open space and compatibility. The City has established a Joint Planning Area with the County, and provides review and comment on any County projects in that designated area. New development in the unincorporated area of the Joint Planning Area requesting water service must either annex into the City or sign an annexation agreement with the City to develop in accordance with the City standards.

Long-term financial planning –

Major Initiatives

During fiscal year 2018, several major projects were completed or started that will transform the City going forward. Listed below are items of interest.

- The City completed an \$8 million upgrade and expansion project at its **Eastern Wastewater Treatment Plant**. The project was funded by bond issuance and a cost-sharing grant from the St. Johns River Water Management District. The project allows

the City to provide wastewater services in the new, proposed growth areas of the City. The project will also eliminate the need for the installation of many septic tanks in near-future development in this area, which is located in the Wekiva River Basin. Upon completion of the expansion project, the plant will increase capacity from 300,000 gallons per day to 1.3 million gallons per day.

- The construction of the 9,000 square foot **Sunset Island Skate Park** was completed ahead of schedule. A grant of \$150,000 provided by the Florida Department of Environmental Protection as well as revenues from the penny sales tax and recreation impact fees provided the funding for this project. The facility was designed and built by Team Pain Skate Parks, a Winter Springs company founded by skateboarding guru Tim Payne, whose resume includes more than 200 custom skate parks, including those in Lake Mary, Oviedo, Cocoa Beach and New Smyrna Beach, as well as designing ramps for ESPN's X-Games.
- **Palmetto Plaza—Phase II** The first phase of Palmetto is completed and includes five market pavilions, concrete pads, walkways and a community lawn area. Phase II will include restrooms, stage, and decorative pavement areas. Restrooms are underway, utilities have been roughed in and the stormwater has been installed. Asphalt surfacing will be performed at the end of the phase to ensure it is not damaged during the installation and construction.
- Acquisition of a **Pumper fire truck**, occurred this year. The truck has the capacity to carry 700 gallons of water. Because the truck is smaller and lighter than other engines, it provides more maneuverability on the roads. The engine is equipped with state-of-the-art LED lighting and increased compartment space to carry specialized tools. Funding was provided by the sales tax project fund.
- The **Eustis City Memorial Library** continued to expand their digital resources by adding a legal and a language database as well as an online encyclopedia. In addition the library enhanced its reader's advisory service by adding book alerts to announce new books recently added to the library
- The City has a **Police Department** vehicle replacement program for vehicles over seven years with a cost benefit analysis of functionality verses service and repairs. This year the City acquired two Ford Interceptors, a Ford F150, and a Ford Fusion with funds provided by the sales tax project.
- The City provides **economic incentives** for the construction of multi-family, mixed use, and/or non-residential property within the Community Redevelopment Area (CRA), as well as in all other areas of the City. Projects with a value of more than \$500,000 are eligible. The incentive is 2% of the construction value with a maximum of \$30,000. If the project is within the CRA, an additional 2% may be used with a maximum voucher of \$60,000. The credit vouchers may be applied to the cost of impact fees, building permits, and other city fees associated with the new construction. Recently, the program provided incentives to the construction of the Valencia Grove housing project.

The City will achieve its mission to create a superior quality of life by engaging and partnering with the community to provide financially prudent and customer friendly services through efficient organization and utilization of resources

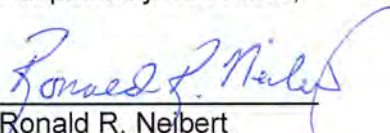
Awards and Acknowledgements – The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017. This was the 30th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Staff believes that the current CAFR continues to meet the Certificate of Achievement Program's requirements, and will submit it to the GFOA to determine its eligibility for another certificate.

The City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2017. This was the third year the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged proficient in several categories including policy documentation, financial planning, organization, and as communication medium. We expect to continue to achieve this distinction.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff in Finance. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. We also thank the Mayor and the Commissioners for your support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully Submitted,

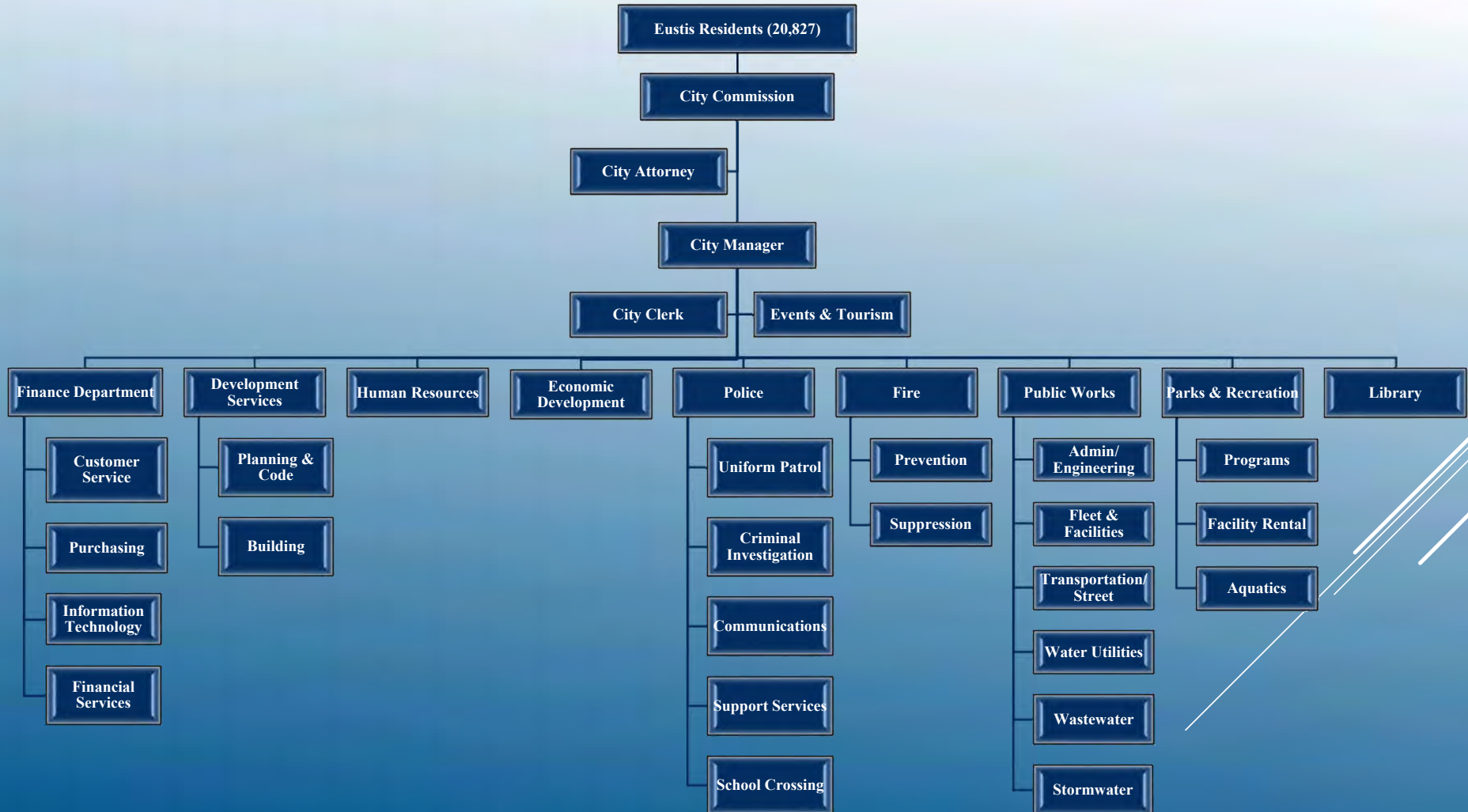


Ronald R. Neibert
City Manager



Colleen J. Scott, CPA, CGFO, CPM
Finance Director

CITY OF EUSTIS ORGANIZATIONAL CHART



CITY OF EUSTIS, FLORIDA

List of Elected and Key Officials

September 30, 2018

Elected Officials City Commission

<u>Title</u>	<u>Name</u>	<u>Seat</u>	<u>Current Term of Seat</u>
Mayor	Robert R. Morin	4	1/2017 through 12/2020
Vice Mayor	Marie Aliberti	3	1/2017 through 12/2020
Commissioner	Linda Durham Bob	1	1/2015 through 12/2018
Commissioner	Michael L. Holland	2	5/2018 through 12/2018
Commissioner	Carla Gnann-Thompson	5	1/2017 through 12/2020

Appointed and Key Officials

City Manager	Ronald R. Neibert
Legal Counsel	Derek A. Schroth
Director of Finance	Colleen J. Scott, CPA, CGFO
City Clerk	Mary C. Montez

Executive Team

City Manager	Ronald R. Neibert
City Clerk	Mary C. Montez
Director of Finance	Colleen J. Scott, CPA, CGFO
Police Chief	Gary Calhoun
Fire Chief	Michael Swanson
Director of Public Works/Public Services	Richard Gierok
Director of Human Resources	William Howe
Director of Development Services	Lori Barnes
Director of Economic Development	Thomas Carrino
Director of Eustis Memorial Library	Ann S. Ivey
Director of Parks and Recreation	Joe LaPolla

Division Heads

Director of Purchasing	Tracy M. Jeanes CPPB, FCCM, FCCN
Street Superintendent	Joseph Jones
Wastewater Superintendent	Bill Johnston
Water Superintendent	Greg Dobbins



Government Finance Officers Association

**Certificate of
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**City of Eustis
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrell

Executive Director/CEO



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FINANCIAL SECTION

This Section contains the following Subsections:

AUDITOR'S REPORTS

MANAGEMENT DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Commissioners City of Eustis
Eustis, Florida

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

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

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.

Certified Public Accountants

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Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872
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1560 N. Orange Ave., Suite #450 • Winter Park, Florida 32789
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Mayor and City Commissioners City of Eustis
Eustis, Florida

INDEPENDENT AUDITORS' REPORT *(Continued)*

Emphasis of a Matter

As discussed in Note 13 of the financial statements, in 2018 the City adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

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, schedule of changes in net pension liability and related ratios, schedule of proportionate share of net pension liability and schedule of contributions, 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 management's discussion and analysis, budgetary comparison information, schedule of changes in net position liability and related ratios, schedule of proportionate share of net pension liability and schedule of contributions because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Honorable Mayor and City Commissioners City of Eustis
Eustis, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

March 22, 2019
Ocala, Florida

MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Eustis, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here, in conjunction with additional information that is furnished in the City's financial statements.

Financial Highlights

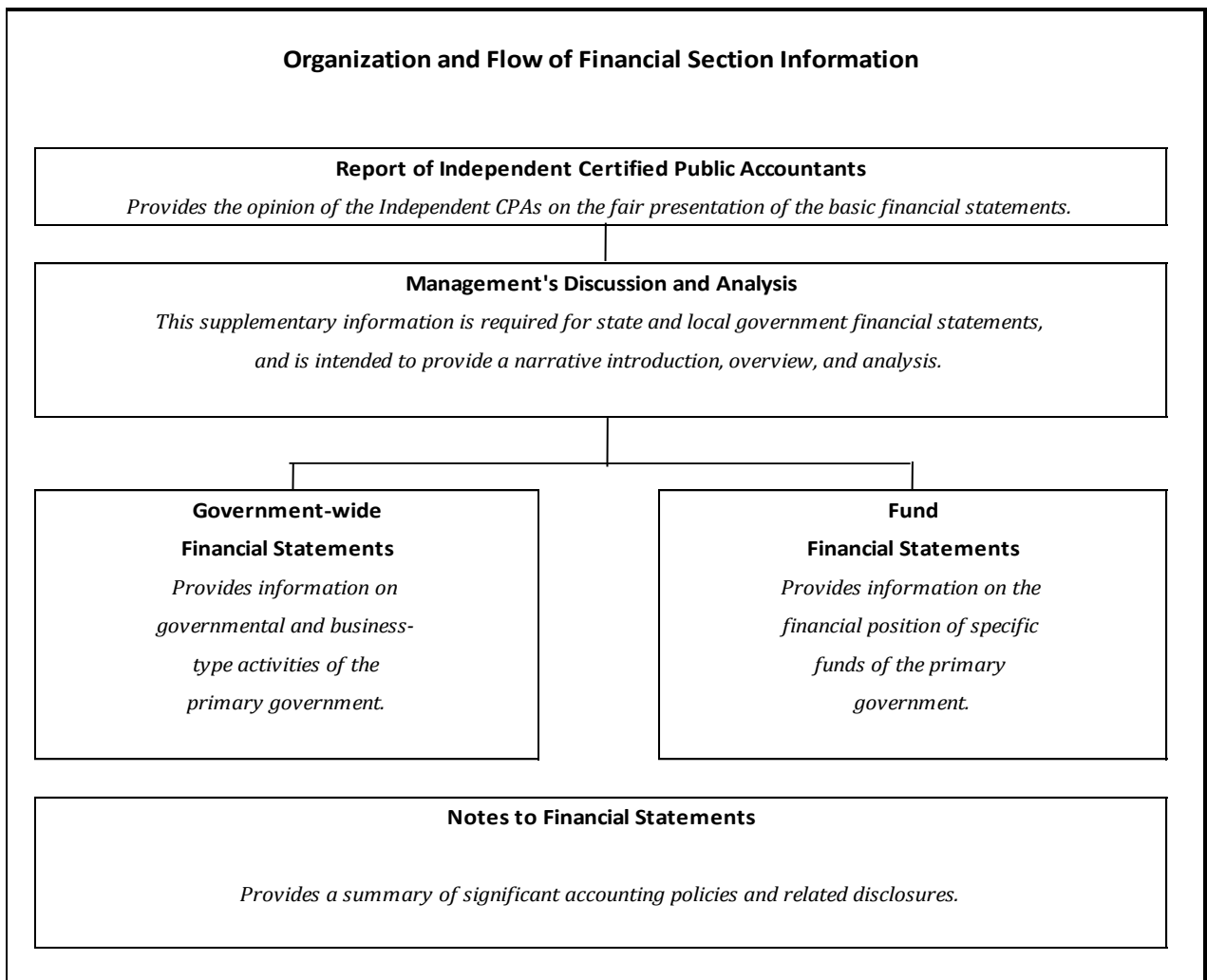
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year 2018 by \$110,411,841 (net position). Of this amount, \$5,827,469 (unrestricted net position) may be used to meet the government's ongoing obligation to citizens and creditors.
- The City's net position increased by \$2,589,162 of which governmental activities net position increased by \$402,078 and proprietary funds net position increased by \$2,187,084.
- At September 30, 2018, the City's governmental funds reported combined ending fund balance of \$13,828,478, which is an increase of \$1,165,069 from prior year. Contributing to the increase in fund balance were unfilled full-time employee positions in the General Fund and increases in the Community Redevelopment Trust Fund, Stormwater Utility Fund, and Sales Tax Capital Projects Fund.
- The City's capital assets increased overall by \$5,108,690, with business-type activities contributing an increase in capital assets of over \$5 million offset by a small decrease in governmental activities. The majority of the increase is due to the installation of sewer lines and lift stations.
- The City's total long-term debt increased by \$1,092,305. Governmental long-term debt increased by \$154,248 and business-type activities long-term debt decreased by \$1,246,553. The increase in governmental activities is due to issuance of a note payable to finance the acquisition of an additional fire truck offset by the maturity of Series 1997 and 2004 bonds. The decrease in business type activities were due to regularly scheduled debt service payments.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components:

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

The basic financial statement present two different views of the City through the presentation of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Eustis.



Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time an increase or decrease 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 government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the time of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include:

- General Government
- Public Safety
- Physical Environment
- Transportation (Streets & Highways)
- Culture and Recreation

The business-type activities of the City include the Water and Sewer Utility Fund. Solid waste is franchised to an independent contractor.

The government-wide financial statements do not include any component units, which would be reported separately. The City does, however, have three blended component units. These are represented as part of the audited financial statements of the City. The units include the Fire and Police Retirement Funds as well as the City of Eustis Community Redevelopment Trust Fund, which is also known as the Community Redevelopment Area (CRA) including Downtown and East Eustis.

The government-wide financial statements can be found on pages 15-16 of this report.

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

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balances for the General Fund, three special revenue funds, and one capital projects fund, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each

of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, as well as eight of the special revenue funds and the capital projects fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements are presented on pages 18-23 of the report.

Proprietary Funds – The City maintains only one type of proprietary fund. 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 System operations.

Proprietary funds provide the same type of information as the government wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer System, which is considered a major fund of the City

The basic proprietary fund financial statements are presented on pages 24-28 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting for fiduciary funds is similar to proprietary funds. The fiduciary funds include pension trust funds for police and fire.

Notes To The Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements. The notes to the financial statements begin on page 36 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's required contributions to provide pension benefits to its employees and post-employment benefits (OPEB). Required supplementary information can be found beginning on page 83 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found starting on page 95 of this report.

Government Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$110,411,841 at the close of the fiscal year ended September 30, 2018. The table below reflects the condensed government-wide Statement of Net Position.

City of Eustis, Florida
Statement of Net Position
as of September 30

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Current and other assets	\$ 15,317,636	\$ 14,272,454	\$ 21,731,019	\$ 26,252,905	\$ 37,048,655	\$ 40,525,359
Capital Assets (Net)	60,949,611	61,044,498	44,595,350	39,391,593	105,544,961	100,436,091
Total Assets	76,267,247	75,316,952	66,326,369	65,644,498	142,593,616	140,961,450
Deferred Outflows of Resources	<u>1,772,467</u>	<u>2,089,627</u>	<u>177,249</u>	<u>154,364</u>	<u>1,949,716</u>	<u>2,243,991</u>
Liabilities						
Current and other liabilities	1,489,158	2,495,936	1,337,646	2,909,123	2,826,804	5,405,059
Long-term liabilities	13,922,663	11,498,460	15,433,333	14,938,193	29,355,996	26,436,653
Total Liabilities	15,411,821	13,994,396	16,770,979	17,847,316	32,182,800	31,841,712
Deferred Inflows of Resources	<u>1,648,689</u>	<u>778,349</u>	<u>300,002</u>	<u>128,172</u>	<u>1,948,691</u>	<u>906,521</u>
Net Position:						
Net Investment in						
Capital Assets	59,881,913	60,131,048	33,980,209	28,570,346	93,862,122	88,701,394
Restricted	5,320,003	4,789,207	5,402,247	8,174,683	10,722,250	12,963,890
Unrestricted	<u>(4,222,712)</u>	<u>(2,286,421)</u>	<u>10,050,181</u>	<u>11,078,405</u>	<u>5,827,469</u>	<u>8,791,984</u>
Total Net Position	<u>\$ 60,979,204</u>	<u>\$ 62,633,834</u>	<u>\$ 49,432,637</u>	<u>\$ 47,823,434</u>	<u>\$ 110,411,841</u>	<u>\$ 110,457,268</u>

The largest portion of the City's net position reflects its investment in capital assets (e.g. land, buildings, infrastructure, improvements other than buildings, vehicles and equipment), less any related debt used to acquire such assets. Net investment in capital assets represent 85.01% of the total net position. The City uses these capital assets to provide a variety of services to its residents. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted Net Position of \$10,722,250 reflects net position that is restricted by an outside third party as to its use. The most significant restrictions for governmental activities include net position restricted for capital projects based on the voter approved one cent sales tax legislation and net position restricted for community development due to collection within the City's Community Redevelopment district. Business-type activities include debt related restrictions on net position for renewal and replacement and restricted net position for capital projects for impact fees collected but not spent.

The net position of \$5,827,469 was available to be used to meet the City's ongoing obligation to citizens and creditors. The negative \$4,222,712 in governmental activities is mainly the result of the net pension liability of \$8,785,648 and the implementation of GASB 75 which also increased OPEB obligation and decreased liability.

Statement of Activities – The key elements of the changes in the City's net position for the fiscal years ended September 30, 2018 and September 30, 2017 are as follows:

City of Eustis, Florida
Changes in Net Position

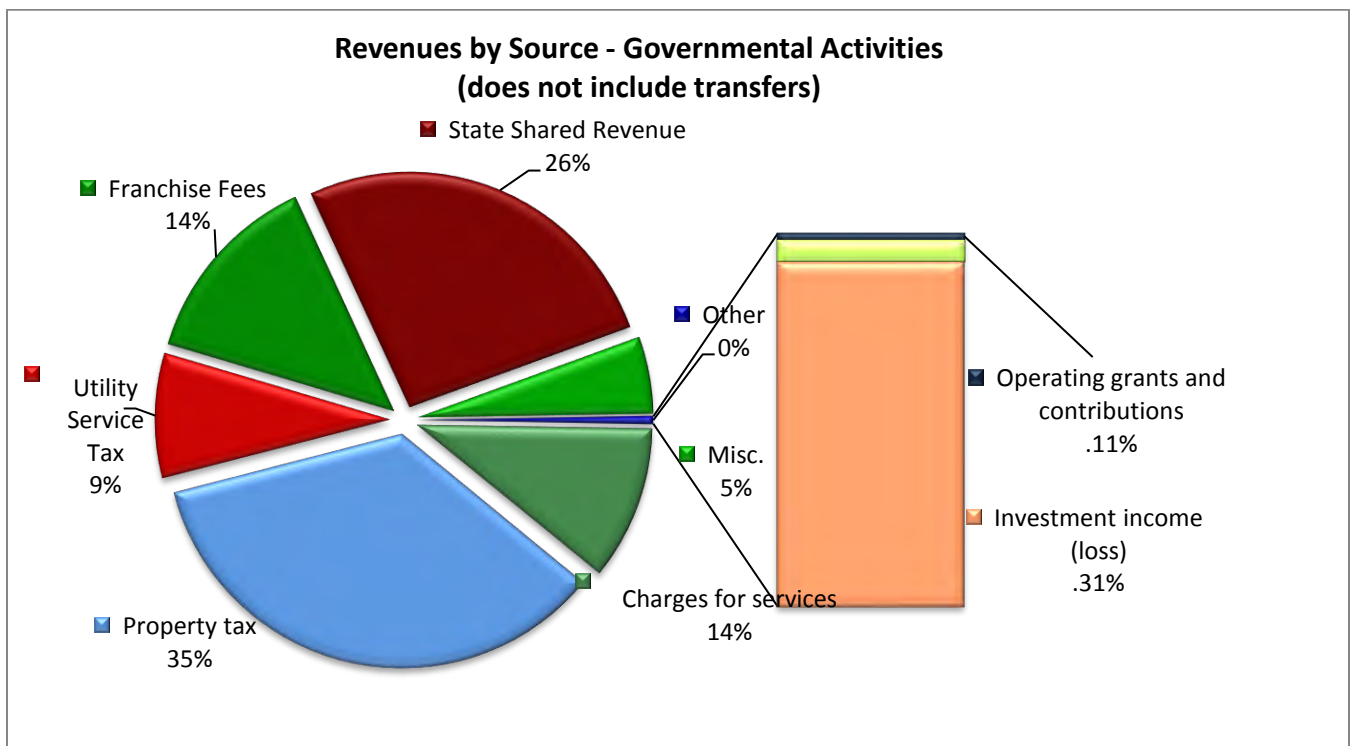
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 2,005,609	\$ 2,113,903	\$ 10,414,339	\$ 10,442,589	\$ 12,419,948	\$ 12,556,492
Operating Grants and Contributions	1,614	17,749	-	-	1,614	17,749
Capital Grants and Contributions	5,720	-	1,814,665	1,435,914	1,820,385	1,435,914
General Revenues:						
Property Taxes	6,599,902	6,034,790	-	-	6,599,902	6,034,790
Utility Taxes	1,621,592	1,484,768	-	-	1,621,592	1,484,768
Franchise Fees	2,544,608	2,570,953	-	-	2,544,608	2,570,953
State and Other Shared Revenues	4,956,751	4,561,956	-	-	4,956,751	4,561,956
Investment Income	87,017	30,931	165,900	100,933	252,917	131,864
Miscellaneous	<u>998,288</u>	<u>992,848</u>	<u>15,008</u>	<u>81,330</u>	<u>1,013,296</u>	<u>1,074,178</u>
Total Revenues	<u>18,821,101</u>	<u>17,807,898</u>	<u>12,409,912</u>	<u>12,060,766</u>	<u>31,231,013</u>	<u>29,868,664</u>
EXPENSES						
General Government	4,536,101	4,524,135	-	-	4,536,101	4,524,135
Public Safety	9,175,828	9,824,650	-	-	9,175,828	9,824,650
Physical Environment	351,219	315,758	-	-	351,219	315,758
Transportation	3,283,299	2,998,938	-	-	3,283,299	2,998,938
Culture/Recreation	2,569,564	2,224,674	-	-	2,569,564	2,224,674
Debt Service - Interest	15,599	35,169	-	-	15,599	35,169
Water and Sewer Operations	<u>-</u>	<u>-</u>	<u>8,710,241</u>	<u>8,414,798</u>	<u>8,710,241</u>	<u>8,414,798</u>
Total Expenses	<u>19,931,610</u>	<u>19,923,324</u>	<u>8,710,241</u>	<u>8,414,798</u>	<u>28,641,851</u>	<u>28,338,122</u>
Excess (Deficiency) Before Transfers	(1,110,509)	(2,115,426)	3,699,671	3,645,968	2,589,162	1,530,542
Transfers	<u>1,512,587</u>	<u>1,500,000</u>	<u>(1,512,587)</u>	<u>(1,500,000)</u>	<u>-</u>	<u>-</u>
Change in Net Position	402,078	(615,426)	2,187,084	2,145,968	2,589,162	1,530,542
Net Position - Beginning of Year, Previously Reported	62,633,834	-	47,823,434	-	110,457,268	-
Restatement per GASB 75	(2,056,708)	-	(577,881)	-	(2,634,589)	-
Net Position - Beginning of Year, Restated	<u>60,577,126</u>	<u>63,249,260</u>	<u>47,245,553</u>	<u>45,677,466</u>	<u>107,822,679</u>	<u>108,926,726</u>
Net Position - End of Year	<u>\$ 60,979,204</u>	<u>\$ 62,633,834</u>	<u>\$ 49,432,637</u>	<u>\$ 47,823,434</u>	<u>\$ 110,411,841</u>	<u>\$ 110,457,268</u>

Governmental Activities

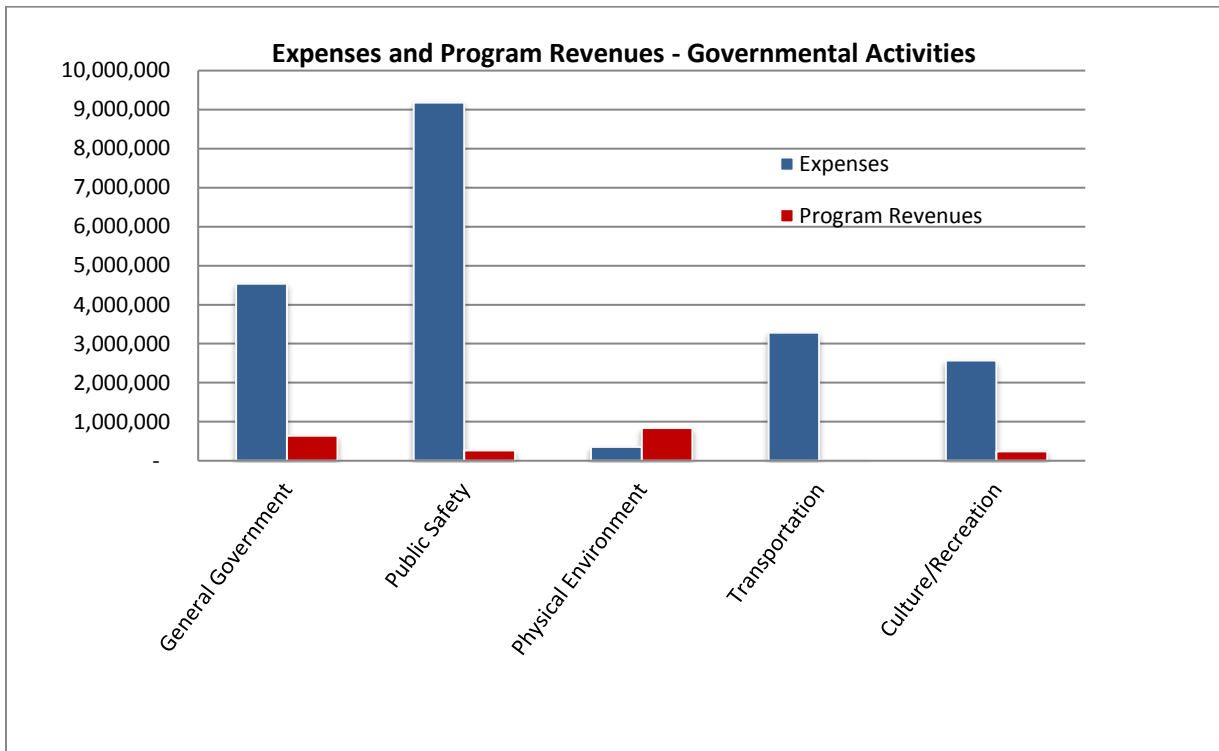
Governmental activities increased the City's net position by \$402,078. The elements of change in net position are as follows:

- Property taxes increased by \$565,112 mainly due to an increase in taxable assessed values.
- Sales tax revenue and other state revenues increased \$394,795 and utility taxes increased \$136,824.
- Total expenses reflect a small increase of \$8,286 over prior year. Public Safety reflects a decrease of \$648,822 mainly due to the retirement and open positions in the Police Department. This savings is offset by mainly by increases in Transportation and Culture and Recreation, \$284,361 and \$344,890, respectively.

The most significant revenue source for governmental activities continues to be property taxes which represent 35% of total governmental activity revenue. State shared revenues comprise 26% of the same total. State shared revenues include sales tax revenue, state intergovernmental revenue in addition to grants. Other revenue sources are highlighted in the graph below.

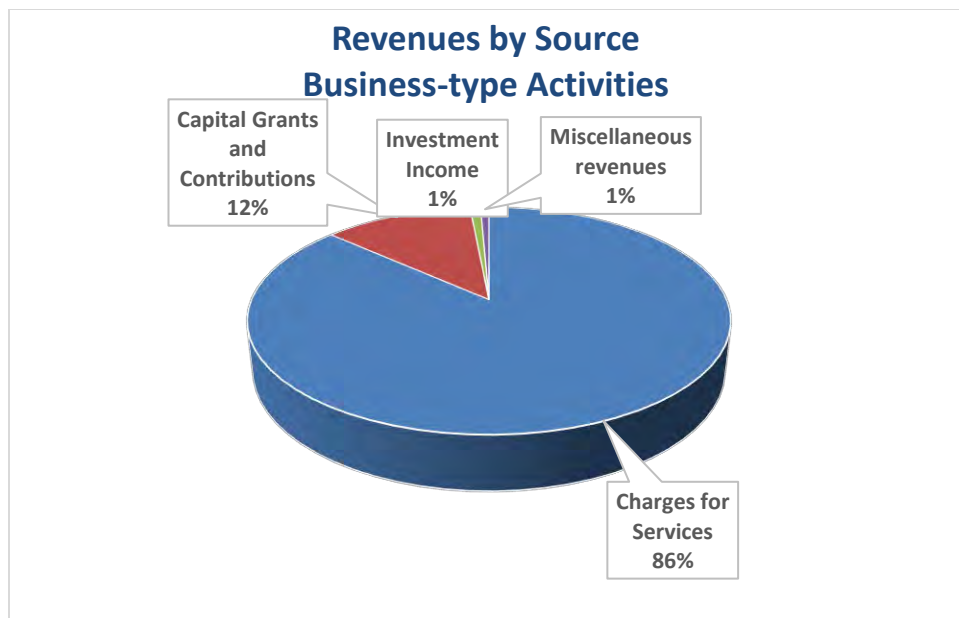


Expenses for governmental activities include General Government, Public Safety, Physical Environment, Transportation and Culture and Recreation. Public Safety is the largest governmental expense. This includes law enforcement and fire control. As depicted in the graph below, program revenues do not cover the cost of providing the governmental activity services.



Business-type Activities

Business activities increased the City's net position by \$2,187,084 for the current fiscal year. The change in net position is the result of an increase capital grant revenue and impact fees from an expansion in residential housing offset by water treatment and distribution expenses.



The most significant revenue for business-type activities is Charges for Services. This is a characteristic trait of enterprise funds that the charges for services are to cover the cost of operations. The City implemented a rate increase effective June 1, 2016 resulting in a one-time increase of 6% for utility capital projects and a 1.7% increase to cover operations for the following five years.

Financial Analysis of the City's Funds

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements.

The City's most significant governmental fund is the General Fund. The General Fund is the primary operating fund of the City. At the end of 2018, total fund balance equaled \$8,138,435. Of this amount, \$6,925,213 or 85.1 % is unassigned and can be used to meet the government's obligations. The General Fund has restricted fund balance for Building Permit (\$807,349) and assigned fund balance for Emergency Contingency (\$405,873). In the current year, total fund balance increased by \$716,428. The reason for this increase is attributable to property tax revenue as taxable assessed values have increased along with an increase in state sharing revenues.

The City has four other major governmental funds which are: Street Improvement, Sales Tax Capital Projects, Community Redevelopment, and Stormwater Utility Fund. Fund balance decreased for Street Improvement, while the Community Redevelopment, Sales Tax Capital Projects fund, Stormwater Utility fund experienced increases; resulting in a net increase in fund balance of \$559,194 for the major funds.

The Street Improvement Fund was established to account for gas tax revenues brought in from the state and county to make repairs and maintain street and roads owned by the City. The most significant expenditures are related to grounds and street maintenance along with street lighting. Transportation expenditures exceeded gas tax revenues and transfers by \$216,683. Fund balance at year-end was \$244,827.

The Community Redevelopment Fund was established for the revitalization of downtown and east town improvements. The funding source is an incremental increase in property values in these areas. The most significant expenditures are related to the Palmetto Plaza development and sidewalk rehabilitation. Fund balance experienced an increase of \$270,351.

The Stormwater Utility Fund accounts for the routine billing of utility customers within the City. Capital expenditures of \$248,560 included acquisition of a street sweeper and stormwater improvements. The fund's largest expenditures were for street sweeping and drainage maintenance. Fund balance increased reflecting a current fund balance of \$1,177,389.

The Sales Tax Capital Projects Fund accounts for projects authorized by the one cent sales tax assessed on retail sales. The more significant capital expenditures during 2018 included: the skate park, a fire ladder truck, police vehicles, along with street resurfacing. Overall, fund balance increased by \$449,735, providing an ending fund balance of \$1,680,674.

Proprietary Funds

The City's proprietary fund provides the same type of information as found in the government-wide financial statements but in more detail. The City's Water and Sewer fund had net position of \$49,432,637 at September 30, 2018, an increase of \$2,187,084 from prior year. The largest portion of net position is the Net Investment in Capital Assets (\$33,980,209). The Restricted net position of \$5,402,247 represents impact fees and repair and replacement projects. Unrestricted Net Position at the end of the year was \$10,050,181.

General Fund Budgetary Highlights

The table below identifies the changes from original budget to the final budget. The fluctuations are due to an expectation of additional full time employees (FTEs) as well as the pending roof replacement for City Hall.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
General Government	\$ 4,303,477	\$ 4,416,526	\$ 113,049
Public Safety	8,789,267	8,687,470	(101,797)
Transportation	140,055	145,093	5,038
Culture/Recreation	1,839,986	1,850,793	10,807
Capital Outlay / Other	<u>27,815</u>	<u>388,466</u>	<u>360,651</u>
	<u>\$ 15,100,600</u>	<u>\$ 15,488,348</u>	<u>\$ 387,748</u>

	<u>Actual</u>	<u>Final Budget</u>	<u>Difference</u>
	<u>Expenditures</u>		
General Government	\$ 4,072,495	\$ 4,416,526	\$ 344,031
Public Safety	8,465,529	8,687,470	221,941
Transportation	143,007	145,093	2,086
Culture/Recreation	1,746,964	1,850,793	103,829
Capital Outlay / Other	<u>93,938</u>	<u>388,466</u>	<u>294,528</u>
	<u>\$ 14,521,933</u>	<u>\$ 15,488,348</u>	<u>\$ 966,415</u>

The total increase between adopted and final budget is \$387,748. This increase is mainly due to capital projects that were not completed during the year. Actual expenditures to final budget show significant fluctuations in General Government, Public Safety, and Capital Outlay. The difference of \$966,415 reflects a reduction in expenditures due to open FTE positions, repair and maintenance savings, along with capital outlay for City Hall's roof (date of completion is fiscal year 2019).

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2018 amounts to \$105,544,781 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, construction work in progress, buildings, equipment, park facilities, and roads. The total increase in the City's investment in capital assets for the current year was \$5,108,690. This increase is attributable to Improvements Other Than Buildings as the city expands its water and sewer systems and upgrades its storage tanks, See Note 4.

City of Eustis, Florida
Capital Assets

(Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 3,839,437	\$ 3,839,437	\$ 2,307,117	\$ 2,307,117	\$ 6,146,554	\$ 6,146,554
Infrastructure - Retention Ponds	1,946,578	1,946,578	-	-	1,946,578	1,946,578
Infrastructure - Right-of-way	23,664,796	23,664,796	-	-	23,664,796	23,664,796
Construction in Progress	1,861,094	807,428	714,800	3,272,630	2,575,894	4,080,058
Buildings	13,570,513	13,570,513	1,040,680	1,040,680	14,611,193	14,611,193
Improvements Other than Buildings	3,904,582	3,717,840	74,671,599	65,130,215	78,576,181	68,848,055
Equipment	3,688,763	3,654,890	5,031,793	4,697,148	8,720,556	8,352,038
Vehicles	6,004,929	5,359,038	-	-	6,004,929	5,359,038
Infrastructure - Roads and Streets	<u>33,797,588</u>	<u>33,797,588</u>	<u>-</u>	<u>-</u>	<u>33,797,588</u>	<u>33,797,588</u>
	92,278,280	90,358,108	83,765,989	76,447,790	176,044,269	166,805,898
Less: Accumulated Depreciation	<u>(31,328,849)</u>	<u>(29,313,610)</u>	<u>(39,170,639)</u>	<u>(37,056,197)</u>	<u>(70,499,488)</u>	<u>(66,369,807)</u>
Capital Assets, net	<u>\$ 60,949,431</u>	<u>\$ 61,044,498</u>	<u>\$ 44,595,350</u>	<u>\$ 39,391,593</u>	<u>\$ 105,544,781</u>	<u>\$ 100,436,091</u>

Long-Term Debt

The City's total long-term debt decreased by \$1,092,305, with the change attributable to scheduled debt service payments offset by issuance of a note payable to finance the acquisition of a fire ladder truck (\$800,000). Additional information on the City's debt can be found in Note 9 of this report.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Multi-purpose Bond (1997)	\$ -	\$ 360,000	\$ -	\$ -	\$ -	\$ 360,000
Multi-purpose Bond (2004)	-	200,000	-	-	-	200,000
Note Payable - 2018	800,000	-	-	-	800,000	-
Note Payable - 2016	267,698	353,450	-	-	267,698	353,450
Water & Sewer Revenue Bonds	-	-	7,150,000	7,430,000	7,150,000	7,430,000
Unamortized Bond Premium	-	-	454,222	479,456	454,222	479,456
State revolving loans	-	-	927,084	1,279,676	927,084	1,279,676
State revolving loans	-	-	3,892,782	4,120,409	3,892,782	4,120,409
Note Payable - 2018	<u>-</u>	<u>-</u>	<u>1,444,400</u>	<u>1,805,500</u>	<u>1,444,400</u>	<u>1,805,500</u>
	<u>\$ 1,067,698</u>	<u>\$ 913,450</u>	<u>\$ 13,868,488</u>	<u>\$ 15,115,041</u>	<u>\$ 14,936,186</u>	<u>\$ 16,028,491</u>

Economic Factors and Next Year's Budgets and Rates

Looking forward to FY 2018, the City anticipated continued improvement in the economic environment. The unemployment rate for Lake County is 4.70% slightly lower than the national

rate of 4.10%. Economic factors are strong with the median price of homes \$199,100 an increase over the past year. Taxable values in the City increased 10.15% for fiscal year 2018.

Building permits are a key indicator of construction activity. The issuance of building permits continue to increase; on average over 2,120 permits were issued in fiscal year 2018 and 1,700 in fiscal year 2017. This growth along with an increase in property values has allowed the City to maintain its millage rate while providing high quality services.

During the fiscal year, a utility rate increase of 1.7% was implemented. However, other rates for City services have remained the same. Through prudent fiscal management in FY 2018, the City Commission was able to continue the trend of balancing budgeted revenues against expenditures in the General Fund.

City is composed of real property, personal property and centrally assessed property. The value of such property increased 10.15% compared to the previous year. Compared to Leesburg and Mount Dora, with a similar populations, Eustis has fewer dollars to distribute, as a result of a residential market with fewer commercial owners. However, the City has maintained a millage rate of 7.5810 for the past several years, while continuing to maintain and provide services to the community.

Listed below is a comparative view of per capita taxable value by city:

Population 2018		Estimated Taxable Value 2018	Per Capita Taxable Value 2018
Eustis	20,827	955,967,302	\$ 45,900
Leesburg	22,689	1,335,618,214	\$ 58,866
Mount Dora	13,916	1,085,441,624	\$ 78,000

Budgeted expenditures in the General Fund are expected to rise approximately 3.77% to \$16,455,200. The largest increments are in employee compensation along with pension adjustments.

Other factors to be considered in preparing the 2019-20 budgets for the City include:

- A desire to maintain the current millage rates while providing quality services.
- Increases in the funding of the Police and Fire Pensions.
- Market pay and merit adjustments for City employees.
- Maintaining a robust Capital Improvement Plan to meet the needs of Eustis' residents.

Requests for Information

This financial report is designed to provide a general overview of the City of Eustis's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Eustis
Colleen J. Scott, CPA, CGFO, CPM
Finance Director
P.O. Drawer 68
Eustis, FL 32727-0068
Phone: (352) 483-5440
www.eustis.org

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements:

Government Funds

Proprietary (Enterprise) Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to the user's understanding of the basic financial statements.

CITY OF EUSTIS, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 11,023,062	\$ 14,364,913	\$ 25,387,975
Investments	3,072,164	6,068,008	9,140,172
Receivables, Net:			
Accounts	1,211,581	964,779	2,176,360
Interest	10,829	12,704	23,533
Inventory	-	320,615	320,615
Capital Assets:			
Capital Assets, Not Being Depreciated	31,311,905	3,021,917	34,333,822
Capital Assets, Being Depreciated (Accumulated Depreciation)	60,966,375 (31,328,669)	80,744,072 (39,170,639)	141,710,447 (70,499,308)
Total Assets	<u>76,267,247</u>	<u>66,326,369</u>	<u>142,593,616</u>
Deferred Outflows of Resources			
Pension Plan Deferrals:			
Police Officers	557,934	-	557,934
Firefighters	456,943	-	456,943
Florida Retirement System	166,761	134,306	301,067
Other Post Employment Benefits	152,849	42,943	195,792
Total Deferred Outflows of Resources	<u>1,334,487</u>	<u>177,249</u>	<u>1,511,736</u>
Liabilities			
Accounts Payable and Accrued Liabilities	1,489,158	1,337,646	2,826,804
Long-term Liabilities:			
Due Within One Year	524,665	1,329,918	1,854,583
Due in More Than One Year	2,275,471	12,926,740	15,202,211
Other Post Employment Benefits	2,698,897	814,657	3,513,554
Net Pension Liability:			
Police Officers	5,750,010	-	5,750,010
Firefighters	2,231,029	-	2,231,029
Florida Retirement System	442,591	362,018	804,609
Total Liabilities	<u>15,411,821</u>	<u>16,770,979</u>	<u>32,182,800</u>
Deferred Inflows of Resources			
Pension Plan Deferrals:			
Police Officers	452,751	-	452,751
Florida Retirement System	156,860	131,109	287,969
Other Post Employment Benefits	601,098	168,893	769,991
Total Deferred Inflows of Resources	<u>1,210,709</u>	<u>300,002</u>	<u>1,510,711</u>
Net Position			
Net Investment in Capital Assets	59,881,913	33,980,209	93,862,122
Restricted for:			
Building Permits	807,349	-	807,349
Library	98,450	-	98,450
Public Safety	378,422	-	378,422
Culture and Recreation	255,162	-	255,162
Capital Projects	1,680,674	3,013,784	4,694,458
Renewal and Replacement	-	2,388,463	2,388,463
Community Development	1,594,083	-	1,594,083
Road and Street Expenses	50,448	-	50,448
Cemetery Expenses	261,036	-	261,036
Roads and Trees	194,379	-	194,379
Unrestricted	(4,222,712)	10,050,181	5,827,469
Total Net Position	<u>\$ 60,979,204</u>	<u>\$ 49,432,637</u>	<u>\$ 110,411,841</u>

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

**CITY OF EUSTIS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 4,536,101	\$ 643,580	\$ 1,614	\$ -
Public Safety	9,175,828	261,099	-	5,720
Physical Environment	351,219	841,781	-	-
Transportation	3,283,299	16,024	-	-
Culture and Recreation	2,569,564	243,125	-	-
Interest and Fees on Long-term Debt	15,599	-	-	-
Total Governmental Activities	19,931,610	2,005,609	1,614	5,720
Business-type Activities				
Water and Sewer	\$ 8,710,241	\$ 10,414,339	\$ -	\$ 1,814,665

General Revenues

Taxes:

Property Taxes

Utility Service Taxes

Franchise Fees

State Shared Revenues (Unrestricted)

Investment Income

Miscellaneous

Transfers

Total General Revenues, Special Items and Transfers

Change in Net Position

Net Position, Beginning of Year, Previously Reported

Restatement, Adoption of New Accounting Standard

Net Position, Beginning of Year, Restated

Net Position, End of Year

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

Net (Expense) Revenue and Change in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (3,890,907)	\$ -	\$ (3,890,907)
(8,909,009)	-	(8,909,009)
490,562	-	490,562
(3,267,275)	-	(3,267,275)
(2,326,439)	-	(2,326,439)
(15,599)	-	(15,599)
<u>(17,918,667)</u>	<u>-</u>	<u>(17,918,667)</u>

	\$ 3,518,763	\$ 3,518,763
--	--------------	--------------

6,599,902	-	6,599,902
1,621,592	-	1,621,592
2,544,608	-	2,544,608
4,956,751	-	4,956,751
87,017	165,900	252,917
998,288	15,008	1,013,296
1,512,587	(1,512,587)	-
<u>18,320,745</u>	<u>(1,331,679)</u>	<u>16,989,066</u>
402,078	2,187,084	2,589,162
62,633,834	47,823,434	110,457,268
(2,056,708)	(577,881)	(2,634,589)
60,577,126	47,245,553	107,822,679
<u>\$ 60,979,204</u>	<u>\$ 49,432,637</u>	<u>\$ 110,411,841</u>

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

	General Fund	Street Improvement Fund	Community Redevelopment Trust Fund
Assets			
Cash and Cash Equivalents	\$ 5,506,611	\$ 225,979	\$ 1,411,548
Investments	3,072,164	-	-
Receivables, Net:			
Accounts	690,527	72,039	43,017
Interest	6,740	154	1,322
Total Assets	<u>9,276,042</u>	<u>298,172</u>	<u>1,455,887</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Liabilities	<u>1,137,607</u>	<u>53,345</u>	<u>56,330</u>
Total Liabilities	<u>1,137,607</u>	<u>53,345</u>	<u>56,330</u>
Fund Balances			
Nonspendable:			
Library Trust Donations	-	-	-
Restricted for:			
Capital Projects per One Cent Sales Tax	-	-	-
Enforcement of Florida Bldg. Code	807,349	-	-
Public Safety Impact Fees	-	-	-
Culture and Recreation Impact Fees	-	-	-
Ordinance - Community Development	-	-	-
Specific Contributions - Library	-	-	-
Gas Tax	-	50,448	-
Redevelopment District	-	-	1,399,557
Police Fines and Forfeitures	-	-	-
Cemetery - Chapter 22 of Code	-	-	-
Specific Contributions for Roads and Trees	-	194,379	-
Committed to:			
Library Contribution Fund	-	-	-
Ordinance - Stormwater Management	-	-	-
Assigned to:			
Emergency Contingency	405,873	-	-
Unassigned:	<u>6,925,213</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>8,138,435</u>	<u>244,827</u>	<u>1,399,557</u>
Total Liabilities and Fund Balances	<u>\$ 9,276,042</u>	<u>\$ 298,172</u>	<u>\$ 1,455,887</u>

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

Stormwater Utility Fund	Sales Tax Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,047,876	\$ 1,511,371	\$ 1,319,677	\$ 11,023,062
-	-	-	3,072,164
134,721	265,177	6,100	1,211,581
453	1,248	912	10,829
<u>1,183,050</u>	<u>1,777,796</u>	<u>1,326,689</u>	<u>15,317,636</u>
5,661	97,122	139,093	1,489,158
<u>5,661</u>	<u>97,122</u>	<u>139,093</u>	<u>1,489,158</u>
-	-	40,523	40,523
-	1,680,674	-	1,680,674
-	-	-	807,349
-	-	302,982	302,982
-	-	255,162	255,162
-	-	194,526	194,526
-	-	30,093	30,093
-	-	-	50,448
-	-	-	1,399,557
-	-	75,440	75,440
-	-	261,036	261,036
-	-	-	194,379
-	-	27,834	27,834
1,177,389	-	-	1,177,389
-	-	-	405,873
-	-	-	6,925,213
<u>1,177,389</u>	<u>1,680,674</u>	<u>1,187,596</u>	<u>13,828,478</u>
<u>\$ 1,183,050</u>	<u>\$ 1,777,796</u>	<u>\$ 1,326,689</u>	<u>\$ 15,317,636</u>

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

Total Fund Balances of Governmental Funds \$ 13,828,478

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

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

Governmental capital assets	\$ 92,278,820	
Less accumulated depreciation	(31,328,669)	
Net governmental capital assets		60,949,611

Deferred Outflows/Inflows of resources reported in the statement of net position:

Net deferred outflows - OPEB		152,849
Net deferred inflows - OPEB		(601,098)
Net deferred outflows - pensions		1,730,390
Net deferred inflows - pensions		(1,158,363)

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

Long-term liabilities at year end consist of:

Net pension liability		(8,423,630)
OPEB liability		(2,698,897)
Revenue bonds and notes payable		(1,067,698)
Compensated absences		(1,732,438)

Total Net Position of Governmental Activities **\$ 60,979,204**

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



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CITY OF EUSTIS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	General Fund	Street Improvement Fund	Community Redevelopment Trust Fund
Revenues			
Ad Valorem	\$ 6,599,902	\$ -	\$ -
Franchise Fees	1,621,592	-	-
Utility Service Taxes	2,544,608	-	-
State Revenue Sharing	1,897,871	-	-
Other Intergovernmental Revenues	21,743	765,914	259,344
Permits & Fees	581,881	-	-
Fines and Forfeitures	129,970	-	-
Charges for Services	433,924	-	-
Miscellaneous:			
Interest	53,649	1,479	9,604
On-Behalf Payment Pensions	259,476	-	-
Other Sources	329,519	270,532	-
Total Revenues	<u>14,474,135</u>	<u>1,037,925</u>	<u>268,948</u>
Expenditures			
Current:			
General Government and			
Administration	4,042,890	-	49,012
Public Safety	8,206,053	-	-
On-Behalf Payment Pensions	259,476	-	-
Physical Environment	-	-	-
Transportation	143,007	1,624,608	-
Culture and Recreation	1,746,964	-	-
Nondepartmental	29,605	-	-
Capital Outlay	93,938	-	223,159
Debt Service:			
Principal Payments	-	-	-
Interest and Fees	-	-	-
(Total Expenditures)	<u>(14,521,933)</u>	<u>(1,624,608)</u>	<u>(272,171)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(47,798)</u>	<u>(586,683)</u>	<u>(3,223)</u>
Other Financing Sources (Uses)			
Transfers in	1,515,500	370,000	273,574
Transfers Out	(751,274)	-	-
Debt Proceeds	-	-	-
Total Other Financing Sources (Uses)	<u>764,226</u>	<u>370,000</u>	<u>273,574</u>
Net Change in Fund Balances	716,428	(216,683)	270,351
Fund Balances, Beginning of Year	7,422,007	461,510	1,129,206
Fund Balances, End of Year	<u>\$ 8,138,435</u>	<u>\$ 244,827</u>	<u>\$ 1,399,557</u>

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

Stormwater Utility Fund	Sales Tax Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 6,599,902
-	-	-	1,621,592
-	-	-	2,544,608
-	-	-	1,897,871
-	2,033,622	-	3,080,623
-	-	-	581,881
-	-	42,726	172,696
821,113	-	-	1,255,037
6,461	7,654	8,170	87,017
-	-	-	259,476
1,000	-	119,347	720,398
828,574	2,041,276	170,243	18,821,101
-	-	46,160	4,138,062
-	-	9,807	8,215,860
-	-	-	259,476
264,223	-	-	264,223
-	-	-	1,767,615
-	-	46,858	1,793,822
248,560	2,096,838	182,758	2,845,253
-	645,752	-	645,752
-	8,951	-	8,951
(512,783)	(2,751,541)	(285,583)	(19,968,619)
315,791	(710,265)	(115,340)	(1,147,518)
-	360,000	7,700	2,526,774
(260,000)	-	(2,913)	(1,014,187)
-	800,000	-	800,000
(260,000)	1,160,000	4,787	2,312,587
55,791	449,735	(110,553)	1,165,069
1,121,598	1,230,939	1,298,149	12,663,409
\$ 1,177,389	\$ 1,680,674	\$ 1,187,596	\$ 13,828,478

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

Net Change in Fund Balances - Total Governmental Funds **\$ 1,165,069**

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

Governmental funds report capital purchases as expenditure. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period of CIP put into service of \$1,961,542 less other capital assets disposals of \$17,838.

Expenditures for capital assets	\$ 1,943,704	
Less current year depreciation	(2,038,591)	
Net governmental capital assets		(94,887)

Bond proceeds provide current financial resources to governmental funds, while the repayment of the principal consumes financial resources of governmental funds. Governmental funds report the debt issuance.

Principal payments		645,752
Debt issuance		(800,000)

Change in the net pension liability and related deferred amounts.		(234,596)
---	--	-----------

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

Change in net OPEB obligation		(53,953)
Change in compensated absences		(225,307)

Change in Net Position of Governmental Activities		\$ 402,078

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



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CITY OF EUSTIS, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Business-Type Activities Water and Sewer Utility System Fund
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 8,411,688
Investments	2,814,661
Restricted Cash and Cash Equivalents	145,155
Accounts Receivable, Net	964,779
Accrued Interest Receivable	12,704
Inventory	320,615
Total Current Assets	12,669,602
Noncurrent Assets	
Restricted Assets:	
Sinking Fund	145,155
Renewal and Replacement Account	2,388,463
Restricted Investments	3,253,347
Customer Deposits	405,823
Water Impact Fees	2,968,608
Sewer Impact Fees	45,176
Less: Portion Classified as Current	(145,155)
Total Restricted Assets	9,061,417
Property, Plant and Equipment:	
Land	2,307,117
Improvements Other Than Buildings	74,671,599
Buildings	1,040,680
Equipment	5,031,793
Construction in Progress	714,800
(Accumulated Depreciation)	(39,170,639)
Total Property, Plant and Equipment - Cost Less Depreciation	44,595,350
Total Noncurrent Assets	53,656,767
Total Assets	\$ 66,326,369
Deferred Outflows of Resources	
Pension Plan Deferrals:	
Florida Retirement System	134,306
OPEB	42,943
Total Deferred Outflows of Resources	177,249

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

	Business-Type Activities Water and Sewer Utility System Fund
Liabilities	
Current Liabilities Payable from Current Assets	
Accounts Payable	\$ 931,823
Loan Payables - Current	596,477
Revenue Bonds Payable - Current	285,000
Unamortized Bond Premium - Current	25,234
Notes Payable - Current	361,100
Compensated Absences	62,107
Total Current Liabilities Payable from Current Assets	2,261,741
Current Liabilities Payable from Restricted Assets	
Deposits	405,823
Total Current Liabilities Payable from Restricted Assets	405,823
Total Current Liabilities	2,667,564
Long-term Liabilities	
State Revolving Loan Payable	564,219
State Revolving Loan Payable	3,659,170
Revenue Bonds Payable net of Amortization	7,293,988
Notes Payable	1,083,300
Other Post Employment Benefits	814,657
Compensated Absences	326,063
Net Pension Liability	362,018
Total Long-term Liabilities	14,103,415
Total Liabilities	16,770,979
Deferred Inflows of Resources	
Pension Plan Deferrals:	
Florida Retirement System	131,109
OPEB	168,893
Total Deferred Outflows of Resources	300,002
Net Position	
Net Investment in Capital Assets	33,980,209
Restricted Net Position	
Impact Fees	3,013,784
Renewal and Replacement	2,388,463
Unrestricted Net Position	10,050,181
Total Net Position	\$ 49,432,637

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

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

	Business-Type Activities Water and Sewer Utility System Fund
Operating Revenues	
Charges for Services	\$ 10,234,831
Permits and Fees	179,508
Other Miscellaneous Revenues	15,008
Total Operating Revenues	<u>10,429,347</u>
Operating Expenses	
Personal Services	3,165,340
Operating Expenses	2,438,984
Professional Services	102,940
Depreciation and Amortization	2,208,575
Insurance	357,031
(Total Operating Expenses)	<u>(8,272,870)</u>
Operating Income (Loss)	<u>2,156,477</u>
Non-operating Revenues (Expenses)	
Investment Earnings	165,900
Interest Expense	(437,371)
Total Non-operating Revenues	<u>(271,471)</u>
Income (Loss) Before Transfers	<u>1,885,006</u>
Transfers and Capital Contributions	
Capital Grants and Contributions	1,814,665
Transfers to Other Funds	(1,512,587)
Total Transfers and Capital Contributions	<u>302,078</u>
Change in Net Position	2,187,084
Net Position, Beginning of Year, Previously Reported	<u>47,823,434</u>
Restatement, Adoption of New Accounting Standard	(577,881)
Net Position, End of Year	<u>\$ 49,432,637</u>

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



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**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Business-Type Activities Water and Sewer Utility System Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 11,239,822
Cash Payments to Suppliers for Goods and Services	(3,041,323)
Cash Payments for Employee Services	(3,141,249)
Net Cash Provided by (Used in) Operating Activities	<u>5,057,250</u>
Cash Flows from Noncapital Financing Activities	
Transfers to Other Funds	(1,512,587)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,512,587)</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(5,597,667)
Principal Payments State Revolving Loan	(580,219)
Proceeds From Bond Issuance	(305,235)
Proceeds from Notes Payable	(361,100)
Interest Paid on Revenue Bonds and State Revolving Loan	(437,371)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(7,281,592)</u>
Cash Flows from Investing Activities	
Interest	(1,129,689)
Net Cash Provided by (Used in) Investing Activities	<u>(1,129,689)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,866,618)
Cash and Cash Equivalents, Beginning of Year	<u>22,484,878</u>
Cash and Cash Equivalents, End of year	<u><u>\$ 17,618,260</u></u>

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

CITY OF EUSTIS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(Concluded)

	Business-Type Activities Water and Sewer Utility System Fund
<u>Reconciliation of Cash and Cash Equivalents to Balance Sheet</u>	
Total Unrestricted Cash and Investments per the Balance Sheet :	
Cash and Cash Equivalents	\$ 8,411,688
Restricted Assets Available for Current Liabilities	145,155
Total Restricted Cash and Investments Per the Balance Sheet	9,061,417
Total Cash and Cash Equivalents	<u>17,618,260</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>	
Operating Income	\$ 2,156,477
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:	
Depreciation	2,208,575
Provision for Uncollectible Accounts	130,193
Decrease (Increase) in Assets:	
Accounts and Interest Receivable	680,282
Inventories	140,383
Increase (Decrease) in Liabilities:	
Accounts Payable	(283,619)
Utility Deposits	868
Net Pension Liability	(27,860)
Deferred Inflow of Resources	20,058
Deferred Outflow of Resources	2,937
Accrued Expenses	28,956
Net Cash Provided by (Used in) Operating Activities	<u>\$ 5,057,250</u>
<u>Noncash Investing, Capital, or Financing Transactions</u>	
Contributions of Capital Assets	1,814,665

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

CITY OF EUSTIS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND TYPE
SEPTEMBER 30, 2018

	Pension Trust Funds
Assets	
Cash and Cash Equivalents	<u>\$ 1,214,006</u>
Receivables	
Contributions	248,329
Interest	<u>53,961</u>
Total Receivables	<u>302,290</u>
Investments, at Fair Value	
Fixed Income Securities	10,227,510
Equities and Mutual Funds	<u>18,970,052</u>
Total Investments	<u>29,197,562</u>
Total Assets	<u>30,713,858</u>
Liabilities	
Accounts Payable	<u>-</u>
Net Position Restricted for Pension Benefits	<u><u>\$ 30,713,858</u></u>

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

CITY OF EUSTIS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Pension Trust Funds
Additions	
Contributions:	
Plan Member	\$ 140,656
Insurance Premium Tax	259,476
City	1,687,620
Total Contributions	<u>2,087,752</u>
Investment Income (Loss):	
Net Appreciation (Depreciation) in Fair Value of Investments	1,109,414
Interest	228,463
Dividend Income	714,590
Total Income on Investments	<u>2,052,467</u>
Less: Investment Management Fees	<u>(203,652)</u>
Net Investment Income	<u>1,848,815</u>
Total Additions	<u><u>3,936,567</u></u>
Deductions	
Pension Payments	(1,392,976)
Administration	(64,177)
Total Deductions	<u>(1,457,153)</u>
Change in Net Position	<u>2,479,414</u>
Net Position, Beginning of Year	<u>28,234,444</u>
Net Position, End of Year	<u><u>\$ 30,713,858</u></u>

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



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CITY OF EUSTIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
NOTES TO FINANCIAL STATEMENTS

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

Note 1 - Description of Funds and Summary of Significant Accounting Policies

The financial statements of the City of Eustis (the "City") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant City accounting policies are described below.

1. The Reporting Entity

The City was incorporated in 1883 under the laws of the State of Florida and operates under the council manager form of government under its charter adopted pursuant to the "Municipal Home Rule Powers Act" as defined in Florida Statutes, Chapter 166. The original charter was effective January 1, 1958, and became a law without the Governor's approval. The City Charter was adopted by laws of Florida Chapter 57-1314 and amended by ordinance 91-74 and 94-04 adopted by referendum on March 11, 1992 and April 6, 1994.

The legislative branch of the City is composed of a five (5) member elected Commission, which includes a Citywide elected Mayor. The City Commission governed by the City Charter, and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Commission-appointed City Manager.

▪ **City of Eustis Community Redevelopment Trust Fund**

The accompanying financial statements present the City and its component unit, an entity for which the City is financially accountable. A blended component unit, although legally separate, is in substance, part of the City's operations. The City has only one blended component unit, the Community Redevelopment Trust Fund (CRA). The City created the Downtown and East Town Redevelopment Agency in November of 1990. The CRA is an incremental tax district established in accordance with Florida Statutes Chapter 163 to finance and redevelop the City's designated redevelopment areas. Even though the CRA is a legally separate entity, it is reported as if it were part of the City because the City commission also serves as the CRA Board. The Commission reviews and approves the CRA's budget, provides funding, and performs all accounting functions for the CRA. The CRA's services benefit the City by supporting the City's redevelopment in the designated community redevelopment areas. The CRA has been presented as a blended component unit classified as a special revenue fund. The City has no discretely presented component units.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

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

Internal service activity of the City has been eliminated on the government-wide financial statements. Other interfund activity, namely overhead charges absorbed by the General Fund and allocated amongst the City's other funds, is reported as revenue in the fund providing the service or incurring the cost to be allocated and is reported as expense in the funds receiving the service or incurring the allocable share of the overhead charge.

The City's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension plan participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Separate financial statements provide for governmental funds, enterprise fund, and the pension trust fund. The pension trust fund is excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported on separate columns in the fund financial statements.

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

▪ **Government-wide Financial Statements**

The government-wide financial statements report uses the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues recognize property taxes in the year levied. Grants and similar items recognized as soon as all eligibility requirements imposed by the provider are met.

▪ **Fund Financial Statements**

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

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

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

Property taxes, franchise fees, and interest associated with the current fiscal period are susceptible to accrual and are recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is susceptible to accrual as revenue of the current period. All other revenue considered measurable is cash once it received by the City.

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for financial resources of the City except those required to be accounted for in another fund.
- The *Street Improvement Fund* is a special revenue fund to account for the City's share of motor fuel tax revenues that are legally restricted to street maintenance programs.
- The *Community Redevelopment Trust Fund* is a special revenue fund to account for the activity within the special revenue district established. The revenue on the incremental property value is since the establishment of the fund in 1990.
- The *Stormwater Utility Fund* is a special revenue fund to account for the activity within the special revenue district established. The revenue on a monthly assessment of residential and commercial property for the management of storm run-off water.
- The *Sales Tax Capital Projects Fund* account for financial resources of the one-cent infrastructure sales tax to be used for the acquisition or construction of major capital facilities, vehicles, or equipment.
- The City reports the following major enterprise fund: An enterprise fund may be used to report any activity for which a fees charged to external users for goods or services.
- The *Water and Sewer Utility System Fund* accounts for the fiscal activities of the City's water and sewer treatment and distribution operations, as well as the funding and payment of related debt.

Additionally, the City reports the following non-major fund types:

- The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.
- The *Pension Trust Funds* account for the activities of the City's Police Officers' and Firefighters' Pension Plan, which accumulates resources for pension benefit payments to qualified police and fire employees. They are excluded from the government-wide

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

financial statements because they are fiduciary in nature and do not represent resources available for operations.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* revenues and expenses. 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 water and sewer utility system fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources, as they are needed for their intended purposes.

4. Assets, Liabilities and Fund Equity

■ **Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include cash on hand, demand deposits, as well as short-term investments with an original maturity date within three months of the date acquired by the government. Governmental fund investments, proprietary fund investments, and pension fund investments are reported at fair market value in accordance with GASB No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value is recognized as an increase or decrease to investment assets and investment income.

With exception of the pension fund investments, the City's investments include certificates of deposit and U.S. Treasury notes with maturities at purchase of greater than one year. The certificates of deposit are recorded at cost plus accrued interest. There was no concentration of credit risk at September 30, 2018.

■ **Receivables**

Property Taxes Receivable

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Lake County Property Appraiser and Lake County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City's millage for 2018 was 7.5810 mills. All real and tangible personal property taxes are due and payable on the levy date of November 1 of each year or as soon thereafter as the assessment roll is certified by the Lake County Property Appraiser (levy date). Lake County (the "County") mails to each property owner on the assessment roll a notice of the taxes due and the County collects the taxes for the City. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Equity (Continued)

Taxes paid during the month of March are without discount and all unpaid taxes on real and tangible property become delinquent on April 1 (the lien date) of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales, are provided for by the Laws of Florida.

Accounts Receivable

Water and Sewer Utility System Fund operating revenues are generally recognized on the basis of cycle billings rendered monthly. Revenues for services delivered during the last month of the fiscal year that have not been read by September 30 are accrued based on meter readings for the applicable consumption taken at the beginning of October and billed in October. The Water and Sewer Utility System uses the allowance method of bad debt recognition. All receivables are shown net of an allowance for doubtful accounts of \$ 1,362,394 at September 30, 2018. Listed below is the allowance for doubtful accounts:

	General Fund	Water & Sewer Utility System Fund	Stormwater Fund	Total
Allowance for Doubtful Accounts	\$107,505	\$ 1,120,708	\$134,181	\$ 1,362,394

■ **Inventories**

Inventories are valued at cost using the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

■ **Prepaid**

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

■ **Restricted Assets**

Specific provisions of debt resolutions and City policies restrict the uses of certain assets of the enterprise fund. These assets restricted for paying general obligations of the fund. Assets so designated are identified as restricted assets on the Statement of Net Position.

■ **Capital Assets**

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant, and equipment with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs equal or exceed \$25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Equity (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of major business-type activities is included as part of the capitalized value of the assets constructed. Capital asset purchases are recorded as capital outlay expenditures in the fund level governmental funds in the year of acquisition.

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

	<u>Useful Lives</u>
Buildings	10-40 Years
Land Improvements	15-40 Years
Equipment	3-40 Years
Infrastructure	15-40 Years

Expenditures for repairs and maintenance are expensed when incurred. Additions, major renewals and replacements that increase the useful lives of the assets are capitalized.

▪ **Amortization of Bond Discounts and Premiums**

In the Water and Sewer Utility System Fund, bond discounts and premiums are amortized over the life of the bonds using the straight line method. In the governmental funds, these costs are recorded as other sources or uses when bonds are issued. Issuance costs are expensed at the time of debt issuance.

▪ **Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Upon termination in good standing, the employee can receive a cash benefit for the number of days accrued at the employee's current wage rate. The City records compensated absences in governmental funds, only if they have matured, as expenditures for the amount accrued during the year that would normally be liquidated with expendable, available financial resources. The City accrues compensated absences in the period that they are earned in the government-wide and enterprise fund financial statements.

▪ **On-Behalf Payments for Fringe Benefits**

The City receives on-behalf payments from the State of Florida to be used for the Police Officers' and Firefighters' Retirement Plan Contributions. On-behalf payments to the City total \$259,476 for the fiscal year ended September 30, 2018. These payments are currently recorded as revenue in the Pension Trust Fund.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Equity (Continued)

▪ **Other Postemployment Benefits**

It is the City's policy to allow retirees to participate in its employee health and life insurance programs. The City accrues other postemployment benefit liability for the cost of providing those benefits in the government-wide and enterprise fund financial statements based on actuarial measurement annually.

▪ **Net Pension Liability**

In the government-wide and proprietary statements, net pension liability represents the present value of projected benefit payments to be provided through the cost-sharing and single employer defined benefit pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension plans, pension expense, information about the fiduciary net position, and additions to/deductions from 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. The City allocated the net pension liability, deferred outflows for pensions, deferred inflows for pensions, and pension expense to funds and functions/activities based on their respective contributions made to the pension plans during the measurement year.

▪ **Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the City's statement of net position represent differences between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings on investments, changes in the proportion and differences between the City's contributions and proportionate share of contributions, and the City's contributions subsequent to the measurement date, relating to the City's defined benefit pension plans. The city also has deferred outflows of resources due to the implementation of GASB 75 related to the OPEB Plan. These amounts will be recognized as expenses in future years.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Equity (Continued)

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the City's statement of net position represent the difference between expected and actual economic experience and changes in the proportion and differences between the City's contributions and proportionate share of contributions relating to the City's defined benefit pension plans. The city also has deferred inflows of resources due to the implementation of GASB 75 related to the OPEB Plan. These amounts will be recognized as reductions in expenses in future years.

■ **Fund Balances**

The City adopted a policy that will set aside funds for the purpose of maintaining sufficient working capital. This is approximately equal to two to three months of operating expenses. The 25% balance set aside will be calculated as a percentage of normal operating expenses not inclusive of debt service, capital outlay and other financing uses. This amount is required to cover short-term cash flow variations, economic downturns, and emergencies. As part of the annual budget process, the City Commission will also approve an amount to be set aside for a contingencies such as catastrophic event or unforeseen losses through insurance or litigation.

The City has classified governmental fund balances as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has donations to the Library Trust Fund, which must maintain the principal. Only the interest earnings may be used.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified Fines and Forfeitures as being restricted because their use is restricted by State Statute for police investigative expenditures. The redevelopment funds are restricted to a designated area of the City and as such are exclusive to that area alone. Infrastructure Projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements. Other funds are restricted to library operations as well as other specific developer agreements obligating funds to a specific use.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Equity (Continued)

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission. These amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Commission or through the City Commission delegating this responsibility to the City manager through the budgetary process. This classification also includes monies allocated to future budgetary years to assist in weathering the current economic crisis.

Unassigned: This classification includes the residual fund balance for the General Fund and the amount established for Minimum Funding, which represents the portion of the General Fund balance that has been established by Resolution 11-59, as amended throughout the year by resolutions as needed.

5. Revenues, Expenditures, and Expenses

▪ **Interest Income**

Interest income resulting from pooling of cash in a master bank account is allocated to the respective fund based on its proportionate share.

▪ **Capital Contributions**

Subsidies to proprietary funds, which finance either capital or current operations, are recorded as non-operating revenue when earned. The City's policy requires restriction of all moneys collected as impact fees. These fees represent a capacity charge for the proportionate share of the cost of expanding, over sizing, separating or constructing new additions to the water and sewer system. The City is obligated to expend these funds only to provide expanded capacity to the system.

Deposits received which reserve capacity in the City's future water and sewer facilities are recorded as a liability upon receipt. After completion of all legal requirements as stipulated by the City's water and sewer treatment policy, the moneys are recorded as non-operating revenue in the year the requirements are met. The City has pledged impact fees to meet expansion bond debt service requirements, and any additional revenue (by bond covenant) is set aside as a restriction of net position to be used for either additional system expansion projects or principal repayment.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Equity (Continued)

▪ **Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/ expenses in the fund that is reimbursed. All interfund transactions are reported as transfers (see Note 10).

6. Adoption of New Accounting Standards

During the fiscal year ended September 30, 2018, the City adopted the following GASB Statement:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The objective of the statement is to replace the requirements of GASB Statement No.45. In addition, the statement requires governments to report a liability on the face of the financial statements for the OPEB provided and requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities.

Statement No. 82 – Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 30, 2016.

Note 2 - Stewardship, Compliance and Accountability

Budgetary Requirements

The following procedures used to establish the budgetary data reflected in the financial statements:

1. By August of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1.
2. Two public hearings held to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through the passage of a resolution.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 2 - Stewardship, Compliance and Accountability (Continued)

Budgetary Requirements (Continued)

4. Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General Fund, all Special Revenue funds, and the pension trust funds. The budget adopted for the Enterprise fund is derived in compliance with debt covenants.
5. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the enterprise fund is adopted on a non-GAAP basis to reflect budget versus actual information related to "operations and maintenance" as defined in bond covenants.
6. The City Manager is authorized to transfer part or all of an unencumbered appropriation balance between departments within a fund; however, the City Commission must approve any revisions that alter the total appropriations of any fund. The classification detail at which expenditures may not legally exceed appropriations is at the total fund level. During the fiscal year ended, various appropriations approved in accordance with this policy. Budgeted amounts shown in the financial statements are adopted and can be amended. However, amendments were nominal and did not significantly change the originally adopted budget.

In addition to the legal requirements discussed above, the Commission has adopted management control and approval guidelines for expenditures and budget amendments. Key components of these management guidelines are as follows:

1. Transfers of budgeted amounts between major object codes of a department within a fund must be approved by the Commission if they exceed \$25,000.
2. Transfer of budgeted amounts between funds must be approved by the Commission.
3. A department director may transfer funds up to \$5,000 within the department's operating of capital accounts.
4. No expenditure of encumbrance may occur without a sufficient budgetary balance.

The City uses encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds, are recorded to reserve that portion of applicable appropriation. Encumbrances represent commitments related to unperformed contracts for goods or services. Most operating encumbrances outstanding at year-end are canceled.

Deficit Fund Equity of Individual Funds

There were no funds with deficit fund balances or retained earnings at September 30, 2018.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 3 - Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

The Florida Security for Depositors Act identifies those financial institutions that have deposited the required collateral in the name of the treasury of the State of Florida as qualified public depositories. The City places deposits only with qualified public depositories. Either FDIC or Florida's Multiple Financial Institution Collateral Pool insures all cash. Therefore, all deposits of the City are fully insured and collateralized. The amount of deposits at September 30, 2018, is \$ 25,387,975.

Investments

The City's investment policy states that it may invest surplus public funds in any of the authorized instruments as is provided for in Florida Statutes 218.415(16). Authorized investments include the following:

- The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02.
- Direct obligations of the U.S. Treasury.
- Federal agencies and instrumentalities.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 3 - Cash, Cash Equivalents, and Investments (Continued)

In addition, pension funds may be invested in foreign securities and corporate stock.
Investments made by the City as of September 30, 2018 were as follows:

Investments	Weighted Average Maturities	Credit Rating	Fair Value
USB Trust Accounts:			
Investco Money Market	Less than 1 Year	N/A	\$ 99,021
U.S. Treasury Bonds & Notes	1 to 2 Years	AAA	1,808,588
GNMA's	Less than 1 Year	AAA	1,621,559
TD Bank:			
Certificate of Deposits	Less than 1 Year	N/A	5,611,004
Firefighter's Pension Trust:			
Money Market & Cash Equivalents	N/A	N/A	328,071
Fixed Income - Mutual Funds	2 to 10 Years	BBB to AAA	3,343,281
Equities - Common Stock	N/A	N/A	1,476,004
Equities - Mutual Funds	N/A	N/A	4,060,070
Equities - International	N/A	N/A	583,338
Equities - Mutual Funds International	N/A	N/A	15,451
Police Officers' Pension Trust:			
Money Market & Cash Equivalents	N/A	N/A	885,935
U.S. Treasury Bonds & Notes	15 to 20 Years	AAA	1,684,886
U.S. Government Agency Obligations	15 to 20 Years	AAA	2,251,267
Corporate Bonds	5 to 10 Years	A-AA	2,843,807
Municipal Bonds	1 to 2 Years	AA	104,269
Foreign Equities	N/A	N/A	237,209
ETF Domestic	N/A	N/A	1,029,134
International ADR	N/A	N/A	1,798,394
Common Stock	N/A	N/A	9,770,452
Total Investments			<u>39,551,740</u>
Cash Deposits			<u>25,387,975</u>
Total Cash and Investments			<u><u>\$ 64,939,715</u></u>

Shown In the accompanying Statements of Net Position as follows:

Entity-wide - Cash	\$ 25,387,975
Entity-wide - Investments	9,140,172
Fiduciary - Cash	1,214,006
Fiduciary - Investments	<u>29,197,562</u>
Total	<u><u>\$ 64,939,715</u></u>

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 3 - Cash, Cash Equivalents, and Investments (Continued)

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. As a rule, any asset that has a daily closing price and is actively traded will be classified as a Level 1 input.

Level 2: Inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly. Inputs to the valuation the full term of the asset or liability. As a rule, if an asset or liability does not fall into the requirements of a Level 1 or Level 3 input, it would default to Level 2. With Level 2 inputs, there is usually data that can be easily obtained to support the valuation; even though it is not as easily obtained, as a Level 1 input would be.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. As rule, Level 3 inputs are those that are difficult to obtain on a regular basis and require verification from an outside party, such as an auditor or an appraisal, to validate the valuation.

Debt, equity securities, and international American Depositary Receipts (ADRs) categorized as Level 1 are valued based on prices quoted in active markets for those securities. Investments categorized as Level 2 are valued using a matrix yield curve that values investments based on their relationship to benchmark quoted prices and credit spreads. Investments categorized as a Level 2 are valued using a multifactor model, which includes price, sector indices, and currency fluctuations.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 3 - Cash, Cash Equivalents, and Investments (Continued)

Fair Value of Investments (Continued)

At September 30, 2018, the City had the following recurring fair value measurements.

General Government Investments
(Excludes Fire and Police Pension Trust Funds)

Investments by Fair Market Value	9/30/2018	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Debt Securities				
U.S. Agencies	\$ 1,209,840	\$ 1,209,840	-	-
Corporate Bonds	1,084,728	1,084,728	-	-
Money Market Mutual Funds	777,597	777,597	-	-
Total Debt Securities	\$ 3,072,165	\$ 3,072,165	\$ -	\$ -
Total investments measured at fair value	\$ 3,072,165			

Firefighter's Pension Trust Rated Investments

Investments by Fair Market Value	9/30/2018	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Short term investments	328,071	328,071	-	-
Mutual Funds - Fixed Income	\$ 3,343,281	\$ 3,343,281	\$ -	-
Total Debt Securities	\$ 3,671,352	\$ 3,671,352	\$ -	\$ -
Equity Securities				
Common Stock	1,476,004	1,476,004	-	-
Common Stock - International	583,338	583,338	-	-
Mutual Fund Equities	4,060,070	4,060,070	-	-
Mutual Fund International	15,451	15,451	-	-
Total Equity Securities	6,134,863	6,134,863	-	-
Total investments measured at fair value	\$ 9,806,215			

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 3 - Cash, Cash Equivalents, and Investments (Continued)

Fair Value of Investments (Continued)

Police Officer's Pension Trust Rated Investments				
		<u>Fair Value Measurement Using</u>		
<u>Investments by Fair Market Value</u>	<u>9/30/2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Short term investments	\$ 885,935	\$ 885,935		
Debt Securities				
U.S. Agencies	1,684,886	1,684,886	-	-
Corporate Bonds	2,251,267	2,251,267	-	-
Foreign Bonds	2,843,807	2,843,807	-	-
Municipal Bonds	104,269	104,269		
Total Debt Securities	<u>\$ 6,884,229</u>	<u>\$ 6,884,229</u>	<u>\$ -</u>	<u>\$ -</u>
Equity Securities				
Foreign Equities	2,035,603	2,035,603		
ETF	1,029,134	1,029,134		
Equities - Common Stock	9,770,452	9,770,452		
Total Equity Securities	<u>\$ 12,835,189</u>	<u>\$ 12,835,189</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 20,605,353</u>			

Debt, equity securities, and international ADRs classified in Level 1 are valued using prices quoted in active markets for those securities. Currently, the City does not have any debt obligations classified in Level 3.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer. The City's investment policy limits the investments to obligations with the highest credit quality ratings. Ratings for debt securities are displayed in the above schedule. The State of Florida 185.06 and 175.06 has a provision regarding investments which states for bonds and stocks that the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and, in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. Investment ratings are from Moody's Investors Service, Inc. and Standard and Poor's Ratings Group.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Government National Mortgage Association (GNMA) investments of the City and the City's pension investments are held in the name of the counterparty, not in the name of the City.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 3 - Cash, Cash Equivalents, and Investments (Continued)

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The weighted average maturity of the City's investments is displayed in the above schedule. The City evaluates securities for other-than temporary impairment on a quarterly basis and more frequently when economic or market concerns warrant. Consideration is given to the length of time and the extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer and the intent and ability of the City to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in the fair value. In analyzing an issuer financial condition, the City considers whether the federal government or its agencies issue the securities, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. The City has no formal policy concerning interest rate risk.

Concentration of Credit Risk

The City's non-pension holdings at U.S. Bank (USB) contain approximately 8.92% of total investments. The breakdown is composed of securities 4.57%, money market account .25%, and government guaranteed bonds (Ginnie Mae) of 4.10%. As the investments mature, the money is deposited into the City master account at TD Bank, which is highly liquid and offers an interest rates which range from 1.52% to 2.42%. Certificate of Deposits are held by banks that are qualified public depositories of the State of Florida. Currently, the City has three Certificates of Deposit with a maturity of less than one year.

Foreign Currency Risk

Foreign currency risk exists when an entity holds investments denominated in a currency other than U.S. dollar, exposes itself to the risks associated with currency fluctuation. The City has no formal policy concerning interest rate risk.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 4 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 3,839,437	\$ -	\$ -	\$ 3,839,437
Infrastructure - Retention Ponds	1,946,578	-	-	1,946,578
Infrastructure - Right-of-way	23,664,796	-	-	23,664,796
Construction in Progress	807,428	1,240,408	(186,742)	1,861,094
Total Capital Assets Not Being Depreciated	30,258,239	1,240,408	(186,742)	31,311,905
Capital Assets Being Depreciated:				
Buildings	13,570,513	-	-	13,570,513
Improvements Other Than Buildings	3,717,840	186,742	-	3,904,582
Equipment	3,654,890	33,873	-	3,688,763
Vehicles	5,359,038	687,261	(41,370)	6,004,929
Infrastructure (Roads and Streets)	33,797,588	-	-	33,797,588
Total Capital Assets Being Depreciated	60,099,869	907,876	(41,370)	60,966,375
Less Accumulated Depreciation:				
Buildings	(8,145,911)	(416,563)	-	(8,562,474)
Improvements Other Than Buildings	(1,371,869)	(156,472)	-	(1,528,341)
Equipment	(2,491,666)	(211,932)	-	(2,703,598)
Vehicles	(3,509,492)	(437,322)	23,532	(3,923,282)
Infrastructure (Roads and Streets)	(13,794,672)	(816,302)	-	(14,610,974)
Total Accumulated Depreciation	(29,313,610)	(2,038,591)	23,532	(31,328,669)
Total Capital Assets Being Depreciated, Net	30,786,259	(1,130,715)	(17,838)	29,637,706
Governmental Activities Capital Assets, Net	<u>\$ 61,044,498</u>	<u>\$ 109,693</u>	<u>\$ (204,580)</u>	<u>\$ 60,949,611</u>
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 2,307,117	\$ -	\$ -	\$ 2,307,117
Construction in Progress	3,272,630	7,013,840	(9,571,670)	714,800
Total Capital Assets Not Being Depreciated	5,579,747	7,013,840	(9,571,670)	3,021,917
Capital Assets Being Depreciated:				
Buildings	1,040,680	-	-	1,040,680
Improvements Other Than Buildings	65,130,215	9,541,384	-	74,671,599
Equipment	4,697,148	442,966	(108,321)	5,031,793
Total Capital Assets Being Depreciated	70,868,043	9,984,350	(108,321)	80,744,072
Less Accumulated Depreciation:				
Buildings	(829,735)	(25,527)	-	(855,262)
Improvements Other Than Buildings	(33,181,927)	(1,865,222)	-	(35,047,149)
Equipment	(3,044,535)	(317,826)	94,133	(3,268,228)
Total Accumulated Depreciation	(37,056,197)	(2,208,575)	94,133	(39,170,639)
Total Capital Assets Being Depreciated, Net	33,811,846	7,775,775	(14,188)	41,573,433
Business-type Activities Capital Assets, Net	<u>\$ 39,391,593</u>	<u>\$ 14,789,615</u>	<u>\$ (9,585,858)</u>	<u>\$ 44,595,350</u>

Depreciation Expense - Governmental Activities

General Government and Administration	\$ 219,614
Public Safety	315,068
Physical Environment	68,522
Transportation	1,030,296
Culture and Recreation	405,091
Total Depreciation Expense Governmental Activities	<u>\$ 2,038,591</u>

Depreciation Expense - Business Type Activities

Water and Sewer System	<u>\$ 2,208,575</u>
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NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Plans

General Employees

The City has multiple pension plans for its employees. The general employees are currently participating in two plans. Employees hired on or before December 31, 1995, participate in the Florida Retirement System (FRS), a multiple-employer, cost-sharing public employee retirement system. Employees hired after December 31, 1995, participate in a defined contribution plan. The costs of administering the plans are paid for with investment earnings.

City of Eustis Section 401 Defined Contribution Plan

In 1995, the State of Florida allowed a one-time opt-out of the Florida Retirement System for all new employees. The City Commission enacted an ordinance and established a 401 Defined Contribution Plan. Mass Mutual is the plan administrator. Payments are made bi-weekly. The effective date of the plan was January 1, 1996.

▪ **Eligibility**

Full-time employees are enrolled immediately and part-time employees become participants of the plan after six months of service. There is no minimum age requirement.

▪ **Participants**

There were 141 participants in the plan for the fiscal year ended September 30, 2018.

▪ **Compensation**

Means total compensation paid during the plan year except bonuses. Total compensation for fiscal year ended September 30, 2018, was \$ 5,971,827.

▪ **Forfeitures**

Shall be applied to future employer contributions.

▪ **Employer Contributions**

Mandatory contribution of 6% of covered payroll is required of the employer. Total contributions for fiscal year ended September 30, 2018, were \$357,391.

▪ **Employee Contributions**

A mandatory contribution of 4% is required by the employee. The contributions are pre-taxed. Contributions for fiscal year ended September 30, 2018, were \$238,259.

▪ **Normal Retirement**

This is the date the participant attains age 62, and shall not exceed the date the participant attains the age of 65.

▪ **Early Retirement**

None.

▪ **Vesting Schedule**

Zero through 4 years 0%, 5 years 100% or 100% at age 62.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Plans (Continued)

City of Eustis Section 401 Defined Contribution Plan (Continued)

▪ **Distributions**

Participants may request immediate distribution upon termination. If not vested, participants receive only what they have contributed to the plan.

▪ **Miscellaneous**

Loans are allowed under the 401 plan; however, the amount is limited to the amount of the participants contributions and a minimum of \$1,000. Repayment is limited to a maximum of 5 years and is repaid bi-weekly via payroll deductions. Transfers from other qualified plans are allowed.

Florida Retirement System

▪ **General Information**

The City participates in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

▪ **Plan Description**

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Plans (Continued)

Florida Retirement System (Continued)

▪ **Benefits Provided**

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. Pension Plan members enrolled before July 1, 2011, regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service.

Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

**NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)**

Note 5 - Pension Plans (Continued)

Florida Retirement System (Continued)

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

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

■ **Contributions**

The FRS has nine (9) classes of membership. Only two (2) classes are applicable to the City's eligible employees. These two (2) classes, with descriptions and contribution rates in effect during the period ended September 30, 2018, are as follows:

	<u>Regular</u>	<u>Drop</u>
07/01/16 through 03/30/17	7.52%	12.99%
07/01/17 through 06/30/18	7.92%	13.26%
07/01/18 through Present	8.26%	14.30%

The City's contributions to FRS for the years ended September 30, 2018, 2017 and 2016 were, \$64,946, \$69,290, and \$62,534, respectively, and equal the required contributions for each year.

■ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2018, the City reported a liability of \$804,609 for its proportionate share of the Pension 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, 2017. The City's proportionate share of the net pension liability was based on the City's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. The City's proportionate share was .00197 percent and .00217 percent, at June 30, 2018 and June 30, 2017, respectively.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$23,744. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

Description	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 50,431	\$ (1,830)
Change of assumptions	194,515	-
Net difference between projected and actual earnings on Pension Plan investments	-	(45,994)
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	12,953	(129,793)
City Pension Plan contributions subsequent to the measurement date	<u>14,050</u>	<u>-</u>
Total	<u><u>\$ 271,949</u></u>	<u><u>\$ (177,617)</u></u>

The deferred outflows of resources related to the Pension Plan, totaling \$14,050 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ended September 30:	<u>Amount</u>
2019	\$ 38,266
2020	9,863
2021	(16,525)
2022	27,026
2023	19,768
Thereafter	<u>1,884</u>
Totals	<u><u>\$ 80,282</u></u>

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

▪ **Actuarial Assumptions**

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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

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 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 (1)</u>	<u>Annual Arithmetic Return</u>
Cash	1.00%	2.90%
Fixed Income	18.00%	4.40%
Global Equity	54.00%	7.60%
Real Estate (Property)	11.00%	6.60%
Private Equity	10.00%	10.70%
Strategic Investments	6.00%	6.00%
Total	<u>100.00%</u>	

(1) As outlined in the Pension Plan's investment policy

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

▪ **Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. 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 discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

▪ **Sensitivity to the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate**

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 6.00%, or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$ 1,086,445	\$ 595,298	\$ 187,373

Pension Plan Fiduciary Net Position

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

▪ **Payables to the Pension Plan**

At September 30, 2018, the City reported a payable in the amount of \$5,469 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2018.

HIS Plan

▪ **Plan Description**

The 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.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

HIS Plan (Continued)

■ **Benefits Provided**

For the fiscal year ended September 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. To be eligible to receive these benefits, 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 September 30, 2018, the HIS contribution for the period October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018 was .00198 and .00217 respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution 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 legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$10,725 for the fiscal year ended September 30, 2018.

■ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2018, the City reported a liability of \$209,311 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, 2017. The City's proportionate share of the net pension liability was based on the City's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the City's proportionate share was .00198 percent.

For the fiscal year ended September 30, 2018, the City recognized pension benefit of \$16,833. In addition, the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

Description	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,204	\$ (356)
Change of assumptions	23,278	(22,130)
Net difference between projected and actual earnings on Pension Plan investments	126	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	-	(87,866)
City Pension Plan contributions subsequent to the measurement date	<u>2,510</u>	<u>-</u>
Total	<u><u>\$ 29,118</u></u>	<u><u>\$ (110,352)</u></u>

The deferred outflows of resources related to the HIS Plan, totaling \$2,510 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 fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ended September 30:	<u>Amount</u>
2019	\$ (21,893)
2020	(21,904)
2021	(16,486)
2022	(10,476)
2023	(8,083)
Thereafter	<u>(4,902)</u>
Totals	<u><u>\$ (83,744)</u></u>

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

▪ **Actuarial Assumptions**

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
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 tables.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

▪ **Discount Rate**

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

▪ **Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate**

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
City's proportionate share of the net pension liability	\$ 238,393	\$ 209,311	\$ 185,070

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

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

Police and Fire Defined Benefit Pension Plans

- **Plan Description and Provisions**

Plan Administration

The City of Eustis Municipal Police Officers' Pension and Retirement System is a single employer defined pension plan administered by a Board of Trustees. The Board consists of five Trustees, two of whom are appointed by the City Commission, two of whom are full-time Police Officers, elected by a majority of the members of the Plan, and fifth member elected by the other four and appointed by Commission. Certain provisions of Chapter 185, Florida Statutes, Chapter 112, Florida Statutes and the Internal Revenue Code govern the Plan.

The City of Eustis Municipal Firefighters' Pension and Retirement System is a single employer defined pension plan administered by a Board of Trustees. The Board consists of five Trustees, two of whom are appointed by the City Commission, two of whom are full-time Firefighters, elected by a majority of the members of the Plan, and fifth member elected by the other four and appointed by Commission. Certain provisions of Chapter 175, Florida Statutes, Chapter 112, Florida Statutes and the Internal Revenue Code govern the Plan.

These plans are maintained as pension trust funds and included as part of the City's reporting entity. City ordinance and state law requires contributions to be determined by actuarial studies. The City Commission has the authority to establish and amend the benefit provisions of the plans. Administrative costs are financed through contributions and investment earnings. Stand-alone financial reports are not issued.

**NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)**

Note 5 - Pension Funds (Continued)

Police and Fire Defined Benefit Pension Plans (Continued)

	10/1/2018	10/1/2018
Plan Membership:	Police	
	<u>Officers</u>	<u>Firefighters</u>
Inactive Plan Members or Beneficiaries Currently		
Receiving Benefits	24	20
Inactive Plan Members Entitled to but Not Yet		
Receiving Benefits	10	15
Active Plan Members	<u>40</u>	<u>22</u>
Total	<u>74</u>	<u>57</u>

- **Benefits Provided – Police Officers and Firefighters’ Pension Plans**
Both Plans provide retirement, termination, disability and death benefits.
- **Normal Retirement**
For both plans, normal retirement can occur at age 55 and the completion of 10 years of credited service or age 52 and 25 years of credited service. The benefit payable at retirement is 3% of the average final compensation time credited service for the Police Officers’ Plan and 4% for the Firefighters’ Plan.
- **Early Retirement**
Both Plans allow early retirement at age 50 and 10 years of credited service. The benefit payable is the same as for Normal retirement, reduced 3% per year.
- **Termination of Employment (both Plans)**
With 10 years or more of credited service, normal retirement benefits are available at retirement age or a refund of contributions can be obtained. Termination with less than 10 years of service results in a refund of contributions made without interest.
- **Disability benefits**
The Plans provide for disability benefits accrued as of the date of disability. The benefit is 65% of the average final compensation (AFC) for service related disability and 25% of AFC for Non-service related disability.
- **Pre-retirement Death Benefits**
Pre-retirement benefits are available to beneficiaries of both police officers and firefighters on the date that normal retirement would have been reached for vested plan members. For non-vested police officers and firefighters, the beneficiary is entitled to a refund of member contributions.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

Police and Fire Defined Benefit Pension Plans (Continued)

▪ **Contributions**

Contributions for the Police Officers' and Firefighters' Pension Plans include a required contribution from employees of 4% of compensation (as defined). Employer contributions are actuarially determined as the remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

▪ **Deferred Retirement Option Program (DROP)**

Eligibility requires satisfaction of normal retirement requirements.

▪ **Net Pension Liability of the City**

The measurement date for the Net Pension Liability for the City is September 30, 2018. The measurement period for pension expense and the reporting period is October 1, 2016 to September 30, 2018. The components of the net pension liability of the City at September 30, 2018 were as follows:

Police Officers' Plan

Total pension liability	\$ 26,483,885
Plan fiduciary net position	<u>(20,733,875)</u>
City's net pension liability	<u>\$ 5,750,010</u>
Plan fiduciary net position as a percentage of the total pension liability	78.29%

Firefighters' Plan

Total pension liability	\$ 12,211,012
Plan fiduciary net position	<u>(9,979,983)</u>
City's net pension liability	<u>\$ 2,231,029</u>
Plan fiduciary net position as a percentage of the total pension liability	81.73%

Costs of administering the police officers' and firefighters' pension plans are financed through investment earnings.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

	Increase (Decrease)		
<u>Police Officers</u>	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2017	\$ 25,260,779	\$ 19,226,444	\$ 6,034,335
Changes for a Year:			
Service Cost	658,839	-	658,839
Interest	1,911,199	-	1,911,199
Differences between Expected and Actual Experience	(493,609)	-	(493,609)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	996,150	(996,150)
Contributions - State	-	150,052	(150,052)
Contributions - Employee	-	84,401	(84,401)
Net Investment Income	-	1,452,882	(1,452,882)
Differences between Projected and Actual	-	(236,091)	236,091
Benefit Payments, including Refunds of Employee Contributions	(873,929)	(873,929)	-
Other (Change in Share Plan Reserve)	20,606		20,606
Administrative Expense	-	(66,034)	66,034
Net Changes	1,223,106	1,507,431	(284,325)
Balances at September 30, 2018	\$ 26,483,885	\$ 20,733,875	\$ 5,750,010

	Increase (Decrease)		
<u>Firefighters</u>	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2017	\$ 11,433,203	\$ 9,008,000	\$ 2,425,203
Changes for a Year:			
Service Cost	260,034	-	260,034
Interest	903,263	-	903,263
Share plan allocation	7,697		7,697
Differences between Expected and Actual Experience	125,862	-	125,862
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	691,470	(691,470)
Contributions - State	-	109,424	(109,424)
Contributions - Employee	-	56,255	(56,255)
Net Investment Income	-	672,963	(672,963)
Benefit Payments, including Refunds of Employee Contributions	(519,047)	(519,047)	-
Administrative Expense	-	(39,082)	39,082
Net Changes	777,809	971,983	(194,174)
Balances at September 30, 2017	\$ 12,211,012	\$ 9,979,983	\$ 2,231,029

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

For the year ended September 30, 2018, the City will recognize pension expense of \$335,825 and (\$96,660) for Police and Firefighters, respectively. On September 30, 2018, the City reported Deferred Outflow of Resources and Deferred Inflow of Resources related to pensions from the following sources:

Police Officers

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 291,076	390,774
Changes of assumptions	126,779	61,977
Net difference between Projected and Actual Earnings on Pension		
Plan Investments	140,079	-
Total	<u>\$ 557,934</u>	<u>\$ 452,751</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Fiscal year ended September 30:

2019	\$ 362,634
2020	(113,785)
2021	(108,616)
2022	(35,050)
2023	-
Thereafter	-
Total	<u>\$ 105,183</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

Firefighters

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	270,818	-
Changes of assumptions	129,034	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	57,091	-
Total	<u>\$ 456,943</u>	<u>\$ -</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Fiscal year ended September 30:

2019	\$ 368,635
2020	73,574
2021	4,638
2022	10,096
2023	-
Thereafter	-
Total	<u>\$ 456,943</u>

Significant Actuarial Assumptions

The following is a summary of actuarial methods and significant actuarial assumptions used in the latest actuarial valuations:

	Police	Fire
Funding method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level percentage of pay, closed
Remaining amortization period	22 years	19 years (as of 10/1/2015)
Actuarial asset method	4-year average market value return	4-year average market value return
Inflation	3% per year	2.5% per year
Salary increases	7% per year	Service based
Investment rate of return	7.50% per year	7.90% per year
Payroll increases	7.00% per year	Up to 5.00% per year
Mortality	RP2000 Mortality Table for Annuitants	RP2000 Combined Healthy Table

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

Investments Held

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

Authorized investments are governed by Florida Statutes and each Plan's investment policy. All plan investments are held by an outside third party custodian who determines what instruments to purchase based on the plan's investment policy. Investments held and the return earned are reviewed quarterly by the pension board of the respective plan.

Both the Police Officer and Firefighters' Pension Plans did not hold investments in any one organization that represents 5% or more of the Plan's fiduciary net position.

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 7.50% and 6.26% for the Police Officers' and for Firefighters' plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Long Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in both the police officers' and firefighters' pension plan's target asset allocation as of September 30, 2018

	Target Allocation	Expected Rate of Return	Target Allocation	Expected Rate of Return
<u>Asset Class</u>	<u>Police</u>		<u>Fire</u>	
Domestic Equity	60.00%	7.50%	45.00%	7.50%
International Equity	10.00%	8.50%	15.00%	8.50%
Domestic Fixed Income	30.00%	2.50%	40.00%	2.50%

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50% and 7.90 for the police officers' plan and the firefighters' plan, respectively. 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.

The following presents the sensitivity of the net pension liability of the City to a change in the discount rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Police Officers' Plan</u>	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Sponsor's Net Pension Liability	\$9,614,195	\$ 5,750,010	\$ 2,604,636
 <u>Firefighters' Plan</u>	 <u>6.90%</u>	 <u>7.90%</u>	 <u>8.90%</u>
Sponsor's Net Pension Liability	\$3,797,373	\$ 2,231,029	\$ 937,661

Summary of Defined Pension Plans

As of September 30, 2018	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
FRS and HIS				
Governmental	442,591	156,860	166,761	3,346
Business Type	362,018	131,109	134,306	3,565
FRS - Total	<u>804,609</u>	<u>287,969</u>	<u>301,067</u>	<u>6,911</u>
Police Pension Plan	5,750,010	890,731	995,914	335,825
Firefighters' Pension Plan	2,231,029	-	456,943	(96,660)
Total	<u>\$ 8,785,648</u>	<u>\$ 1,178,700</u>	<u>\$ 1,753,924</u>	<u>\$ 246,076</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 5 - Pension Funds (Concluded)

SCHEDULE OF PENSION PLAN NET POSITION AS OF SEPTEMBER 30, 2018

	Police Officers	Firefighters	Total
Assets			
Cash and Cash Equivalents	\$ 885,935	\$ 328,071	\$ 1,214,006
Contributions Receivable	78,177	170,152	248,329
Interest Receivable	50,345	3,616	53,961
Fixed Income Securities at Fair Value	6,884,229	3,343,281	10,227,510
Equities and Mutual Funds at Fair Value	12,835,189	6,134,863	18,970,052
Total Assets	<u>20,733,875</u>	<u>9,979,983</u>	<u>30,713,858</u>
Liabilities			
Accounts Payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Restricted for Employees' Pension Benefits and Other Purposes	<u><u>\$ 20,733,875</u></u>	<u><u>\$ 9,979,983</u></u>	<u><u>\$ 30,713,858</u></u>

SCHEDULE OF CHANGE IN PENSION PLAN NET POSITION AS OF SEPTEMBER 30, 2018

Contributions			
Plan Member Contributions	\$ 84,401	\$ 56,255	\$ 140,656
Insurance Premium Tax	150,052	109,424	259,476
City Contributions	996,150	691,470	1,687,620
Total Contributions	<u>1,230,603</u>	<u>857,149</u>	<u>2,087,752</u>
Income on Investments			
Net Appreciation in Fair Value of Investments	791,326	318,088	1,109,414
Interest Income	228,463	0	228,463
Dividend Income	321,348	393,242	714,590
Total Income on Investments	<u>1,341,137</u>	<u>711,330</u>	<u>2,052,467</u>
Additions (Reductions)			
Less: Investment Management Fees	(165,285)	(38,367)	(203,652)
Net Investment Income	1,175,852	672,963	1,848,815
Total Additions	<u>2,406,455</u>	<u>1,530,112</u>	<u>3,936,567</u>
Deductions			
Pension Payments	(873,929)	(519,047)	(1,392,976)
Administration	(25,095)	(39,082)	(64,177)
Total Deductions	<u>(899,024)</u>	<u>(558,129)</u>	<u>(1,457,153)</u>
Change in Net Assets	1,507,431	971,983	2,479,414
Net Position, Beginning of Year	<u>19,226,444</u>	<u>9,008,000</u>	<u>28,234,444</u>
Net Position, End of Year	<u><u>\$ 20,733,875</u></u>	<u><u>\$ 9,979,983</u></u>	<u><u>\$ 30,713,858</u></u>

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 6 - Other Postemployment Benefits

The Other Postemployment Benefit Plan (OPEB) is a single-employer benefit plan administered by the City. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the City are eligible to participate in the City's health plan for medical and prescription drug coverage. Although retirees pay for healthcare at group rates, they are receiving a valuable benefit because they can buy insurance at costs that are lower than the costs associated with the experience rating for their age.

The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The City does not issue a stand alone financial report on the OPEB Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms

To be eligible for participation in the OPEB Plan, the employee must:

- Retire under the Florida Retirement System, the City of Eustis Retirement Plan, Eustis Police Officers' Pension Plan or the Eustis Firefighters' Pension Plan, and
- Attain the minimum service requirements under the OPEB Plan, and
- Elect to continue medical coverage by paying the applicable monthly premium.

The following employees were covered by the benefit terms as of October 1, 2016, the latest actuarial valuation date:

Retirees and beneficiaries currently rec	32
Active employees	202
Total	<hr/> 234

Funding Policy

Contributions to the OPEB Plan are established and may be amended through action from the City Commissioners. OPEB Plan must reimburse the City for the City's average blended cost (the City provides the implicit subsidy). The monthly average blended costs of the various options for calendar year 2018 were \$486 for individual coverage, and \$618 for family coverage, and \$298 for the Medicare supplement plan.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 6- Other Postemployment Benefits (Continued)

Total OPEB Liability

The measurement date for the City's total/net OPEB liability is September 30, 2017. The measurement period for OPEB cost was October 1, 2016 to September 30, 2017. The components of the City's net OPEB liability at September 30, 2018, are as follows:

Total OPEB Liability	\$ 3,513,554
OPEB Plan Fiduciary net position	-
City's Net OPEB Liability	<u>\$ 3,513,554</u>
 OPEB Plan Fiduciary net position as a percentage of total OPEB Liability	 0.00%

Actuarial Assumptions

The total OPEB liability as of September 30, 2017 was based on a roll-forward of the actuarial valuation dated October 1, 2016 using the following actuarial assumptions:

Inflation	2.50% per annum
Discount Rate	3.63%
Healthcare cost trend rates	4.50% per annum (including inflation of 2.5%)

Mortality rates for police officers and firefighters were based on the RP-2014 Blue Collar Healthy Mortality Table (adjusted back to 2006) and projected generationally with Scale MP-2018. Mortality rates for other employees were based on the Combined Healthy Mortality Table (adjusted back to 2006) and projected generationally with Scale MP-2018.

An experience study was not done, as it was not considered necessary to support the actuarial results.

Discount Rate

The discount rate used to measure the total OPEB liability at September 30, 2018 was 3.63%. The discount rate used to measure the total OPEB liability at September 30, 2017 was 3.06%. Because the City's OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total pension liability for the Program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted for this purpose.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 6- Other Postemployment Benefits (Continued)

Changes in the Total OPEB Liability

	Fiscal Year
	2018
Total OPEB Liability	
Service Cost	\$ 199,474
Interest	124,166
Difference between expected and actual experience	-
Change of assumptions and other inputs	(828,724)
Benefit payments	(78,140)
Other Changes	-
Net change in total OPEB liability	(583,224)
Total OPEB Liability, beginning	4,096,778
Total OPEB Liability, ending	<u>\$ 3,513,554</u>

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

The following table presents the total OPEB liability, calculated using the discount rate of 3.63%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.63%) or one percentage-point higher (4.63%) than the current discount rate:

	1% Decrease	Current	1% Increase
	2.63%	Discount Rate	4.63%
	3.63%		
Total OPEB liability	\$ 3,986,295	\$ 3,513,554	\$ 3,128,599

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

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower (6.35%) or one percentage-point higher (8.35%) than the current discount rate:

	1% Decrease	Current Trend	1% Increase
	6.35%	Rate	8.35%
	7.35%		
Total OPEB liability	\$ 3,034,694	\$ 3,513,554	\$ 4,131,585

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 6- Other Postemployment Benefits (Continued)

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$264,907. At September 30, 2018, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ -
Changes in Assumptions	-	769,991
	<u>\$ -</u>	<u>\$ 769,991</u>

Deferred inflows of resources shown above will be recognized in OPEB expense in the following years:

<u>Fiscal year ended September 30:</u>	<u>Inflows</u>	<u>Outflows</u>
2019	\$ 58,733	\$ -
2020	58,733	-
2021	58,733	-
2022	58,733	-
2023	58,733	-
Thereafter	476,326	-
Total	<u>\$ 769,991</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 7 - Deferred Compensation Plan

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

Plan amendments have been made so that the plan is in compliance with IRC Section 457, as amended by the 1996 changes to the tax code. The assets are held in various custodial accounts. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the various participants of the plan

Note 8 - Risk Management

Property, Casualty, Liability and Workers' Compensation

The City is exposed to a variety of claims and losses including property damage, liability and workers' compensation for which it participates in an insurance pool with other State of Florida cities. Premiums are determined based on each city's loss ratio for the previous year. The pool, although largely self-insured, purchases excess coverage from commercial carriers.

During the last five years the experience rate as it relates to the loss fund set up by the City's insurance provider is as follows:

<u>Year</u>	<u>Loss Fund</u>	<u>Experience</u>	Percentage Use <u>of Loss Fund</u>
2018	627,707	57,109	9.10%
2017	604,727	76,407	12.63%
2016	525,941	215,049	40.89%
2015	543,640	58,940	10.84%
2014	496,482	597,492	120.35%

The City property and auto coverage has a \$1,000 deductible. An additional 2% deductible is applied to any named windstorm. Property located within a flood zone must maintain separate coverage. Automatic coverage for increases in property values for the remainder of policy term, up to \$5,000,000 in total insurable values at no additional premium. General liability is set at \$1,800,000 per member with an aggregate of \$5,400,000. Workers' compensation group limits are set at \$350,000 with retention of \$650,000. In addition to all coverage, the city has elected to carry excess liability insurance in the amount of \$3,000,000. Terrorism is excluded for buildings valued in excess of \$50,000,000, which does not affect our city.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 8 - Risk Management (Continued)

Health Insurance

The City provides life and health insurance benefits to all eligible regular full-time employees. The program also provides limited coverage for dental and prescription drugs. Employees pay only for dependent coverage under the health benefit program. Premiums are deducted from the participating employee's biweekly pay.

The insurance plan provides life insurance coverage in the amount of \$20,000 for eligible employees and \$50,000 for division and department heads with an additional amount of coverage for accidental death and dismemberment.

The amount of coverage is reduced to \$10,000 for all employees at retirement. Coverage is further reduced to \$6,500 upon achieving age 65 and \$5,000 at age 70. Accidental death and dismemberment coverage terminates after age 70. The life insurance coverage is funded through the purchase of a group insurance policy by the City.

The City's health insurance plan is purchased through the pool as mentioned above. This change to a group insurance pool became effective October 1, 2003. Retirees and terminated employees are eligible to participate in the health insurance plan at their own expense. In order to control costs, the City has joined a Preferred Provider Organization (PPO).

Employees are encouraged to use participating providers, which are covered 80% under the plan or, they may choose their own provider. Coverage for expenses rendered by nonparticipating providers is limited to 40%, with the employee paying 60% co-pay.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 9 - Commitments

The City has outstanding commitments on various contracts for construction and other projects. These commitments as of September 30, 2018, in the respective funds are as follows:

	<u>Total Estimated Cost</u>	<u>Cost Incurred To Date</u>
Governmental Activities:		
Sales Tax Capital Projects Fund	\$ 499,943	\$ 381,544
Community Redevelopment Trust Fund	1,100,000	94,028
Stormwater Utility Fund	351,500	51,922
Parks and Rec Impact Fee Fund	309,977	176,144
Total Governmental Activities	<u>\$ 2,261,420</u>	<u>\$ 703,638</u>
Business Type Activities:		
Water and Sewer Utility System Fund	<u>\$ 13,317,580</u>	<u>\$ 10,256,343</u>
Total Business Type Activities	<u>\$ 13,317,580</u>	<u>\$ 10,256,343</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 10 - Long-term Debt

Governmental Activities					
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Bonds and Note Payable:					
Multi-Purpose Revenue					
Bonds - 1997	\$ 360,000	\$ -	\$ (360,000)	\$ -	\$ -
Multi-Purpose Revenue					
Bonds - 2004	200,000	-	(200,000)	-	-
Note Payable - 2018	-	800,000	-	800,000	160,000
Note Payable - 2016	353,450	-	(85,752)	267,698	87,475
Subtotal	913,450	800,000	(645,752)	1,067,698	247,475
Other Liabilities:					
Net OPEB Obligation	1,036,485	1,716,365	(53,953)	2,698,897	-
Net Pension Liability	8,928,285	1,468,597	(1,973,252)	8,423,630	-
Compensated Absences	1,507,131	806,794	(581,487)	1,732,438	277,190
Total Other Liabilities	11,471,901	3,991,756	(2,608,692)	12,854,965	277,190
Total Governmental Activities	<u>\$ 12,385,351</u>	<u>\$ 4,791,756</u>	<u>\$ (3,254,444)</u>	<u>\$ 13,922,663</u>	<u>\$ 524,665</u>
Business Type Activities					
	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Revenue Bonds and Note Payable					
Water & Sewer Revenue					
Bonds, Series 2016	\$ 7,430,000	\$ -	\$ (280,000)	\$ 7,150,000	\$ 285,000
State Revolving Loan	1,279,676	-	(352,592)	927,084	362,865
State Revolving Loan	4,120,409	-	(227,627)	3,892,782	233,612
Note Payable - 2017	1,805,500	-	(361,100)	1,444,400	361,100
Subtotal	14,635,585	-	(1,221,319)	13,414,266	1,242,577
Unamortized Bond Premium	479,456	-	(25,234)	454,222	25,234
Total Revenue Bonds and Notes	15,115,041	-	(1,246,553)	13,868,488	1,267,811
Other Liabilities					
Net OPEB Obligation	347,564	482,255	(15,162)	814,657	-
Net Pension Liability	389,878	116,109	(143,969)	362,018	-
Compensated Absences	374,377	201,583	(187,790)	388,170	\$ 62,107
Total Other Liabilities	721,941	683,838	(202,952)	1,564,845	62,107
Total Business Type Activities	<u>\$ 15,836,982</u>	<u>\$ 683,838</u>	<u>\$ (1,449,505)</u>	<u>\$ 15,433,333</u>	<u>\$ 1,329,918</u>

In governmental fund financial statements, the amount of compensated absences associated with employee terminations prior to year-end, if any, is recorded as expenditures and represents the amounts that would normally be liquidated with available spendable resources. In the government-wide financial statements, all governmental fund compensated absences are recorded and split between the current and noncurrent portions. The compensated absences payable and other postemployment benefits from the governmental funds are liquidated from the General, Street Improvement and Stormwater Funds.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 10 - Long-term Debt (Continued)

In proprietary funds, the amount of compensated absences associated with employee vacations and sick leave are recorded as expenses, which represent the amounts accrued during the year. The entire liability for compensated absences of these funds is reflected in the respective financial statements split between the current and noncurrent portions.

The following is a schedule of bonds and notes outstanding at September 30 2018:

Description of Bonds	Purpose of Issue	Issued	Outstanding	Rates
Government Activities:				
Revenue Bonds and Notes Payable				
Note Payable - 2018	Public Safety	800,000	800,000	2.29%
Note Payable - 2016	Public Safety	437,550	267,698	2.01%
Total Governmental Activities		<u>\$ 1,237,550</u>	<u>\$ 1,067,698</u>	
Business-Type Activities:				
Revenue Bonds, Series 2016	Utility Improv.	\$ 7,680,000	\$ 7,150,000	Variable
State Revolving Loan	Utility Improv.	5,852,495	927,084	1.24 to 2.65
State Revolving Loan	Nitrification	5,264,258	3,892,782	
Note Payable - 2017	Utility Improv.	1,805,500	1,444,400	1.79%
Total Business-Type Activities		<u>\$ 20,602,253</u>	<u>\$ 13,414,266</u>	

Debt Service to maturity on the City's bonded indebtedness and loan agreement are as follows:

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 10 - Long-term Debt (Continued)

Debt Service to maturity on the City's bonded indebtedness and loan agreement are as follows:

Governmental Activities		
Note Payble 2018		
Fiscal Year	Principal	Interest
2019	\$ 160,000	\$ 18,320
2020	160,000	14,696
2021	160,000	10,992
2022	160,000	7,328
2023	160,000	3,664
Total	<u>\$ 800,000</u>	<u>\$ 55,000</u>

Note Payble 2016		
Fiscal Year	Principal	Interest
2019	\$ 87,745	\$ 5,382
2020	89,234	3,623
2021	90,719	1,830
Total	<u>\$ 267,698</u>	<u>\$ 10,835</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 10 - Long-term Debt (Continued)

Business-Type Activities		
State Revolving Loans		
Fiscal Year	Principal	Interest
2019	596,477	124,388
2020	613,193	107,672
2021	436,838	90,488
2022	252,527	81,258
2023	259,167	74,618
2024-2028	1,401,702	267,223
2029-2032	1,259,962	75,177
Total	<u>\$ 4,819,866</u>	<u>\$ 820,824</u>

Revenue Bonds, Series 2016		
Fiscal Year	Principal	Interest
2019	285,000	265,656
2020	295,000	257,106
2021	305,000	248,256
2022	315,000	236,056
2023	330,000	223,456
2024-2028	1,835,000	920,531
2029-2033	2,230,000	530,631
2034-2036	1,555,000	104,219
Total	<u>\$ 7,150,000</u>	<u>\$ 2,785,911</u>

Note Payable 2017		
Fiscal Year	Principal	Interest
2019	361,100	25,855
2020	361,100	19,391
2021	361,100	12,927
2022	361,100	6,465
Total	<u>\$ 1,444,400</u>	<u>\$ 64,638</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 10 - Long-term Debt (Continued)

Governmental Activity Liabilities

A summary of all governmental long-term debt of the City as of September 30, 2018, follows:

▪ **Multi-purpose Revenue Bonds, Series 1997A & 2004A**

Bond Series 1997A and 2004A were secured by the franchise revenues from Duke Energy Corporation. Both Bond Series 1997A and Bond Series 2004A matured in December 2017 with principal and interest payments of \$361,121 and \$200,725, respectively.

▪ **Note Payable 2018**

The City contracted with United Southern Bank to provide financing in the amount of \$800,000 over a five year period. The purpose of the financing is to acquire a Pierce Fire Ladder Truck. The five-year financing agreement is at a fixed interest rate of 2.29% with the value of the equipment to be used as the collateral to support the loan. Principal and interest are paid annually, commencing April 2019.

▪ **Note Payable 2016**

The City awarded a contract to U.S. BankCorp Government Leasing and Finance, Inc. for the financing of a Pumper Fire Truck. The five-year financing agreement in the amount of \$437,550 is at a fixed interest rate of 2.01% with the value of the truck will be used as collateral to support the loan. Principal and interest are paid annually, commencing January 2017.

Business-type Activity Liabilities

The following is a summary of all long-term liabilities of the proprietary funds at September 30, 2018:

▪ **Florida Department of Environmental Protection State Revolving Loan Agreement**

The 2000 loan agreement of \$5,852,495 and 2012 loan agreement of \$5,264,258 are for the wastewater treatment plant and secured by gross revenues derived yearly from operation of the water and sewer system after payment of the operation and maintenance expense and the satisfaction of all senior obligations. Net available revenue of \$4,784,617 less debt payments of \$1,197,135, provided a debt coverage of 4.00.

The 2000 loan agreement's first payment was May 15, 2001, with the final payment due on November 15, 2020. Principal and interest are \$387,080, with semi-annual payments of \$193,540. The 2012 loan agreement's first payment was March 15, 2013, with the final payment due September 15, 2032. Principal and interest are \$333,785, with semi-annual payments of \$166,892.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 10 - Long-term Debt (Continued)

Business-type Activity Liabilities (Continued)

Provisions of the loan mandates that rates of the water and sewer system will be sufficient to provide a cover of 1.15 time the sum of the semiannual payments, the utility will not provide any free service, all connections are mandatory and consistent with applicable laws, the government shall not allow any competing services within the city limits and the government must use its best efforts to collect all rates, fees and other charges.

▪ **Water and Sewer Revenue Bonds, Series 2016**

On November 3, 2016, the City issued \$7,680,000 in Water and Sewer Revenue Bonds to finance the costs of certain improvements to the City combined water and sewer systems. Principal and interest for fiscal year 2018, was \$554,056 which is equal to 11.58% of the current year pledged revenue. The remaining outstanding principal and interest will be \$9,935,912. The bond reflects a fixed interest rate of 3.21% with payments due annually.

▪ **Note Payable 2017**

The City contracted with United Southern Bank to provide financing in the amount of \$1,805,500 over a five year period. The purpose of the financing is to acquire various water and sewer vehicles and equipment. The five-year financing agreement is at a fixed interest rate of 1.79% with the value of the equipment to be used as the collateral to support the loan. Principal and interest for the current year are \$395,720.

Note 11 - Interfund Transactions

Interfund transfers at September 30, 2018 consist of the following:

	Transfers In					Total
	General Fund	Street Improvement	Sales Tax	Community Redevelopment	Law Enforcement Education	
<u>Transfers Out</u>						
General Fund	\$ -	\$ 110,000	\$ 360,000	\$ 273,574	\$ 7,700	\$ 751,274
Street Improvement						-
Sales Tax						-
Comm. Redev.	-					-
Stormwater		260,000				260,000
Water & Sewer	1,512,587					1,512,587
Law Enforce. Ed.						-
Nonmajor Governmental	2,913					2,913
	<u>\$ 1,515,500</u>	<u>\$ 370,000</u>	<u>\$ 360,000</u>	<u>\$ 273,574</u>	<u>\$ 7,700</u>	<u>\$ 2,526,774</u>

Interfund transfers are normally recurring approved by City Commission during the budget process or by separate resolutions. Transfers from the water and sewer system fund to the general fund are in support of general government operations. Other transfers are for debt service requirements and for City grant matches.

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 12 - Other Information - FEMA

On September 10, 2017, Hurricane Irma hit Florida, affecting numerous counties within the State. According to the Lake County Property Appraiser's Office, Hurricane Irma caused \$35M in damages to Lake County. The City's estimate of the cost of Hurricane Irma's impact including preparation, debris removal, and safety precautions are in excess of \$500,000. The City recently reached an agreement with Federal Emergency Management Agency regarding Category A claims.

Note 13 - Change in Accounting Principle and Adjustment to Beginning Net Position

In the current year, the City early-implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, requiring an adjustment to beginning net position. Where the City reported the "net OPEB obligation" on its statements of net position in prior years, the City now reports the "total OPEB liability (as calculated under the provisions of GASB No. 75) and related deferred inflows and outflows (if applicable).

Below is a summary of the adjustments to beginning net position:

	Entity- Wide Statements		
	Governmental Activities	Business-type Activities	Total
Net Position, September 30, 2017 as previously reported	\$ 62,633,834	\$ 47,823,434	\$ 110,457,268
Cumulative effect of application of GASB Statement No. 75	(2,056,708)	(577,881)	(2,634,589)
Net Position, September 30, 2017 as restated	<u>\$ 60,577,126</u>	<u>\$ 47,245,553</u>	<u>\$ 107,822,679</u>

	Enterprise Fund Level Statements
	Water and Sewer Utility
Net Position, September 30, 2017 as previously reported	\$ 47,823,434
Cumulative effect of application of GASB Statement No. 75	(577,881)
Net Position, September 30, 2017 as restated	<u>\$ 47,245,553</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF EUSTIS, FLORIDA
(Continued)

Note 14 - Contingent Liabilities

Under the terms of federal and state grants and loans, periodic audits are required and certain costs are questionable, as not allowable as expenditures under the terms of the grants, which could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will not be material.

The City is involved in legal actions that, in the opinion of management, will not have a material effect on the financials statements of the City.

Required Supplementary Information Other Than MD&A

Major Governmental Funds

Under GASB 34 the focus of the fund financial statements is on major funds. These funds are defined based on a numerical formula and generally represent the government's most important funds. Major funds for the City of Eustis are as follows:

General Fund

The General Fund will always be the major fund for the City of Eustis. The fund carries out the general operations of the city and accounts for the essential functions of the city.

Street Improvement Fund

This fund is used to accumulate monies received from motor fuel gas tax sources. These funds are legally restricted to street maintenance programs and the money is expended solely on maintenance of the streets and right-of-ways within the city.

Community Redevelopment Fund

This fund is used to account for the incremental tax increase within the Downtown and East Town Redevelopment District. The funds are used for the exclusive benefit of revitalization of these areas.

Schedule of Contributions from Employer and Others

This information is presented for the Fire and Police Pension Funds and was prepared as part of the actuarial valuations as of the dates indicated.

Schedule of Changes in Total OPEB Liability

Actuarial valuation of the city's progress in funding its OPEB obligation based on actuarial valuations.

CITY OF EUSTIS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Property Taxes	\$ 6,619,400	\$ 6,619,400	\$ 6,599,902	\$ (19,498)
Franchise Fees	1,486,600	1,486,600	1,621,592	134,992
Utility Service Taxes	2,558,200	2,558,200	2,544,608	(13,592)
State Revenue Sharing	1,699,700	1,699,700	1,897,871	198,171
Other Intergovernmental Revenues	34,500	34,500	21,743	(12,757)
Permits and Fees	517,400	517,400	581,881	64,481
Fines and Forfeitures	48,600	48,600	129,970	81,370
Charges for Services	471,900	481,900	433,924	(47,976)
Miscellaneous:				
On-Behalf Payments	-	-	259,476	259,476
Interest	59,000	59,000	53,649	(5,351)
Other Sources	275,400	301,960	329,519	27,559
Total Revenues	13,770,700	13,807,260	14,474,135	666,875
Expenditures				
Current:				
General Government and Administration:				
Legislative	51,887	42,971	41,622	1,349
Executive	909,596	920,967	887,139	33,828
Finance and Administration	1,035,741	1,043,027	969,765	73,262
Legal	100,000	130,644	130,471	173
Development Services	379,214	379,214	342,132	37,082
General Services	1,797,039	1,869,703	1,671,761	197,942
Total General Government and Administration	<u>4,273,477</u>	<u>4,386,526</u>	<u>4,042,890</u>	<u>343,636</u>
Public Safety:				
Law Enforcement	5,409,702	5,322,905	5,003,263	319,642
Fire Control	2,996,376	2,996,376	2,983,621	12,755
On-Behalf Payments	-	-	259,476	(259,476)
Protective Inspections	383,189	368,189	219,169	149,020
Total Public Safety	<u>8,789,267</u>	<u>8,687,470</u>	<u>8,465,529</u>	<u>221,941</u>
Transportation	<u>140,055</u>	<u>145,093</u>	<u>143,007</u>	<u>2,086</u>
Culture and Recreation:				
Library	936,534	942,511	904,595	37,916
Recreation	903,452	908,282	842,369	65,913
Total Culture and Recreation	<u>1,839,986</u>	<u>1,850,793</u>	<u>1,746,964</u>	<u>103,829</u>
Nondepartmental	<u>30,000</u>	<u>30,000</u>	<u>29,605</u>	<u>395</u>
Capital Outlay	<u>27,815</u>	<u>388,466</u>	<u>93,938</u>	<u>294,528</u>
(Total Expenditures)	(15,100,600)	(15,488,348)	(14,521,933)	966,415
(Deficiency) Excess of Revenues Over Expenditures	(1,329,900)	(1,681,088)	(47,798)	1,633,290
Other Financing Sources (Uses)				
Operating Transfers from Other Funds	1,518,900	1,518,900	1,515,500	22
Operating Transfers to Other Funds	(756,900)	(756,900)	(751,274)	5,626
Total Other Financing Sources (Uses)	<u>762,000</u>	<u>762,000</u>	<u>764,226</u>	<u>5,648</u>
Net Change in Fund Balances	(567,900)	(919,088)	716,428	1,638,938
Fund Balance, Beginning of Year	<u>7,422,007</u>	<u>7,422,007</u>	<u>7,422,007</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 6,854,107</u></u>	<u><u>\$ 6,502,919</u></u>	<u><u>\$ 8,138,435</u></u>	<u><u>\$ 1,638,938</u></u>

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

CITY OF EUSTIS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental Revenues:				
Local Option Gas Tax	\$ 464,200	\$ 464,200	\$ 408,301	\$ (55,899)
Eight-cent Gas Tax	144,400	144,400	179,480	35,080
Municipal Fuel Tax Refund	15,400	15,400	20,619	5,219
Grants	-	135,000	-	(135,000)
Additional One-cent	148,100	148,100	157,514	9,414
Total Intergovernmental Revenues	772,100	907,100	765,914	(141,186)
Miscellaneous Revenues:				
Interest	1,000	1,000	1,479	479
Restricted Contributions	2,400	2,400	3,434	1,034
Reimburse for Services	125,000	125,000	215,746	90,746
Other	45,000	45,000	51,352	6,352
Total Miscellaneous Revenues	173,400	173,400	272,011	98,611
Total Revenues	945,500	1,080,500	1,037,925	(42,575)
Expenditures				
Current:				
Transportation:				
Personnel	922,056	922,456	887,571	34,885
Operating	739,244	814,944	727,187	87,757
Capital Outlay	16,000	16,000	9,850	6,150
(Total Expenditures)	(1,677,300)	(1,753,400)	(1,624,608)	128,792
(Deficiency) Excess of Revenues				
Over Expenditures	(731,800)	(672,900)	(586,683)	86,217
Other Financing Sources (Uses)				
Operating Transfers from Other Funds	370,000	370,000	370,000	-
Total Other Financing Sources (Uses)	370,000	370,000	370,000	-
Net Change in Fund Balances	(361,800)	(302,900)	(216,683)	86,217
Fund Balance, Beginning of Year	461,510	461,510	461,510	-
Fund Balance, End of Year	\$ 99,710	\$ 158,610	\$ 244,827	\$ 86,217

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

CITY OF EUSTIS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental:				
Incremental Tax Transfers	\$ 206,400	\$ 206,400	\$ 205,827	\$ (573)
Miscellaneous:				
Grants	-	750,000	53,517	(696,483)
Interest	2,000	2,000	9,604	7,604
Total Revenues	<u>208,400</u>	<u>958,400</u>	<u>268,948</u>	<u>(689,452)</u>
Expenditures				
Current:				
General Government	151,219	150,819	49,012	101,807
Capital Outlay	135,481	1,354,673	223,159	1,131,514
(Total Expenditures)	<u>(286,700)</u>	<u>(1,505,492)</u>	<u>(272,171)</u>	<u>1,233,321</u>
(Deficiency) Excess of Revenues				
Over Expenditures	<u>(78,300)</u>	<u>(547,092)</u>	<u>(3,223)</u>	<u>543,869</u>
Other Financing Sources (Uses)				
Operating Transfer to Other Funds	274,200	274,200	273,574	(626)
Total Other Financing Sources (Uses)	<u>274,200</u>	<u>274,200</u>	<u>273,574</u>	<u>(626)</u>
Excess of Revenues and Other Financing Sources				
Over Expenditures and Other Financing Uses	195,900	(272,892)	270,351	543,243
Fund Balance, Beginning of Year	<u>1,129,206</u>	<u>1,129,206</u>	<u>1,129,206</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,325,106</u>	<u>\$ 856,314</u>	<u>\$ 1,399,557</u>	<u>\$ 543,243</u>

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

CITY OF EUSTIS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STORMWATER UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for Services:				
Stormwater Utility Fees	\$ 805,200	\$ 805,200	\$ 821,113	\$ 15,913
Total	<u>805,200</u>	<u>805,200</u>	<u>821,113</u>	<u>15,913</u>
Miscellaneous:				
Interest	1,000	1,000	6,461	5,461
Other	-	-	1,000	1,000
Total Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>7,461</u>	<u>6,461</u>
Total Revenues	<u>806,200</u>	<u>806,200</u>	<u>828,574</u>	<u>22,374</u>
Expenditures				
Current:				
Physical Environment:				
Personnel	213,326	211,306	192,422	18,884
Operating	126,224	128,244	71,801	56,443
Capital Outlay	420,200	720,027	248,560	471,467
(Total Expenditures)	<u>(759,750)</u>	<u>(1,059,577)</u>	<u>(512,783)</u>	<u>546,794</u>
(Deficiency) Excess of Revenues Over Expenditures	<u>46,450</u>	<u>(253,377)</u>	<u>315,791</u>	<u>569,168</u>
Other Financing Sources (Uses)				
Operating Transfers to Other Funds	(260,000)	(260,000)	(260,000)	-
Total Other Financing Sources (Uses)	<u>(260,000)</u>	<u>(260,000)</u>	<u>(260,000)</u>	<u>-</u>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	<u>(213,550)</u>	<u>(513,377)</u>	<u>55,791</u>	<u>569,168</u>
Fund Balance, Beginning of Year	<u>1,121,598</u>	<u>1,121,598</u>	<u>1,121,598</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 908,048</u>	<u>\$ 608,221</u>	<u>\$ 1,177,389</u>	<u>\$ 562,206</u>

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

CITY OF EUSTIS, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years**

Police Officers

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability					
Service Cost	\$ 658,839	\$ 638,591	\$ 600,310	\$ 516,884	\$ 520,211
Interest	1,911,199	1,771,204	1,673,595	1,510,598	1,407,248
Changes of benefit terms	-	9,127	-	-	-
Differences between Expected and Actual Experience	(493,609)	209,780	196,762	438,421	407,076
Changes of assumptions	-	20,577	(150,513)	573,884	-
Benefit Payments, including Refunds of Employee Contributions	(873,929)	(755,303)	(778,158)	(662,611)	(501,247)
Other (Change in Share Plan Reserve)	20,606	15,057	-	-	-
Net Change in Total Pension Liability	\$ 1,223,106	\$ 1,909,033	\$ 1,541,996	\$ 2,377,176	\$ 1,833,288
Total Pension Liability – Beginning	25,260,779	23,351,746	21,809,750	19,432,574	18,006,362
Total Pension Liability – Ending (a)	<u>\$ 26,483,885</u>	<u>\$ 25,260,779</u>	<u>\$ 23,351,746</u>	<u>\$ 21,809,750</u>	<u>\$ 19,839,650</u>
Plan Fiduciary Net Position					
Contributions – Employer	\$ 996,150	\$ 997,323	\$ 977,758	\$ 802,667	\$ 579,790
Contributions – State	150,052	138,955	127,094	117,867	112,409
Contributions – Employee	84,401	85,846	85,492	81,598	82,768
Net investment income	1,216,791	1,757,433	1,286,053	(178,588)	1,452,818
Benefit Payments, including Refunds of Employee Contributions	(873,929)	(755,303)	(778,158)	(662,611)	(501,247)
Administrative Expense	(66,034)	(81,037)	(54,726)	(43,013)	(32,231)
Net Change in Fiduciary Net Position	\$ 1,507,431	\$ 2,143,217	\$ 1,643,513	\$ 117,920	\$ 1,694,307
Plan Fiduciary Net Position – Beginning	\$ 19,226,444	\$ 17,083,227	\$ 15,439,714	\$ 15,321,794	\$ 13,627,487
Plan Fiduciary Net Position – Ending (b)	<u>\$ 20,733,875</u>	<u>\$ 19,226,444</u>	<u>\$ 17,083,227</u>	<u>\$ 15,439,714</u>	<u>\$ 15,321,794</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,750,010</u>	<u>\$ 6,034,335</u>	<u>\$ 6,268,519</u>	<u>\$ 6,370,036</u>	<u>\$ 4,517,856</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.29%	76.11%	73.16%	70.79%	77.23%
Covered Payroll*	\$ 2,110,025	\$ 2,146,150	\$ 2,137,300	\$ 2,160,350	\$ 2,285,272
Net Pension Liability as a percentage of Covered Payroll	272.51%	281.17%	293.29%	312.26%	197.69%

*For the 2014 Fiscal year, the Covered Payroll figure was based on Pensionable Salary.

** GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

CITY OF EUSTIS, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

Firefighters

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability					
Service Cost	\$ 260,034	\$ 253,518	\$ 232,480	\$ 214,156	\$ 224,459
Interest	903,263	846,338	749,472	739,529	700,345
Change in Excess State Money	-	-	(11,144)	-	-
Share Plan Allocation	7,697	7,266	16,556	-	-
Differences between Expected and Actual Experience	125,862	99,332	507,014	(379,106)	-
Changes of assumptions	-	160,056	196,022	-	-
Benefit Payments, including Refunds of Employee Contributions	(519,047)	(518,037)	(505,459)	(431,789)	(417,602)
Net Change in Total Pension Liability	\$ 777,809	\$ 848,473	\$ 1,184,941	\$ 142,790	\$ 507,202
Total Pension Liability – Beginning	10,584,730	10,584,730	9,399,789	9,256,999	8,749,797
Total Pension Liability – Ending (a)	<u>\$ 11,362,539</u>	<u>\$ 11,433,203</u>	<u>\$ 10,584,730</u>	<u>\$ 9,399,789</u>	<u>\$ 9,256,999</u>
Plan Fiduciary Net Position					
Contributions – Employer	\$ 691,470	\$ 662,590	\$ 573,724	\$ 470,563	\$ 319,298
Contributions – State	109,424	108,561	115,997	101,739	90,690
Contributions – Employee	56,255	53,436	52,516	48,705	46,422
Net investment income	672,963	827,904	558,655	(29,631)	578,075
Benefit Payments, including Refunds of Employee Contributions	(519,047)	(518,037)	(505,459)	(431,789)	(417,602)
Administrative Expense	(39,082)	(28,513)	(27,441)	(33,661)	(13,700)
Net Change in Fiduciary Net Position	\$ 971,983	\$ 1,105,941	\$ 767,992	\$ 125,926	\$ 603,183
Plan Fiduciary Net Position – Beginning	\$ 9,008,000	\$ 7,902,059	\$ 7,134,067	\$ 7,008,141	\$ 6,404,958
Plan Fiduciary Net Position – Ending (b)	<u>\$ 9,979,983</u>	<u>\$ 9,008,000</u>	<u>\$ 7,902,059</u>	<u>\$ 7,134,067</u>	<u>\$ 7,008,141</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,231,029</u>	<u>\$ 2,425,203</u>	<u>\$ 2,682,671</u>	<u>\$ 2,265,722</u>	<u>\$ 2,248,858</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	81.73%	78.79%	74.66%	75.34%	75.71%
Covered Payroll*	\$ 1,406,377	\$ 1,335,896	\$ 1,312,898	\$ 1,340,415	\$ 1,160,547
Net Pension Liability as a percentage of Covered Payroll	158.64%	181.54%	204.33%	169.03%	193.78%

*For the 2014 Fiscal year, the Covered Payroll figure was based on Pensionable Salary.

** GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

CITY OF EUSTIS, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM (FRS)
Last 10 Fiscal Years*

	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	0.001976400%	0.002116882%	0.002067661%	0.002630738%	0.003798678%
City's proportionate share of the net pension liability (asset)	\$ 595,298	\$ 626,159	\$ 522,086	\$ 339,795	\$ 231,775
City's covered payroll	\$ 652,859	\$ 692,994	\$ 730,772	\$ 828,356	\$ 1,034,136
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	91.18%	90.36%	71.44%	41.02%	22.41%
Plan fiduciary net position as a percentage of the total pension liability (Note 2)	84.26%	83.89%	84.88%	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of 6/30.

*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

** The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Plan's Comprehensive Annual Financial Report.

CITY OF EUSTIS, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY (HIS)
Last 10 Fiscal Years*

	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	0.001977600%	0.002174116%	0.002282323%	0.002679658%	0.003278805%
City's proportionate share of the net pension liability (asset)	\$ 209,311	\$ 232,466	\$ 265,995	\$ 273,283	\$ 306,576
City's covered payroll	\$ 652,859	\$ 692,994	\$ 730,772	\$ 828,356	\$ 1,034,136
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	32.06%	33.55%	36.40%	32.99%	29.65%
Plan fiduciary net position as a percentage of the total pension liability (Note 2)	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.

* GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

** The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Plan's Comprehensive Annual Financial Report.

CITY OF EUSTIS, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years **

	Police Officers				
	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	1,111,772	1,109,345	1,078,482	914,102	681,594
Contributions in relation to the					
Actuarially Determined Contributions	1,125,596	1,121,221	1,104,852	920,534	692,199
Contribution Deficiency (Excess)	<u>\$ (13,824)</u>	<u>\$ (11,876)</u>	<u>\$ (26,370)</u>	<u>\$ (6,432)</u>	<u>\$ (10,605)</u>
Covered Payroll	\$2,110,025	\$2,146,150	\$ 2,137,300	\$2,160,350	\$ 2,285,272
Contributions as a percentage of					
Covered Payroll	53.35%	52.24%	51.69%	42.61%	30.29%
	Firefighters				
	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	793,197	730,735	636,756	540,620	417,796
Contributions in relation to the					
Actuarially Determined Contributions	793,197	763,885	678,737	572,303	417,796
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (33,150)</u>	<u>\$ (41,981)</u>	<u>\$ (31,683)</u>	<u>\$ -</u>
Covered Payroll	\$1,406,377	\$1,335,896	\$ 1,312,898	\$1,340,415	\$ 1,160,547
Contributions as a percentage of					
Covered Payroll	56.40%	57.18%	51.70%	42.70%	36.00%

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

***Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.*

CITY OF EUSTIS, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years **

	Florida Retirement System (FRS)				
	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	54,291	57,570	50,484	62,130	83,278
Contributions in relation to the					
Actuarially Determined Contributions	<u>(54,291)</u>	<u>(57,570)</u>	<u>(50,484)</u>	<u>(62,130)</u>	<u>(83,278)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 626,783	\$ 696,943	\$ 729,732	\$ 833,613	\$ 955,278
Contributions as a percentage of					
Covered Payroll	8.66%	8.26%	6.92%	7.45%	8.72%
	Health Insurance Subsidy (HIS)				
	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	10,144	11,572	11,748	10,764	11,186
Contributions in relation to the					
Actuarially Determined Contributions	<u>(10,144)</u>	<u>(11,572)</u>	<u>(11,748)</u>	<u>(10,764)</u>	<u>(11,186)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 626,783	\$ 696,943	\$ 729,732	\$ 833,613	\$ 955,278
Contributions as a percentage of					
Covered Payroll	1.62%	1.66%	1.61%	1.29%	1.17%

** Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.*

CITY OF EUSTIS, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years **

			Florida Retirement System (FRS)			
	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Annual Money-Weighted Rate of Return	9.28%	13.59%	0.57%	3.77%	17.57%	9.94%
Net of Investment Expenses						
			Police Officers' Pension Plan			
	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Annual Money-Weighted Rate of Return	6.28%	10.17%	8.20%	-1.20%	10.60%	15.30%
Net of Investment Expenses						
			Firefighters' Pension Plan			
	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Annual Money-Weighted Rate of Return	7.47%	10.48%	7.83%	-0.42%	9.07%	14.38%
Net of Investment Expenses						

** Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.*

City of Eustis
Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Measurement Years*

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 199,474
Interest	124,166
Change of assumptions and other inputs	(828,724)
Benefit payments	(78,140)
Net change in total OPEB liability	(583,224)
Total OPEB liability - beginning	4,096,778
Total OPEB liability - ending	<u>\$ 3,513,554</u>
 Covered payroll	 \$ 10,296,568
 Total OPEB liability as a percentage of covered payroll	 34.12%

Fiscal year 2018 presents information on the Plan's measurement year ended September 30, 2017.

Notes to the Schedule:

Note 1: GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for only those years for which information is available.

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

Other Supplemental Information

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Law Enforcement Trust Fund - This fund is used to account for funds received as a result of drug forfeitures, which are restricted to drug enforcement training, programs for police officers.

Law Enforcement Education Fund - This fund is used to account for fines whose use is restricted to police education training programs.

Community Development Fund - This fund is used to account for ongoing activities related to rehabilitation projects financed by previous Community Development Block Grants.

Community Development Block Grant Fund - This fund is used to account for funds received under the Small Cities Community Development Block Grant Program funded by the Department of Housing and Urban Development.

Library Contribution Fund – This fund is used to account for funds which are either raised or donated to the Eustis Memorial Library.

Impact Fee Fund - This fund is used to accumulate revenues derived from newly constructed facilities. The fees will be used to help defray the costs of capital expenditures necessitated by growth. Specific impact fees are collected for Law Enforcement, Fire Prevention, Parks & Recreation, and Library.

Stormwater Utility Fund - This fund is used to accumulate revenues which will fund the programs necessary to address problems associated with Stormwater runoff.

Cemetery Trust Fund – This fund is used to accumulate revenues for the perpetual care of the Greenwood Cemetery. Twenty percent of the funds from the sale go to this fund. Interest earned is used for operations and the principal may be used for capital purchases.

Other Supplemental Information Nonmajor Governmental Funds

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Sales Tax Capital Projects Fund

This fund is used to account for the city's share of the voted one-cent infrastructure sales tax, which is restricted to capital projects.

CITY OF EUSTIS, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2018

	Law Enforcement Trust Fund	Law Enforcement Education Fund	Economic Development Fund	Library Contribution Fund
Assets				
Cash and Cash Equivalents	\$ 18,008	\$ 56,460	\$ 193,159	\$ 102,035
Receivables, Net:				
Accounts	-	2,409	3,691	-
Interest	14	44	151	79
Total Assets	<u>18,022</u>	<u>58,913</u>	<u>197,001</u>	<u>102,114</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and				
Accrued Liabilities	-	1,495	2,475	3,664
Total Liabilities	<u>-</u>	<u>1,495</u>	<u>2,475</u>	<u>3,664</u>
Fund Balances				
Nonspendable:				
Library Trust Donations	-	-	-	40,523
Restricted for:				
Public Safety Impact Fees	-	-	-	-
Culture and Recreation Impact Fees	-	-	-	-
Ordinance - Community Development	-	-	194,526	-
Specific Contributions	-	-	-	30,093
Police Fines and Forfeitures	18,022	57,418	-	-
Cemetery - Chapter 22 of Code	-	-	-	-
Committed to:				
Library	-	-	-	27,834
Unassigned:				
Total Fund Balance	<u>18,022</u>	<u>57,418</u>	<u>194,526</u>	<u>98,450</u>
Total Liabilities and Fund Balances	<u>\$ 18,022</u>	<u>\$ 58,913</u>	<u>\$ 197,001</u>	<u>\$ 102,114</u>

Impact Fee Fund	Greenwood Cemetery Fund	Total
\$ 689,181	\$ 260,834	\$ 1,319,677
-	-	6,100
422	202	912
<u>689,603</u>	<u>261,036</u>	<u>1,326,689</u>

<u>131,459</u>	<u>-</u>	<u>139,093</u>
<u>131,459</u>	<u>-</u>	<u>139,093</u>

-	-	40,523
302,982	-	302,982
255,162	-	255,162
-	-	194,526
-	-	30,093
-	-	75,440
-	261,036	261,036
-	-	27,834
<u>558,144</u>	<u>261,036</u>	<u>1,187,596</u>
<u>\$ 689,603</u>	<u>\$ 261,036</u>	<u>\$ 1,326,689</u>

FOR THE YEAR ENDED SEPTEMBER 30, 2018
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
CITY OF EUSTIS, FLORIDA

	Law Enforcement Trust Fund	Law Enforcement Education Fund	Economic Development Fund	Library Contribution Fund
Revenues				
Fines and Forfeitures	\$ -	\$ 32,432	\$ -	\$ 10,294
Miscellaneous	116	270	58,613	9,428
Total Revenues	<u>116</u>	<u>32,702</u>	<u>58,613</u>	<u>19,722</u>
Expenditures				
Current:				
General Government and Administration	-	-	45,410	-
Public Safety	1,214	7,493	-	-
Culture and Recreation	-	-	-	23,223
Capital Outlay	-	-	-	-
(Total Expenditures)	<u>(1,214)</u>	<u>(7,493)</u>	<u>(45,410)</u>	<u>(23,223)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,098)</u>	<u>25,209</u>	<u>13,203</u>	<u>(3,501)</u>
Other Financing Sources (Uses)				
Operating Transfers from Other Funds	-	7,700	-	-
Operating Transfers to Other Funds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,700</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,098)</u>	<u>32,909</u>	<u>13,203</u>	<u>(3,501)</u>
Fund Balances, Beginning of Year	<u>19,120</u>	<u>24,509</u>	<u>181,323</u>	<u>101,951</u>
Fund Balances, End of Year	<u>\$ 18,022</u>	<u>\$ 57,418</u>	<u>\$ 194,526</u>	<u>\$ 98,450</u>

Impact Fee Fund	Greenwood Cemetery Fund	Total
\$ -	\$ -	\$ 42,726
51,609	7,481	127,517
51,609	7,481	170,243
-	750	46,160
1,100	-	9,807
23,635	-	46,858
182,758	-	182,758
(207,493)	(750)	(285,583)
(155,884)	6,731	(115,340)
-	-	7,700
(1,417)	(1,496)	(2,913)
(1,417)	(1,496)	4,787
(157,301)	5,235	(110,553)
715,445	255,801	1,298,149
\$ 558,144	\$ 261,036	\$ 1,187,596

CITY OF EUSTIS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018
LAW ENFORCEMENT TRUST FUND

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget</u>
Revenues			
Fines and Forfeitures	\$ -	\$ 4,000	\$ (4,000)
Miscellaneous:			
Interest	116	-	116
Total Revenues	<u>116</u>	<u>4,000</u>	<u>(3,884)</u>
Expenditures			
Current:			
Public Safety:			
Administration	1,214	4,500	3,286
Capital Outlay	-	-	-
(Total Expenditures)	<u>(1,214)</u>	<u>(4,500)</u>	<u>3,286</u>
(Deficiency) Excess of Revenues Over Expenditures	<u>(1,098)</u>	<u>(500)</u>	<u>(598)</u>
Net Change in Fund Balance	(1,098)	(500)	(598)
Fund Balances, Beginning of Year	<u>19,120</u>	<u>19,120</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 18,022</u></u>	<u><u>\$ 18,620</u></u>	<u><u>\$ (598)</u></u>

CITY OF EUSTIS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018
LAW ENFORCEMENT EDUCATION FUND

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget</u>
Revenues			
Fines and Forfeitures	\$ 32,432	\$ 4,000	\$ 28,432
Total Fines and Forfeitures	<u>32,432</u>	<u>4,000</u>	<u>28,432</u>
Miscellaneous:			
Interest	270	-	270
Total Miscellaneous	<u>270</u>	<u>-</u>	<u>270</u>
Total Revenues	<u>32,702</u>	<u>4,000</u>	<u>28,702</u>
Expenditures			
Current:			
Public Safety:			
Administration	300	300	-
Police Training	7,193	9,000	1,807
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
(Total Expenditures)	<u>(7,493)</u>	<u>(9,300)</u>	<u>1,807</u>
(Deficiency) Excess of Revenues (Under) Expenditures	<u>25,209</u>	<u>(5,300)</u>	<u>30,509</u>
Other Financing Sources (Uses)			
Operating Transfers from Other Funds	<u>7,700</u>	<u>7,700</u>	<u>-</u>
Net Change in Fund Balance	32,909	2,400	30,509
Fund Balance, Beginning of Year	<u>24,509</u>	<u>24,509</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 57,418</u>	<u>\$ 26,909</u>	<u>\$ 30,509</u>

CITY OF EUSTIS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018
ECONOMIC DEVELOPMENT FUND

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget</u>
Revenues			
Miscellaneous:			
Program Income	\$ 57,436	\$ 52,400	\$ 5,036
Interest	1,177	200	977
Total Revenues	<u>58,613</u>	<u>52,600</u>	<u>6,013</u>
Expenditures			
Current:			
General Government:			
Administration	45,410	80,950	35,540
Capital Outlay	-	9,500	9,500
(Total Expenditures)	<u>(45,410)</u>	<u>(90,450)</u>	<u>45,040</u>
(Deficiency) Excess of Revenues Over Expenditures	<u>13,203</u>	<u>(37,850)</u>	<u>51,053</u>
Net Change in Fund Balance	13,203	(37,850)	51,053
Fund Balance, Beginning of Year	<u>181,323</u>	<u>181,323</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 194,526</u></u>	<u><u>\$ 143,473</u></u>	<u><u>\$ 51,053</u></u>

CITY OF EUSTIS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018
LIBRARY CONTRIBUTION FUND

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget</u>
Revenues			
Fines and Forfeitures:			
Library Fines	\$ 10,294	\$ 8,000	\$ 2,294
Miscellaneous:			
Interest	637	200	437
Book Sales	2,453	2,500	(47)
Donations	1,955	1,000	955
Other	4,383	3,000	1,383
Total Miscellaneous Revenues	<u>9,428</u>	<u>6,700</u>	<u>2,728</u>
Total Revenues	<u>19,722</u>	<u>14,700</u>	<u>5,022</u>
Expenditures			
Current:			
Culture and Recreation:			
Administration	23,223	29,700	6,477
(Total Expenditures)	<u>(23,223)</u>	<u>(29,700)</u>	<u>6,477</u>
(Deficiency) Excess of Revenues Over Expenditures	(3,501)	(15,000)	11,499
Fund Balance, Beginning of Year	<u>101,951</u>	<u>101,951</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 98,450</u></u>	<u><u>\$ 86,951</u></u>	<u><u>\$ 11,499</u></u>

CITY OF EUSTIS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018
IMPACT FEE FUND

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget</u>
Revenues			
Miscellaneous:			
Permits and Fees	\$ 47,243	\$ 117,700	\$ 70,457
Interest	4,366	600	(3,766)
Total Revenues	<u>51,609</u>	<u>118,300</u>	<u>66,691</u>
Expenditures			
Current:			
Administration			-
Culture and Recreation	23,635	26,100	2,465
Public Safety	1,100	1,100	-
Capital Outlay	182,758	332,469	149,711
(Total Expenditures)	<u>(207,493)</u>	<u>(359,669)</u>	<u>(152,176)</u>
(Deficiency) Excess of Revenues Over Expenditures	(155,884)	(241,369)	(85,485)
Other Financing Sources (Uses)			
Operating Transfers to Other Funds	(1,417)	(3,500)	
Fund Balance, Beginning of Year	<u>715,445</u>	<u>715,445</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 558,144</u></u>	<u><u>\$ 470,576</u></u>	<u><u>\$ (85,485)</u></u>

CITY OF EUSTIS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018
GREENWOOD CEMETERY FUND

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget</u>
Revenues			
Miscellaneous:			
Interest	\$ 1,604	\$ 200	\$ 1,404
Lot Sales	4,263	5,000	(737)
Donations	1,614	1,400	214
Total Revenues	<u>7,481</u>	<u>6,600</u>	<u>881</u>
Expenditures			
Current:			
General Government:			
Administration	750	750	-
(Total Expenditures)	<u>(750)</u>	<u>(750)</u>	<u>-</u>
(Deficiency) Excess of Revenues Over Expenditures	<u>6,731</u>	<u>5,850</u>	<u>881</u>
Other Financing Sources (Uses)			
Operating Transfers to Other Funds	(1,496)	(200)	(1,296)
Total Other Financing (Uses)	<u>(1,496)</u>	<u>(200)</u>	<u>(1,296)</u>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	5,235	5,650	(415)
Fund Balance, Beginning of Year	<u>255,801</u>	<u>255,801</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 261,036</u>	<u>\$ 261,451</u>	<u>\$ (415)</u>

CITY OF EUSTIS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SALES TAX CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Actual Amounts	Final Budget	Variance With Final Budget
Revenues			
Intergovernmental Revenues:			
Discretionary Additional Sales Tax	\$ 1,971,795	\$ 1,866,600	\$ 105,195
Local Grant	61,827	150,000	(88,173)
Total Intergovernmental Revenues	2,033,622	2,016,600	17,022
Miscellaneous Revenues:			
Interest	7,654	500	7,154
Total Miscellaneous Revenues	7,654	500	7,154
Total Revenues	2,041,276	2,017,100	24,176
Expenditures			
Current:			
General Government:			
Capital Outlay	196,740	373,161	176,421
Debt Service:			
Principal Payments	645,752	645,795	43
Interest and Fees	8,951	21,105	12,154
Total General Government	851,443	1,040,061	188,618
Public Safety:			
Capital Outlay	1,105,410	1,332,800	227,390
Total Public Safety	1,105,410	1,332,800	227,390
Transportation:			
Capital Outlay	482,047	1,084,934	602,887
Total Transportation	482,047	1,084,934	602,887
Culture and Recreation:			
Capital Outlay	312,641	577,681	265,040
Total Culture and Recreation	312,641	577,681	265,040
(Total Expenditures)	2,751,541	4,035,476	1,283,935
(Deficiency) Excess of Revenues			
Over Expenditures	(710,265)	(2,018,376)	1,308,111
Other Financing Sources (Uses)			
Operating Transfers from Other Funds	360,000	360,000	-
Debt Proceeds	800,000	800,000	-
Total Other Financing Sources (Uses)	1,160,000	1,160,000	-
Net Change in Fund Balances	449,735	(858,376)	1,308,111
Fund Balances, Beginning of Year	1,230,939	1,230,939	-
Fund Balances, End of Year	\$ 1,680,674	\$ 372,563	\$ 1,308,111

STATISTICAL SECTION

This part of the City of Eustis Comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about the government's overall financial health.

Statistical tables differ from financial statements because they cover more than two fiscal years and may present non-accounting data. These tables reflect social and economic data, financial trends, and the fiscal capacity of the City.

Information contained within this section includes:

- **Financial Trend Data – Schedule 1, 2, 3, 4, 4-1**
Provides information on a government-wide basis Schedules 1 and 2 are on GASB 34 accrual basis. Data is a 7 year trend. Schedules 3, 4, and 4-1 provided on a modified accrual basis. Data is a 10 year trend.
- **Revenue Capacity Data – Schedule 5, 6, 7 and 8**
Depicts the primary governments' ability to raise revenues via a tax levy. A history of assessed value, taxes levied by taxing authority, collections and principal tax payers within the municipality.
- **Debt Capacity Data – Schedule 9, 10, 11**
Provides a history of the various debt obligations owed by the city over the last ten years. Debt associated with the city over the last ten years include, a 1997A, 2004 water and sewer Sales Sur-Tax, a utility revenue bond and state revolving fund loan. The pledging of the various revenues is provided for each debt.
- **Demographic and Economic Information – Schedule 12, 16, 17 and 18**
This information is provided to assist the reader in understanding the makeup of The City of Eustis. Information regarding schools, population, age, consumer price index, income, cost, unemployment is contained within the reports described. Additionally, comparison of the immediate adjacent cities, millage comparison of all cities in the county, as well as the top ten employers within the city, is presented.
- **Operating Information – Schedule 13, 14, 15, 15-1**
These schedules present information regarding the city's ability to service the citizens, as well as general information. Utility rates are presented as well as the volume used by category of customer.

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

Schedule 1

City of Eustis
Net Position By Component
Last Ten Years

	Fiscal Year Ending									
	9/30/2009	9/30/2010	9/30/2011	9/30/2012	9/30/2013	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018
Governmental Activities										
Net Investment in Capital Assets	\$ 49,625,414	\$ 52,363,108	\$ 55,235,283	\$ 59,461,444	\$ 60,130,046	\$ 60,587,680	\$ 60,391,695	\$ 60,696,128	\$ 60,131,048	\$ 59,881,913
Restricted	8,968,246	7,139,672	5,564,314	5,430,951	4,501,756	3,848,338	3,654,895	4,234,071	4,789,207	5,320,003
Unrestricted	8,759,805	8,055,273	9,039,378	7,138,449	6,068,594	6,354,893	(1,127,118)	(1,680,939)	(2,286,421)	(4,222,712)
Total governmental activities net assets	<u>\$ 67,353,465</u>	<u>\$ 67,558,053</u>	<u>\$ 69,838,975</u>	<u>\$ 72,030,844</u>	<u>\$ 70,700,396</u>	<u>\$ 70,790,911</u>	<u>\$ 62,919,472</u>	<u>\$ 63,249,260</u>	<u>\$ 62,633,834</u>	<u>\$ 60,979,204</u>
Business-type activities										
Net Investment in Capital Assets	\$ 37,933,620	\$ 37,009,831	\$ 35,113,212	\$ 33,870,957	\$ 33,479,575	\$ 32,764,485	\$ 31,730,770	\$ 31,323,252	\$ 28,570,346	\$ 33,980,209
Restricted	4,218,805	3,981,309	4,346,977	4,299,062	4,272,913	4,951,489	6,695,686	9,179,083	8,174,683	5,402,247
Unrestricted	4,884,912	5,140,150	6,189,179	7,054,263	7,084,182	6,838,507	5,794,887	5,175,131	11,078,405	10,050,181
Total business-type activities net assets	<u>\$ 47,037,337</u>	<u>\$ 46,131,290</u>	<u>\$ 45,649,368</u>	<u>\$ 45,224,282</u>	<u>\$ 44,836,670</u>	<u>\$ 44,554,481</u>	<u>\$ 44,221,343</u>	<u>\$ 45,677,466</u>	<u>\$ 47,823,434</u>	<u>\$ 49,432,637</u>
Primary government										
Net Investment in Capital Assets	\$ 87,559,034	\$ 89,372,939	\$ 90,348,495	\$ 93,332,401	\$ 93,609,621	\$ 93,352,165	\$ 92,122,465	\$ 92,019,380	\$ 88,701,394	\$ 93,862,122
Restricted	13,187,051	11,120,981	9,911,291	9,730,013	8,774,669	8,799,827	10,350,581	13,413,154	12,963,890	10,722,250
Unrestricted	13,644,717	13,195,423	15,228,557	14,192,712	13,152,776	13,193,400	4,667,769	3,494,192	8,791,984	5,827,469
Total Primary government	<u>\$ 114,390,802</u>	<u>\$ 113,689,343</u>	<u>\$ 115,488,343</u>	<u>\$ 117,255,126</u>	<u>\$ 115,537,066</u>	<u>\$ 115,345,392</u>	<u>\$ 107,140,815</u>	<u>\$ 108,926,726</u>	<u>\$ 110,457,268</u>	<u>\$ 110,411,841</u>

City of Eustis
Changes in Net Position
Last Ten Years
(Accrual Basis GASB 34 Beginn

	9/30/2009	9/30/2010	9/30/2011	9/30/2012
Expenses				
Governmental activities:				
General Government	\$ 5,825,633	\$ 4,952,041	\$ 4,477,958	\$ 4,603,864
Public Safety	6,622,719	7,478,860	6,957,146	2,770,677
Physical Environment	-	-	-	-
Transportation	2,314,736	2,551,531	2,661,709	2,950,086
Culture & Recreation	2,743,191	2,102,629	1,986,339	526,707
Non-Departmental	-	-	-	-
Debt Service	120,242	76,103	97,728	73,155
Total Governmental activities	17,626,521	17,161,164	16,180,880	10,924,489
Business-type activities:				
Water and Sewer Activities	6,812,008	7,059,884	6,903,553	2,067,492
Total primary government expenses	\$ 24,438,529	\$ 24,221,048	\$ 23,084,433	\$ 12,991,981
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 792,823	1,254,528	966,669	1,043,320
Public Safety	345,896	12,665	73,240	373,945
Physical Environment	-	-	-	-
Transportation	1,075,502	1,524,401	1,498,398	754,054
Culture & Recreation	184,128	189,873	232,055	201,188
Non-Departmental	-	-	-	-
Operating grants and contributions	582,289	378,242	346,018	265,487
Capital grants and contributions	324,297	260,814	1,798,455	2,720,679
Total governmental activities program revenues	3,304,935	3,620,523	4,914,835	5,358,673
Business-type activities:				
Charges for services:				
Water	3,820,691	3,719,765	4,054,643	4,017,015
Wastewater	3,041,770	3,142,733	3,323,610	3,381,212
Non-Departmental	-	-	-	-
Capital grants and contributions	82,974	549,522	106,823	120,251
Total business-type activities program revenues	6,945,435	7,412,020	7,485,076	7,518,478
Total primary government program revenues	\$ 10,250,370	\$ 11,032,543	\$ 12,399,911	\$ 12,877,151
Net (Expenditures)/Revenues				
Governmental activities	\$ (14,321,586)	\$ (13,540,641)	\$ (11,266,045)	\$ (5,565,816)
Business-type activities	133,427	352,136	581,523	5,450,986
Total primary government net (expenses)/revenue	\$ (14,188,159)	\$ (13,188,505)	\$ (10,684,522)	\$ (114,830)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 4,928,518	4,716,776	4,690,753	4,686,897
Utility taxes	1,535,963	1,746,381	1,676,315	1,399,934
Franchise fees	1,503,027	1,580,452	1,454,930	1,561,919
State shared revenues	4,069,813	3,279,153	3,952,591	4,351,654
Investment earnings	272,960	223,756	118,918	96,060
Miscellaneous income	155,238	641,093	393,462	828,315
Transfers in	1,263,760	1,553,854	1,260,000	1,260,000
Total governmental activities	13,729,279	13,741,465	13,546,969	14,184,779
Business-type activities:				
Investment earnings	153,971	132,249	41,323	38,372
Gain on disposal of assets	-	-	-	-
Miscellaneous income	135,451	163,422	155,232	209,257
Transfers	(1,263,760)	(1,553,854)	(1,260,000)	(1,260,000)
Total business-type activities	(974,338)	(1,258,183)	(1,063,445)	(1,012,371)
Total primary government	\$ 12,754,941	\$ 12,483,282	\$ 12,483,524	\$ 13,172,408
Change in Net Position				
Governmental Activities	\$ (592,307)	\$ 200,824	\$ 2,280,924	\$ 2,134,367
Business-type activities	(840,911)	(906,047)	(481,922)	(425,086)
Total primary government	\$ (1,433,218)	\$ (705,223)	\$ 1,799,002	\$ 1,709,281

g 9/30/03)

Fiscal Year Ending					
9/30/2013	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018
\$ 4,477,958	\$ 5,072,134	\$ 5,112,758	\$ 4,752,283	\$ 4,524,135	\$ 4,536,101
8,026,248	7,626,013	8,005,426	8,828,550	9,824,650	9,175,828
-	276,630	267,089	297,444	315,758	351,219
3,079,555	2,867,866	3,229,271	2,762,752	2,998,938	3,283,299
2,127,106	1,900,795	2,141,378	2,200,203	2,224,674	2,569,564
-	-	-	-	-	-
70,559	40,240	42,203	35,211	35,169	15,599
17,781,426	17,783,678	18,798,125	18,876,443	19,923,324	19,931,610
7,171,734	7,779,993	8,524,721	8,102,971	8,414,798	8,710,241
\$ 24,953,160	\$ 25,563,671	\$ 27,322,846	\$ 26,979,414	\$ 28,338,122	\$ 28,641,851
1,149,734	1,430,410	704,346	1,006,021	719,984	643,580
166,210	193,010	178,551	308,083	267,280	261,099
-	711,916	783,307	792,655	827,607	841,781
756,847	-	-	-	10,000	16,024
234,618	269,372	252,810	432,309	289,032	243,125
-	-	-	-	-	-
63,665	10,883	23,639	19,845	17,749	1,614
12,287	-	-	-	-	5,720
2,383,361	2,615,591	1,942,653	2,558,913	2,131,652	2,012,943
4,188,825	4,417,654	5,291,332	5,666,288	5,911,626	5,561,023
3,571,329	3,795,138	3,853,556	4,091,465	4,530,963	4,853,316
-	-	-	-	-	-
381,036	669,860	816,756	1,224,995	1,435,914	1,814,665
8,141,190	8,882,652	9,961,644	10,982,748	11,878,503	12,229,004
\$ 10,524,551	\$ 11,498,243	\$ 11,904,297	\$ 13,541,661	\$ 14,010,155	\$ 14,241,947
\$ (15,656,112)	\$ (15,168,087)	\$ (16,855,472)	\$ (16,317,530)	\$ (17,791,672)	\$ (17,918,667)
969,456	1,102,659	1,436,923	2,879,777	3,463,705	3,518,763
\$ (14,686,656)	\$ (14,065,428)	\$ (15,418,549)	\$ (13,437,753)	\$ (14,327,967)	\$ (14,399,904)
4,726,990	5,377,109	5,583,523	5,778,651	6,034,790	6,599,902
1,301,618	1,472,855	1,437,147	1,453,668	1,484,768	1,621,592
1,603,425	1,796,581	2,283,573	2,530,415	2,570,953	2,544,608
4,500,589	4,496,256	4,664,292	4,402,912	4,561,956	4,956,751
7,377	79,345	68,542	54,018	30,931	87,017
636,149	626,456	738,642	927,654	992,848	998,288
1,549,516	1,410,000	1,500,000	1,500,000	1,500,000	1,512,587
14,325,664	15,258,602	16,275,719	16,647,318	17,176,246	18,320,745
40,984	18,648	45,221	44,853	100,933	165,900
-	-	-	-	-	-
151,464	6,504	27,482	31,493	81,330	15,008
(1,549,516)	(1,410,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,512,587)
(1,357,068)	(1,384,848)	(1,427,297)	(1,423,654)	(1,317,737)	(1,331,679)
\$ 12,968,596	\$ 13,873,754	\$ 14,848,422	\$ 15,223,664	\$ 15,858,509	\$ 16,989,066
\$ (1,330,448)	\$ 90,515	\$ (579,753)	\$ 329,788	\$ (615,426)	\$ 402,078
(387,612)	(282,189)	9,626	1,456,123	2,145,968	2,187,084
\$ (1,718,060)	\$ (191,674)	\$ (570,127)	\$ 1,785,911	\$ 1,530,542	\$ 2,589,162

Schedule 3

City of Eustis
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual basis of Accounting)

	Fiscal Year Ending September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
General Fund:										
Reserved	623,373	615,873								
Unreserved	8,387,158	8,054,338								
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted:	-	-	-	-	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-	-	529,150	669,403	807,349
Committed										
Assigned										
Emergency Contingency	-	-	-	-	405,873	405,873	405,873	405,872	405,873	405,873
Debt Service	-	-			1,407,448	1,437,448	1,032,738	710,000	360,000	-
Self Insurance	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	8,365,290	7,482,073	4,956,071	5,274,791	5,389,701	5,668,231	5,986,731	6,925,213
Total General Fd.	<u>\$ 9,010,531</u>	<u>\$ 8,670,211</u>	<u>\$ 8,365,290</u>	<u>\$ 7,482,073</u>	<u>\$ 6,769,392</u>	<u>\$ 7,118,112</u>	<u>\$ 6,828,312</u>	<u>\$ 7,313,253</u>	<u>\$ 7,422,007</u>	<u>\$ 8,138,435</u>
Major Funds										
Street Improvement Fund:										
Reserved Roads & Streets	\$ 853,090	\$ 765,041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	616,353	726,904	473,138	374,855	464,428	636,164	461,510	244,827
Committed	-	-	188,322	191,651	192,851	192,851	192,851	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Street Improvement Fd.	<u>\$ 853,090</u>	<u>\$ 765,041</u>	<u>\$ 804,675</u>	<u>\$ 918,555</u>	<u>\$ 665,989</u>	<u>\$ 567,706</u>	<u>\$ 657,279</u>	<u>\$ 636,164</u>	<u>\$ 461,510</u>	<u>\$ 244,827</u>
Sales Tax Capital Projects Fund:										
Reserved Capital Projects	\$ 4,222,726	\$ 378,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	2,844,521	2,745,902	2,376,456	1,600,733	1,288,680	980,158	1,230,939	1,680,674
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Sales tax Rev. Fd.	<u>\$ 4,222,726</u>	<u>\$ 378,638</u>	<u>\$ 2,844,521</u>	<u>\$ 2,745,902</u>	<u>\$ 2,376,456</u>	<u>\$ 1,600,733</u>	<u>\$ 1,288,680</u>	<u>\$ 980,158</u>	<u>\$ 1,230,939</u>	<u>\$ 1,680,674</u>
Community Redevelopment:										
Reserved CRA Expenditure	\$ 1,781,699	\$ 915,029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	1,093,052	1,103,878	737,414	893,432	895,237	868,821	1,129,206	1,399,557
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Com. Redevelopment	<u>\$ 1,781,699</u>	<u>\$ 915,029</u>	<u>\$ 1,093,052</u>	<u>\$ 1,103,878</u>	<u>\$ 737,414</u>	<u>\$ 893,432</u>	<u>\$ 895,237</u>	<u>\$ 868,821</u>	<u>\$ 1,129,206</u>	<u>\$ 1,399,557</u>

Note: Fund Balance classifications have been revised due to the implementation of GASB Statement 54 in fiscal year 2011.

City of Eustis
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual basis of Accounting)

	Fiscal Year Ending September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Stormwater Utility Fund:										
Reserved for Stormwater	\$ 741,928	\$ 583,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	1,168,464	465,872	700,871	733,313	810,469	1,018,942	1,121,598	1,177,389
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Stormwater Utility	<u>\$ 741,928</u>	<u>\$ 583,907</u>	<u>\$ 1,168,464</u>	<u>\$ 465,872</u>	<u>\$ 700,871</u>	<u>\$ 733,313</u>	<u>\$ 810,469</u>	<u>\$ 1,018,942</u>	<u>\$ 1,121,598</u>	<u>\$ 1,177,389</u>

Non-Major Funds

All Other Governmental Funds										
Reserved	2,110,731	1713869								
Unreserved	741,928	583,907	-	-	-	-	-	-	-	-
Non-Spendable	-	-	29,726	29,726	30,172	30,195	30,172	30,156	30,156	40,523
Restricted	-	-	980,662	854,267	884,576	695,406	976,378	1,189,622	1,226,111	1,119,239
Committed	-	-	255,395	261,690	263,352	260,601	(1,028)	11,697	41,882	27,834
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Funds	<u>\$ 2,852,659</u>	<u>\$ 2,297,776</u>	<u>\$ 1,265,783</u>	<u>\$ 1,145,683</u>	<u>\$ 1,178,100</u>	<u>\$ 986,202</u>	<u>\$ 1,005,522</u>	<u>\$ 1,231,475</u>	<u>\$ 1,298,149</u>	<u>\$ 1,187,596</u>

Note: Fund Balance classifications have been revised due to the implementation of GASB Statement 54 in fiscal year 2011.

Schedule 4

City of Eustis
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified Accrual basis of accounting)

	Fiscal Year Ending September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Ad Valorem	\$ 4,647,621	\$ 4,716,776	\$ 4,690,753	\$ 4,686,897	\$ 4,726,990	\$ 5,377,109	\$ 5,583,523	\$ 5,778,651	\$ 6,034,790	\$ 6,599,902
Franchise Fees	1,503,027	1,580,452	1,454,930	1,399,934	1,301,618	1,472,855	1,437,147	1,453,668	1,484,768	1,621,592
Utility Service Taxes	1,535,963	1,746,381	1,676,315	1,561,919	1,603,425	1,796,581	2,283,573	2,530,415	2,570,953	2,544,608
State Revenue Sharing	3,240,500	3,279,153	3,409,969	1,884,667	1,970,900	1,887,576	1,546,238	1,641,550	1,727,762	1,897,871
Other Intergovernmental Revenues	1,564,936	1,351,099	3,043,045	5,017,169	2,604,112	2,636,529	3,140,305	2,805,841	2,923,650	3,080,623
Licenses and Permits	137,871	219,151	192,146	230,112	326,931	579,565	569,461	882,403	563,371	581,881
Fines and Forfeitures	110,556	83,851	68,717	74,404	52,458	67,367	65,964	72,159	81,285	172,696
Charges for Services	1,766,931	1,747,833	1,707,840	1,866,105	1,859,896	1,822,143	1,198,000	1,223,849	1,297,910	1,255,037
Interest	252,342	223,756	118,918	96,060	7,377	79,345	68,542	54,018	30,931	87,017
On-Behalf Payments	187,053	218,589	198,161	201,886	202,870	203,099	219,605	243,091	247,516	259,476
Other Sources	569,386	641,091	641,010	828,315	502,932	542,025	606,012	1,020,584	844,963	720,398
Total Revenues	<u>15,516,186</u>	<u>15,808,132</u>	<u>\$ 17,201,804</u>	<u>\$ 17,847,468</u>	<u>\$ 15,159,509</u>	<u>\$ 16,464,194</u>	<u>\$ 16,718,370</u>	<u>\$ 17,706,229</u>	<u>\$ 17,807,899</u>	<u>\$ 18,821,101</u>
Expenditures:										
General Government and Admin.	5,139,487	4,632,925	4,300,048	4,282,671	4,369,033	4,240,947	4,156,112	3,853,575	3,992,612	4,138,062
Public Safety	6,085,172	6,410,651	6,421,483	6,586,930	7,017,122	6,989,996	7,274,731	7,655,858	8,171,240	8,215,860
On-Behalf Payments	187,053	218,589	198,161	201,886	202,870	203,099	219,605	243,091	247,516	259,476
Physical Environment	-	-	-	-	-	271,528	260,022	253,457	263,360	264,223
Transportation	2,040,644	1,944,749	2,028,208	2,176,994	2,168,875	1,726,889	1,589,009	1,545,467	1,775,494	1,767,615
Culture and Recreation	2,272,527	1,812,085	1,676,290	1,801,921	1,658,557	1,645,531	1,734,844	1,682,617	1,733,137	1,793,822
Nondepartmental	-	-	-	-	37,500	-	-	48,552	51,521	29,605
Capital Outlay	1,893,866	4,209,171	4,203,044	5,246,982	2,178,048	2,835,938	2,865,843	2,810,086	1,794,154	2,845,253
Debt Service										
Interest	365,000	380,000	395,000	420,000	440,000	465,000	42,203	35,211	35,169	8,951
Principal	117,808	77,827	94,478	69,905	70,761	23,990	490,000	515,000	629,100	645,752
Total Expenditures	<u>18,101,557</u>	<u>19,685,997</u>	<u>19,316,712</u>	<u>20,787,289</u>	<u>18,142,766</u>	<u>18,402,918</u>	<u>18,632,369</u>	<u>18,642,914</u>	<u>18,693,303</u>	<u>19,968,619</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,585,371)	(3,877,865)	(2,114,908)	\$ (2,939,821)	\$ (2,983,257)	\$ (1,938,724)	\$ (1,913,999)	\$ (936,685)	\$ (885,404)	\$ (1,147,518)
Other Financing Sources (Uses):										
Transfers In	1,913,183	2,573,087	2,883,842	2,487,663	2,215,833	2,135,374	2,497,986	2,459,686	2,482,672	2,526,774
Transfers Out	(649,422)	(1,019,233)	(1,623,842)	(1,227,663)	(666,317)	(725,374)	(997,986)	(959,686)	(982,672)	(1,014,187)
Proceeds from Borrowing										800,000
Total Other Financing Sources (Uses)	<u>1,263,761</u>	<u>1,553,854</u>	<u>1,260,000</u>	<u>1,260,000</u>	<u>1,549,516</u>	<u>1,410,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>2,312,587</u>
Net Change In Fund Balances	<u>\$ (1,321,610)</u>	<u>\$ (2,324,011)</u>	<u>\$ (854,908)</u>	<u>\$ (1,679,821)</u>	<u>\$ (1,433,741)</u>	<u>\$ (528,724)</u>	<u>\$ (413,999)</u>	<u>\$ 563,315</u>	<u>\$ 614,596</u>	<u>\$ 1,165,069</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>2.98%</u>	<u>2.96%</u>	<u>3.24%</u>	<u>3.15%</u>	<u>3.20%</u>	<u>3.14%</u>	<u>3.38%</u>	<u>3.48%</u>	<u>3.93%</u>	<u>3.82%</u>

**CITY OF EUSTIS, FLORIDA
TAXABLE AND ESTIMATED ACTUAL VALUE
LAST TEN FISCAL YEARS**

TAXABLE ASSESSED VALUATION							
FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	CENTRAL PROPERTY	TOTAL TAXABLE VALUATION	TOTAL DIRECT RATE	TOTAL (1) ESTIMATED ACTUAL VALUE	ASSESSED VALUE AS A PERCENTAGE OF ACTUAL
2008-09	956,835,965	65,231,490	257,942	1,022,325,397	4.7083	1,135,917,108	90.00%
2009-10	883,604,313	64,598,712	302,815	948,505,840	5.1266	1,053,895,378	90.00%
2010-11	784,953,679	58,111,626	392,001	843,457,306	5.6849	937,174,784	90.00%
2011-12	715,535,939	56,736,133	302,898	772,574,970	6.2432	858,416,633	90.00%
2012-13	667,136,592	54,972,403	172,256	722,281,251	6.7158	802,534,723	90.00%
2013-14	671,502,989	56,293,873	251,433	728,048,295	6.7158	808,942,550	90.00%
2014-15	695,231,551	63,395,983	253,735	758,881,269	7.5810	843,201,410	90.00%
2015-16	724,388,866	64,707,631	346,273	789,442,770	7.5810	877,158,633	90.00%
2016-17	760,782,191	66,066,152	330,790	827,179,133	7.5810	919,087,926	90.00%
2017-18	827,493,389	73,404,454	386,451	901,284,294	7.5810	1,001,426,993	90.00%

(1) Based on Florida Department of Revenue Certifications of assessed tax rolls at 90% or more of the estimated property actual value. Total assessed value assumed to be at 90%. Prior years were estimates only. Actual was obtained from property appraisers office for 2005-06. Due to the increasing number of exemptions the parentage has been reduced over the years and is expected to continue in the future.

Schedule 6

City of Eustis
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Per One Thousand Dollars of Taxable Value)

Fiscal Year	City Direct Rates				Overlapping Rates							TOTAL
	Basic Rate	Redev-District	Street Improv.	Total City of Eustis	Lake County Commission Gen. Fund	Lake County Commission Debt Serv.	Lake County School Board	Lake County Water Authority	North Lake Hospital District	North Lake Ambulance District	St. Johns Water Mgmt. District	
2008-09	4.3258	0.2326	0.1499	4.7083	4.6511	0.11010	7.517	0.2130	1.000	0.4651	0.4158	19.0804
2009-10	4.6717	0.2721	0.1828	5.1266	4.6511	0.11010	7.532	0.2130	1.000	0.4651	0.4158	19.5137
2010-11	5.2210	0.2700	0.1939	5.6849	4.7309	0.11010	7.523	0.2405	1.000	0.3853	0.4158	20.0905
2011-12	5.2210	0.2700	0.1939	6.2432	4.7309	0.11010	7.394	0.2405	1.000	0.3853	0.3313	20.4353
2012-13	6.2020	0.2865	0.2273	6.7158	4.7309	0.19000	7.320	0.2554	1.000	0.3853	0.3313	20.9287
2013-14	7.0672	0.2865	0.2273	7.5810	4.7309	0.19000	7.170	0.2554	1.000	0.3853	0.3283	21.6409
2014-15	7.0632	0.3070	0.2108	7.5810	5.3856	0.16000	7.246	0.2554	1.000	0.4629	0.3164	22.4073
2015-16	7.0721	0.3062	0.2027	7.5810	5.3051	0.16000	7.197	0.2554	1.000	0.4629	0.3023	22.2637
2016-17	7.1406	0.3074	0.1330	7.5810	5.1180	0.15240	6.875	0.2554	1.000	0.4629	0.2885	21.7332
2017-18	7.1555	0.3035	0.1220	7.5810	5.1180	0.15240	6.603	0.2554	1.000	0.4629	0.2724	21.4451

The direct city rate is set by the commission each year. The city as well as other governments are required to contribute the incremental taxable value in excess of the base year of 1990. The city also supplements the Street Improvement Fund.

The overlapping rate represents agencies which have taxing authority within the area. These rates plus the city rate determine the total millage rate attributed to property within the city.

**CITY OF EUSTIS, FLORIDA
PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO
FISCAL YEARS ENDING SEPTEMBER 30TH
(Source Lake County Property Appraisers Office)**

TAXPAYER	2009			2018		
	ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL ASSESSED VALUATION	ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL ASSESSED VALUATION
Duke (Progress) Energy				20,094,667	2	2.23%
MHC Southern Palms LLC				10,101,650	5	1.12%
Florida Food Products	6,042,705	5	0.59%	16,761,763	3	1.86%
Jensen Center LTD				5,724,502	6	0.64%
Sprint/Embarq	11,507,552	1	1.13%	32,677,274	1	3.63%
SUSO 4 North Branch LP				14,145,866	4	1.57%
HTG Valencia LLc				5,334,707	7	0.59%
MHC Haselton Village LLC	6,966,126	4	0.68%	4,748,519	8	0.53%
Real Sub LLC				4,293,408	9	0.48%
Eustis Plaza, Inc.			-	4,274,160	10	0.47%
Florida Power Corp	13,243,180	3	1.30%			
DIV Vastgoed	13,512,639	2	1.32%			
Eustis Square One LLC	4,734,895	7	0.46%			
U.S. Nutraceuticals	4,113,195	9	0.40%			
Zilis Patrick Trustee	4,184,475	8	0.41%			
Burke Industries	3,560,357	10	0.35%			
	<u>72,681,561</u>		7.11%	<u>118,156,516</u>		13.11%

SOURCE:

Lake County 2018 Property Appraiser's Office (Total Eustis: \$901,284,294)

**CITY OF EUSTIS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR	TOTAL TAX LEVY	CURRENT LEVY COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT TOTAL COLLECTIONS TO LEVY
2008-09	4,813,415	4,431,442	92.06%	213,698	4,645,140	96.50%
2009-10	4,862,610	4,487,680	92.29%	229,096	4,716,776	97.00%
2010-11	4,831,009	4,425,297	91.60%	265,456	4,690,753	97.10%
2011-12	4,823,340	4,479,623	92.87%	207,274	4,686,897	97.17%
2012-13	4,875,857	4,497,608	92.24%	229,382	4,726,990	96.95%
2013-14	5,548,361	5,148,164	92.79%	228,945	5,377,109	96.91%
2014-15	5,753,079	5,368,442	93.31%	215,081	5,583,523	97.05%
2015-16	5,984,766	5,566,832	93.02%	211,818	5,778,650	96.56%
2016-17	6,270,845	5,821,983	92.84%	212,805	6,034,788	96.24%
2017-18	6,832,636	6,326,214	92.59%	273,686	6,599,900	96.59%

NOTE: Florida Statute 197.012 allows a discount for early payment of taxes of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes become delinquent on April 1 of each year.

County Tax Collector is responsible for collecting and remitting all property taxes. They do not keep track of amounts which are past due on a regular basis. Once a year they consolidate all past due amounts and have a tax certificate sale. The money obtained from this sale is then distributed to the proper taxing authority.

Schedule 9

City of Eustis
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Activities					Business-Type Activities				Total Primary Government	Est. Actual Value of Taxable Property	Percentage of Taxable Property	Per Capita
	Sales Sur Tax 1997A	Sales Sur Tax - Water 2004	Sales Sur Tax Sewer 2004	Fire Equip Lease/Purch. 2016&2018	Total	Utility Rev. Bonds	Series 2017 Bank Loan	State Revolving Loan	Total				
2008-09	2,625,000	723,250	861,750	-	4,210,000	-	-	3,763,798	3,763,798	7,973,798	1,135,917,108	0.70%	436
2009-10	2,400,000	653,500	776,500	-	3,830,000	-	-	3,483,584	3,483,584	7,313,584	1,053,895,378	0.69%	402
2010-11	2,165,000	581,500	688,500	-	3,435,000	-	-	3,195,207	3,195,207	6,630,207	937,174,784	0.71%	357
2011-12	1,910,000	507,250	597,750	-	3,015,000	-	-	2,898,428	2,898,428	5,913,428	858,416,633	0.69%	320
2012-13	1,640,000	430,750	504,250	-	2,575,000	-	-	7,526,631	7,526,631	10,101,631	802,534,723	1.26%	544
2013-14	1,350,000	352,000	408,000	-	2,110,000	-	-	7,047,571	7,047,571	9,157,571	808,942,550	1.13%	493
2014-15	1,040,000	271,000	309,000	-	1,620,000	-	-	6,513,511	6,513,511	8,133,511	843,201,410	0.96%	418
2015-16	710,000	187,750	207,250	-	1,105,000	-	-	5,964,488	5,964,488	7,069,488	877,158,633	0.81%	354
2016-17	360,000	100,000	100,000	353,450	913,450	7,430,000	1,805,500	5,400,084	14,635,584	15,549,034	919,087,926	1.69%	749
2017-18	-	-	-	1,067,736	1,067,736	7,150,000	1,444,400	4,819,867	13,414,267	14,482,003	1,001,426,993	1.45%	695

Schedule 10

City of Eustis
Direct Governmental Activities Debt
As of September 30, 2018

<u>Governmental Revenue Bonds</u>	<u>Beginning Debt</u>	<u>Increase in Debt</u>	<u>Amount Repaid</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>
<u>Series 1997A Sales-Sur Tax:</u>					
Debt Repaid with Sales Sur-Tax Proceeds	360,000	-	360,000	-	0.00%
<u>Series 2004 Sales-Sur Tax:</u>					
Debt Repaid with Water Impact Fees	100,000	-	100,000	-	0.00%
Debt Repaid with Sewer Impact Fees	100,000	-	100,000	-	0.00%
2016 Note Payable - Fire Pumper Truck	353,450	-	85,714	267,736	25.08%
2018 Note Payable - Fire Ladder Truck	-	800,000	-	800,000	74.92%
Total Debt	<u>\$ 913,450</u>	<u>\$ 800,000</u>	<u>\$ 645,714</u>	<u>\$ 1,067,736</u>	<u>100.00%</u>

The city has only revenue bonds at this time.

The 1997A is secured by the franchise revenues from Progress Energy. The payments are paid from the General Fund.

The 2004A is secured by the discretionary sales sur-tax and the franchise revenues from Progress Energy. The actual payment is made from the water impact fee collections and the sewer impact fee collections.

The 2016 Note for the Pumper Truck is repaid with Sales Sur-Tax Proceeds

The 2018 Note Payable is repaid with Sales Sur-Tax Proceeds

The City of Eustis does not have any overlapping debt. All debt is secured through a specific revenue source exclusive to the City of Eustis.

1 of 2
City of Eustis
Pledged-Revenue Coverage
Last Ten Years

Water & Sewer Pledged Bonds

Fiscal Year										
	(1)	(2)	Add Back Depreciation Expense	Net Available Revenue	Revenue Bond Series 2016		State Revolving Loan		Total Debt Payments	Coverage
	Utility Revenues	Less Operating Expenses			Principal	Interest	Principal	Interest		
2008-09	7,080,886	6,698,303	2,085,349	2,467,932	-	-	272,281	113,705	385,986	6.39
2009-10	7,575,442	6,956,124	2,137,932	2,757,250	-	-	280,213	106,867	387,080	7.12
2010-11	7,640,308	6,808,047	2,161,578	2,993,839	-	-	288,378	95,506	383,884	7.80
2011-12	7,727,735	6,844,183	2,101,875	2,985,427	-	-	296,779	87,010	383,789	7.78
2012-13	8,292,654	6,892,103	2,202,862	3,603,413	-	-	552,352	182,564	734,916	4.90
2013-14	8,889,156	7,577,460	2,257,048	3,568,744	-	-	421,704	200,007	621,711	5.74
2014-15	9,989,126	8,222,159	2,286,458	4,053,425	-	-	534,059	125,199	659,258	6.15
2015-16	10,937,285	7,901,311	2,249,641	5,285,615	-	-	549,020	113,006	662,026	7.98
2016-17	10,879,933	7,828,916	2,174,760	5,225,777	-	114,724	564,406	100,466	779,596	6.70
2017-18	10,848,912	8,272,870	2,208,575	4,784,617	250,000	276,556	580,218	90,360	1,197,135	4.00

1) For purposes of debt coverage the following is a list of revenues to be considered: All water and sewer revenues, water and sewer impact fees, and stormwater fees. The interest in the renewal and replacement and expansion funds are not include as part of the debt coverage. The State Revolving Loan only allows for Gross Operating Revenues.

2) Direct operating expenses excludes depreciation expenses.

General Government									
Sales Sur-Tax 1997A Series					Sales Sur-Tax 2004A Series				
Progress Energy Franchise Fees	Principal	Interest	Total	Coverage	Disc. Sales Tax & Prog. Energy Fran. Fees	Principal	Interest	Total	Coverage
750,915	210,000	45,224	255,224	2.94	1,892,640	155,000	31,383	186,383	10.15
802,942	225,000	48,695	273,695	2.93	1,905,965	155,000	29,132	184,132	10.35
732,021	235,000	59,915	294,915	2.48	1,902,724	160,000	34,563	194,563	9.78
706,875	255,000	7,557	262,557	2.69	1,902,515	165,000	6,090	171,090	11.12
654,725	270,000	36,259	306,259	2.14	1,906,409	170,000	23,462	193,462	9.85
758,301	290,000	15,840	305,840	2.48	2,026,606	175,000	10,249	185,249	10.94
740,306	310,000	25,623	335,623	2.21	2,236,435	180,000	16,580	196,580	11.38
757,316	330,000	21,377	351,377	2.16	2,273,145	185,000	13,832	198,832	11.43
757,164	350,000	14,165	364,165	2.08	2,353,779	195,000	9,165	204,165	11.53
822,564	360,000	1,029	361,029	2.28	2,497,696	200,000	667	200,667	12.45

Fiscal Year	Total Progress Energy Franchise Fees	1997A Issue	2004 A Issue		
		61% Allocated to 1997A Series	39% Allocated to 2004A Series	Sales Tax Revenue Receipts	Total 2004A Issue
2008-09	1,231,008	750,915	480,093	1,412,547	1,892,640
2009-10	1,316,299	802,942	513,357	1,392,608	1,905,965
2010-11	1,200,034	732,021	468,013	1,434,711	1,902,724
2011-12	1,158,812	706,875	451,937	1,450,578	1,902,515
2012-13	1,073,320	654,725	418,595	1,487,814	1,906,409
2013-14	1,243,117	758,301	484,816	1,541,790	2,026,606
2014-15	1,213,617	740,306	473,311	1,763,124	2,236,435
2015-16	1,241,501	757,316	484,185	1,788,960	2,273,145
2016-17	1,241,252	757,164	484,088	1,869,691	2,353,779
2017-18	1,348,465	822,564	525,901	1,971,795	2,497,696

Schedule 12-1

City of Eustis
Demographic and Economic Statistics
Last Ten Years

Year	Population (5)			% increase Consumer Price Index (3)	Median Age	Eustis School Information Enrollment (4) and Grading (6)				
	Eustis	County	%of Cty.			School Enrollment	Eustis Heights Elementary	Eustis Elementary	Eustis Middle	Eustis High
2008-09	18,275	291,993	6.26%	(1.29)	45.1	4,546	B	A	A	D
2009-10	18,210	297,432	6.12%	1.11	45.1	4,332	B	A	A	B
2010-11	18,558	297,052	6.25%	3.87	45.1	5,083	B	C	B	B
2011-12	18,483	298,265	6.20%	1.99	45.1	4,702	C	A	B	C
2012-13	18,573	298,707	6.22%	1.15	45.1	4,682	D	B	C	B
2013-14	19,214	308,034	6.24%	3.89	46.0	5,539	F	B	B	C
2014-15	19,455	315,690	6.16%	0.33	42.0	4,725	C	C	B	B
2015-16	19,986	325,875	6.13%	0.70	41.8	4,663	C	C	C	C
2016-17	20,768	335,396	6.19%	1.30	40.8	4,645	C	B	C	C
2017-18	20,827	346,017	6.02%	1.30	40.4	4,413	C	B	C	C

(1) Source: Florida Research Economic Database (FREIDA), Florida Office of Econ & Dem Research, US Census Quick Facts

(2) Source U of F BEBR: <https://floridapolytechnic.org>

(3) Source www.usinflationcalculator.com

(4) Source Lake County School Board, Tavares, Florida (www.lake.k12.fl.us - Dept of Growth Planning- Incl Lake Tech)

(5) Source US Census Bureau and Office of Economic & Demographic Research

(6) Source Florida Dept of Education

(7) Source US Bureau of Labor Statistics (www.bls.gov/lau/data.htm)

Schedule 12-2

City of Eustis
Demographic and Economic Statistics
Last Ten Years

Year	Per Capita Income (1)							Median Household Income (1)						
	Florida	Lake	Orange	Seminole	Sumter	Marion	Volusia	Florida	Lake	Orange	Seminole	Sumter	Marion	Volusia
2008-09	38,417	30,460	35,303	42,223	26,481	30,322	30,374	47,804	46,557	50,988	56,315	42,828	39,354	42,268
2009-10	39,064	31,520	36,639	43,439	27,504	31,225	32,098	44,857	45,517	50,674	58,175	48,106	40,266	45,831
2010-11	38,965	30,785	36,400	42,340	30,259	31,097	32,255	44,390	42,343	45,105	57,381	45,165	37,162	41,368
2011-12	39,636	33,846	35,990	40,914	27,824	32,709	33,436	44,250	44,965	44,635	54,449	44,595	36,425	38,477
2012-13	41,012	34,442	37,013	42,191	35,032	35,570	34,445	45,006	41,579	45,565	54,901	47,017	37,287	40,114
2013-14	41,497	34,782	37,844	42,986	37,206	34,437	34,530	47,886	44,244	46,675	55,195	52,670	38,783	40,908
2014-15	42,645	35,786	38,007	41,806	37,558	32,571	36,052	46,956	45,035	47,581	58,175	48,493	39,453	42,457
2015-16	44,429	37,698	39,591	42,851	39,012	33,800	37,802	47,212	45,465	47,556	57,875	49,874	39,339	41,714
2016-17	45,953	38,266	41,515	44,703	39,534	34,765	38,807	48,900	47,141	49,391	58,538	52,594	40,295	42,240
2017-18	47,864	40,541	42,541	46,231	43,464	35,864	40,658	50,883	49,734	51,586	60,739	54,771	41,964	43,838

(1) Source: Florida Research Economic Database (FREIDA), Florida Office of Econ & Dem Research, US Census Quick Facts

(2) Source U of F BEBR: <https://floridapolytechnic.org>

(3) Source www.usinflationcalculator.com

(4) Source Lake County School Board, Tavares, Florida

(5) Source US Census Bureau and Office of Economic & Demographic Research

(6) Source Florida Dept of Education (<http://schoolgrades.fldoe.org>)

(7) Source US Bureau of Labor Statistics (www.bls.gov/lau/data.htm)

Schedule 12-3

City of Eustis
Demographic and Economic Statistics
Last Ten Years

Year	Cost of Living Index Lake and Surrounding Counties (2)						Unemployment Lake and Surrounding Counties (1)					
	Lake	Orange	Seminole	Sumter	Marion	Volusia	Lake	Orange	Seminole	Sumter	Marion	Volusia
2008-09	97.51	101.00	99.81	95.34	94.71	95.39	12.2	11.4	10.6	9.5	13.9	11.7
2009-10	97.49	100.98	99.64	96.34	96.28	96.13	12.3	11.8	10.9	9.8	14.3	12.5
2010-11	96.95	100.42	99.35	95.49	95.83	96.19	10.6	10.2	9.5	8.1	12.4	10.8
2011-12	96.43	99.88	99.33	95.65	95.51	95.78	8.9	8.4	7.7	6.9	9.8	8.8
2012-13	96.43	99.88	99.33	95.65	95.51	95.78	9.0	8.3	7.8	7.4	10	8.8
2013-14	97.20	100.49	99.17	95.45	94.97	98.25	5.4	4.9	4.5	4.7	6.4	5.3
2014-15	96.33	99.78	98.72	94.19	93.43	94.75	5.1	4.7	4.6	6.8	6.1	5.5
2015-16	96.99	100.46	99.03	94.83	94.41	95.33	4.8	4.3	4.3	6.9	6	5.1
2016-17	97.23	100.71	99.28	95.07	93.29	95.57	3.4	3.1	3.0	4.8	4.1	3.7
2017-18	97.38	100.87	99.44	96.03	93.88	95.72	3.4	2.6	2.6	4.3	3.6	3.2

(1) Source: Florida Research Economic Database (FREIDA), Florida Office of Econ & Dem Research, US Census Quick Facts

(2) Source U of F BEBR: <https://floridapolytechnic.org>

(3) Source www.usinflationcalculator.com

(4) Source Lake County School Board, Tavares, Florida

(5) Source US Census Bureau and Office of Economic & Demographic Research

(6) Source Florida Dept of Education

(7) Source US Bureau of Labor Statistics (www.bls.gov/lau/data.htm)

Schedule 13

City of Eustis
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years
(Source Budget for City of Eustis and Human Resources)

Function/Program	Full-Time Equivalent Employees as of September 30th									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City Manager	6	6	5	4	3	3	3	3	4	4
City Clerk	1	1	1	1	1	1	1	1	1	1
Finance	9	9	9	9	19	19	19	20	20	21
Development Services	5	6	5	4	5	5	6	6	7	7
Purchasing	2	2	2	3	3	3	3	3	3	3
Human Resources	3	3	3	3	3	3	3	3	3	3
Maintenance Garage	2	2	2	2	2	2	2	2	2	2
Building Maintenance	5	5	5	5	3	3	2	2	3	3
Park Maintenance	3	3	3	3	3	3	3	4	5	0
Cemetery	2	2	2	2	2	2	2	2	2	2
Total General Government	38	39	37	36	44	44	44	46	50	46
Police Sworn Officers	41	41	41	42	44	45	45	45	43	43
Reserve Officers	0	0	0	0	0	0	0	0	0	0
Civilians	13	13	13	12	15	14	14	14	14	14
Total Police	54	54	54	54	59	59	59	59	57	57
Fire Fighters Sworn	22	22	22	22	20	21	21	21	21	22
Fire Fighters Vol. FTE		0	0	0	0	1	1	1	1	1
Civilians	4	4	3	2	3	2	2	2	2	2
Total Fire	26	26	25	24	23	24	24	24	24	25
Building Inspections	4	4	4	3	3	3	3	3	3	4
Total Public Safety	84	84	83	81	85	86	86	86	84	86
Library	11	11	11	11	13	13	12	12	14	13
Recreation	11	11	11	11	13	13	15	15	18	23
Total Culture & Recreation	22	22	22	22	26	26	27	27	32	36
Public Services	16	16	16	16	4	4	5	4	6	6
Water Distribution	22	22	22	20	21	21	20	21	21	21
Wastewater	18	18	18	18	16	16	16	17	17	17
Total Water and Sewer	56	56	56	54	41	41	41	42	44	44
Public Works	18	18	16	15	19	19	20	20	20	20
Stormwater	4	4	4	4	4	4	4	4	4	4
Total Streets and Stormwater	22	22	20	19	23	23	24	24	24	24
Total Government Employees	222	223	218	212	219	220	222	225	234	236

City of Eustis
Various Indicators By Function/Program
Last Ten Years

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General										
Last Charter Amendment										
Number of Commissioners										
Form of Government										
Municipal Boundaries	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40
Number of Vehicles	10	10	10	10	10	10	11	11	11	11
Number of Buildings	2	2	2	2	2	2	2	2	2	2
Per Capita Taxable Value	43,275	39,830	39,500	39,007	39,527	38,091	39,091	41,897	46,660	51,902
Per Capita Taxes Levied	328	302	299	296	289	263	263	262	265	266
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Protection Per 1,000	507.98	506.54	487.46	463.21	436.68	422.11	410.73	412.40	423.49	425.00
Number of Sworn Officers	41	41	41	42	44	45	45	45	43	43
Fire										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Volunteers	-	-	-	-	-	6	6	10	8	6
Protection Per 1,000	947	944	908	811	835	844	840	884	867.14	830.68
Number of Firefighters	22	22	22	24	20	22	22	21	21	22
Number of Calls	4,321	4,260	4,059	3,921	4,011	3,708	3,792	3,756	3,775	3,469
Building										
Building Permits Issued	2262	1,733	1,766	1,452	1,554	1,047	933	931	1,005	991
New Commercial Construction	4	1	11	5	3	5	9	6	3	1
New Residential Construction	28	74	144	84	101	53	23	25	17	11
Valuation of Improvements	35,502,497	35,730,909	81,133,576	42,643,712	38,208,925	23,618,336	15,871,612	18,522,045	17,271,507	10,075,598
Number of Vehicles	3	3	3	3	3	2	2	2	2	2
Recreation										
Number of Parks	12	12	12	12	12	12	12	12	12	10
Acres Maintained	64	64	64	64	64	64	64	64	64	54
Number of Vehicles	7	7	7	7	7	7	7	7	7	7
Number of Buildings	13	13	13	16	16	12	12	10	6	5
Number of Citizens Served	21850	22,560	21,330	19,220	18,896	13,348	13,778	13,568	14,734	10,307
Library										
Number of Libraries	1	1	1	1	1	1	1	1	1	1
Volume in Collection	126,105	132,289	129,217	125,371	123,625	125,075	121,335	118,331	115,614	121,398
Number of Items Circulated	76,455	71,487	71,700	72,843	84,941	91,437	92,266	99,503	107,061	97,016
Collection Per Citizen	6.05	6.37	6.47	6.45	6.43	6.73	6.56	6	5.86	5.31
Number of Patrons	10,397	7,645	13,820	13,511	13,855	13,391	9,783	10,272	10,788	11,802
Collection Per Patrons	12.13	17.30	9.35	9.28	8.92	9.34	12.40	12	10.72	10.29
Public Works										
Miles of Streets	101.65	120.00	120.00	120.00	120.00	101.17	101.17	100.00	100.00	100.00
Number of Street Lights	1265	1,265	928	928	928	1,317	1,317	1,317	1,317	1,317
Number of Traffic Signals	17	17	17	17	17	13	13	13	13	13
Number of School Signals	12	12	12	12	12	12	12	12	12	12
Number of Vehicles	153	153	153	153	147	86	91	89	87	89
Number of Buildings	4	4	4	4	4	5	5	5	5	5
Water										
Number of Units Served	10,741	10,946	10,888	10,872	10,701	11,340	12,168	12,134	12,093	12,186
Average Daily Flow	2.91 Million Gal.	3.47 Million Gal.	3.37 Million Gal.	3.01 Million Gal.	3.21 Million Gal.	3.791 Million Gal.	3.157 Million Gal.	2.91 Million Gal.	3.00 Million Gal.	3.071 Million Gal.
Miles of Water Main	182	182	182	182	182	182	182	182	182	180.74
Number of Plants	6	6	6	6	6	6	6	6	6	6
Number of Vehicles	21	21	21	20	19	23	23	23	23	25
Number of Buildings	9	9	9	9	9	3	3	3	3	3
Wastewater										
Miles of Sanitary Sewers	120	120	120	120	120	120	120	120	119.53	119.47
Number of Vehicles	13	13	13	13	17	15	15	15	15	15
Number of Buildings	12	11	11	11	15	5	5	5	5	5
Number of Plants	2	2	2	2	2	2	2	2	2	2

City of Eustis
Sewer Sold by Type of Customer
And Associated Rates Last Ten Years
(In Millions of Gallons)

Type of Customer	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential										
Inside	458.12	386	394.66	378.77	344.59	341.64	309.75	361.40	370.73	351.17
Outside	52.41	53	57.54	59.73	57.68	63.14	56.83	74.28	72.79	69.34
Industrial										
Inside	-	-	-	-	-	-	-	-	11.28	-
Outside	-	-	-	-	-	-	-	-	-	-
Commercial										
Inside	74.45	76	71.3	66.47	63.68	67.32	64.88	80.50	71.10	80.22
Outside	1.28	2	1.65	2.66	2.15	5.16	0.91	4.62	3.06	6.30
Other										
Inside	17.17	15	14.98	15.06	15.69	24.63	14.14	18.66	25.42	12.34
Outside	1.97	2	1.78	2.21	2.94	6.35	1.84	2.21	1.83	0.00
Total	<u>605.40</u>	<u>533.76</u>	<u>541.91</u>	<u>524.90</u>	<u>486.73</u>	<u>508.24</u>	<u>448.35</u>	<u>541.68</u>	<u>556.21</u>	<u>519.35</u>
Sewer Rates (Per 1,000 Consumed)										
Effective Date	6/1/09	6/1/10	6/1/11	6/1/12	6/1/13	6/1/14	6/1/15	6/1/16	6/1/17	6/1/18
<u>Residential Inside</u>										
Availability Charge	23.43	23.43	23.43	23.43	23.43	23.43	23.43	25.23	25.66	26.10
Min. Inc. 1st 3,000										
Rate per 1,000										
Capped at 10,000 Gal	1.50	1.92	1.92	2.57	2.93	2.93	2.93	3.16	3.21	3.26
<u>Residential Outside</u>										
Availability Charge	29.28	29.28	29.28	29.29	29.29	29.29	29.29	31.55	32.08	32.63
Min. Inc. 1st 3,000										
Rate per 1,000										
Capped at 10,000 Gal	1.88	2.40	2.40	3.21	3.66	3.66	3.66	3.94	4.01	4.08
<u>Commercial Inside</u>										
Availability Charge	32.80	32.80	32.80	32.80	32.80	32.8	32.8	35.33	35.93	36.54
Min. Inc. 1st 6,000										
Rate per 1,000										
No Cap on Usage	2.64	3.38	3.38	3.47	3.52	3.52	3.52	3.79	3.86	3.92
<u>Commercial Outside</u>										
Availability Charge	41.00	41.00	41.00	41.00	41.00	41	41	44.16	44.91	45.67
Min. Inc. 1st 6,000										
Rate per 1,000										
No Cap on Usage	3.29	4.21	4.21	4.34	4.40	4.4	4.4	4.74	4.82	4.90
<u>Industrial Inside</u>										
Availability	56.23	56.23	56.23	56.23	56.23	56.23	56.23	60.56	61.59	62.64
Min. Inc. 1st 20,000										
Rate per 1,000										
No Cap on Usage	2.04	2.61	2.61	3.21	3.52	3.52	3.52	3.79	3.86	3.92
Over 500,000										

City of Eustis
Associated Rates Last Ten Years
(Continued)

Effective Date	Sewer Rates (Per 1,000 Consumed)									
	6/1/09	6/1/10	6/1/11	6/1/12	6/1/13	6/1/14	6/1/15	6/1/16	6/1/17	6/1/18
<u>Industrial Outside</u>										
Availability	70.29	70.29	70.29	70.29	70.29	70.29	70.29	75.7	76.99	78.30
Min. Inc. 1st 20,000 Rate per 1,000 No Cap on Usage Over 500,000	2.55	3.26	3.26	4.01	4.40	4.4	4.4	4.74	4.82	4.90
<u>RV Parks Inside</u>										
Availability	7.81	7.81	7.81	7.81	7.81	7.81	7.81	8.41	8.55	8.70
Min. Inc. 1st 1,000 Rate per 1,000 Over Min.	1.50	1.92	1.92	2.57	2.93	2.93	2.93	3.16	3.21	3.26
<u>RV Parks Outside</u>										
Availability	9.76	9.76	9.76	9.76	9.76	9.76	9.76	10.51	10.69	10.87
Min. Inc. 1st 1,000 Rate per 1,000 Over Min.	1.88	2.40	2.40	3.21	3.66	3.66	3.66	3.94	4.01	4.08
Percentage Increase	0.00%	1.67%	1.67%	1.34%	1.34%	0.00%	0.00%	7.70%	1.70%	1.70%

City of Eustis
Water Sold by Type of Customer
And Associated Rates Last Ten Years
(In Millions of Gallons)

Type of Customer	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential										
Inside	697.15	637.18	666.42	631.37	587.57	574.45	533.81	635.57	654.78	587.57
Outside	193.25	175.55	192.98	187.39	175.31	180.88	158.76	220.22	215.50	201.89
Industrial										
Inside	1.30	3.30	2.28	1.84	3.78	3.57	6.94	1.85	1.58	2.19
Outside										
Commercial										
Inside	159.35	138.86	141.89	135.93	130.39	137.05	74.52	127.40	141.50	167.46
Outside	10.19	8.38	6.33	8.88	8.35	11.00	4.65	9.32	9.34	12.06
Other										
Inside	26.12	36.08	36.87	40.99	45.29	42.05	27.06	47.47	52.85	12.34
Outside	0.46	7.19	1.12	2.51	3.41	6.85	3.11	2.87	3.23	0.00
Total	<u>1,087.82</u>	<u>1,006.54</u>	<u>1,047.89</u>	<u>1,008.91</u>	<u>954.10</u>	<u>955.84</u>	<u>808.85</u>	<u>1,044.70</u>	<u>1,078.78</u>	<u>983.51</u>

Effective Date	Water Rates (Per 1,000 Consumed)									
	6/1/09	6/1/10	6/1/11	6/1/12	6/1/13	6/1/14	6/1/15	6/1/16	6/1/17	6/1/18
Residential Inside										
Availability Charge	8.21	8.53	8.87	9.22	9.58	9.96	9.96	10.73	10.91	11.09
Min. Inc. 1st 3,000										
4,000 to 20,000										
0 to 8,000	1.71	1.78	1.85	1.92	2.00	2.08	2.08	2.24	2.28	2.32
8,001 to 20,000	2.14	2.22	2.31	2.40	2.49	2.59	2.59	2.79	2.84	2.89
20,001 to 30,000	3.01	3.13	4.37	3.38	3.51	3.65	3.65	3.93	4.00	4.07
20,001, to 50,000										
Over 30,000	6.84	7.11	7.39	7.68	7.98	8.30	8.30	8.94	9.09	9.25
Over 50,000										
Irrigation										
0 to 12,000	2.14	2.22	2.31	2.40	2.49	2.59	2.59	2.79	2.84	2.89
0 to 30,000										
12,001 to 20,000	3.01	3.13	3.25	3.38	3.51	3.65	3.65	3.93	4.00	4.07
Over 20,000	6.84	7.11	7.39	7.68	7.98	8.30	8.30	8.94	9.09	9.25
30,001 to 100,000										
Over 100,000										
Residential Outside										
Availability Charge	10.26	10.67	11.09	11.53	11.98	12.45	12.45	13.41	13.64	13.87
Min. Inc. 1st 3,000										
4,000 to 20,000										
0 to 8,000	2.14	2.22	2.31	2.40	2.50	2.60	2.60	2.80	2.85	2.90
8,001 to 20,000	2.68	2.79	2.90	3.00	3.11	3.24	3.24	3.49	3.55	3.61
20,001 to 30,000	3.76	3.91	4.06	4.23	4.39	4.56	4.56	4.91	4.99	5.08
20,001, to 50,000										
Over 30,000	8.55	8.89	9.24	9.60	9.98	10.38	10.38	11.18	11.37	11.56
Over 50,000										
Irrigation										
0 to 12,000	2.68	2.79	2.90	3.00	3.11	3.24	3.24	3.49	3.55	3.61
0 to 30,000										
12,001 to 20,000	3.76	3.91	4.06	4.23	4.39	4.56	4.56	4.91	4.99	5.08
Over 20,000	8.55	8.89	9.24	9.60	9.98	10.38	10.38	11.18	11.37	11.56
30,001 to 100,000										
Over 100,000										

City of Eustis
Associated Rates Last Ten Years

(Continued)
Water Rates (Per 1,000 Consumed)

Effective Date	6/1/09	6/1/10	6/1/11	6/1/12	6/1/13	6/1/14	6/1/15	6/1/16	6/1/17	6/1/18
<u>Commercial Inside</u>										
Availability Charge	16.42	17.07	17.74	18.44	19.17	19.93	19.93	21.46	21.83	22.20
Min. Inc. 1st 6,000										
7,000 to 30,000										
0 to 30,000	1.71	1.78	1.85	1.92	2.00	2.08	2.08	2.24	2.28	2.32
Over 30,000	2.14	2.22	2.31	2.40	2.49	2.59	2.59	2.79	2.84	2.89
31,000 to 100,000										
Over 100,000										
<u>Irrigation</u>										
0 to 50,000		2.22	2.31	2.40	2.49	2.59	2.59			
50,001 to 100,000		3.13	3.25	3.38	3.51	3.65	3.65			
0 to 100,000	2.14	-	-	-	-			2.79	2.84	2.89
Over 100,000	3.86	4.01	4.17	4.33	4.50	4.68	4.68	5.04	5.13	5.21
<u>Commercial Outside</u>										
Availability Charge	20.53	21.34	22.18	23.05	23.96	24.91	24.91	26.83	27.28	27.75
Min. Inc. 1st 6,000										
7,000 to 30,000	2.14	2.22	2.31	2.40	2.50	2.60	2.60	2.80	2.85	2.90
Over 30,000	2.68	2.79	2.90	3.00	3.11	3.24	3.24	3.49	3.55	3.61
31,000 to 100,000										
Over 100,000										
<u>Irrigation</u>										
0 to 50,000		2.79	2.90	3.00	3.11	3.24	3.24			
50,001 to 100,000		3.91	4.06	4.23	4.39	4.56	4.56			
0 to 100,000	2.68	-	-	-	-			3.49	3.55	3.61
Over 100,000	4.83	5.02	5.22	5.41	5.63	5.85	5.85	6.30	6.41	6.52
<u>Industrial Inside</u>										
Availability	36.12	37.55	39.03	40.57	42.17	43.84	43.84	47.22	48.02	48.83
Min. Inc. 1st 20,000										
21,000 to 350,000										
0 to 350,000	1.71	1.78	1.85	1.92	2.00	2.08	2.08	2.24	2.28	2.32
Over 350,000	2.14	2.22	2.31	2.40	2.49	2.59	2.59	2.79	2.84	2.89
351,000 to 500,000										
Over 500,000										
<u>Industrial Outside</u>										
Availability	45.15	46.93	48.78	50.71	52.71	54.80	54.80	59.02	60.02	61.04
Min. Inc. 1st 20,000										
21,000 to 350,000										
0 to 350,000	2.14	2.22	2.31	2.40	2.50	2.60	2.60	2.80	2.85	2.90
Over 350,000	2.68	2.79	2.90	3.00	3.11	3.24	3.24	3.49	3.55	3.61
351,000 to 500,000										
Over 500,000										
<u>RV Parks Inside</u>										
Availability	2.73	2.84	2.95	3.07	3.19	3.32	3.32	3.58	3.64	3.70
Min. Inc. 1st 1,000										
Per 1,000 Gallons	1.71	1.78	1.85	1.92	2.00	2.08	2.08	2.24	2.28	2.32
<u>RV Parks Outside</u>										
Availability	3.41	3.54	3.68	3.84	3.99	4.15	4.15	4.47	4.55	4.62
Per 1,000 Gallons	2.14	2.22	2.31	2.40	2.50	2.60	2.60	2.80	2.85	2.90
Percentage Increase	0.00%	6.81%	6.81%	3.95%	3.95%	3.95%	0.00%	7.70%	1.70%	1.70%

Table 16

Golden Triangle Ad Valorem Tax Profile Last Ten Years September 30

Years	Population Estimates	Municipal Assessed and Taxable Values				Municipal Government Levies			Estimates of Unrealized Tax Revenues		
		Assessed Value	Per Capita Assessed Value	Taxable Value	Per Capita Taxable Value	Operating Millage	Total Taxes Levied	Per Capita Total Taxes Levied	Total Taxes Levied @ 10 Mills	Total Unrealized Tax Revenues	Per Capita Unrealized Tax Revenues
Eustis											
2017	20,827	1,233,559,079	59,229	901,284,294	43,275	7.5810	6,832,636	328	9,012,843	2,180,207	105
2016	20,768	1,143,712,632	55,071	827,179,133	39,830	7.5810	6,270,845	302	8,271,791	2,000,946	96
2015	19,986	1,104,344,556	55,256	789,442,770	39,500	7.5810	5,984,766	299	7,894,428	1,909,662	96
2014	19,455	1,064,435,060	54,713	759,474,327	39,037	7.5810	5,757,575	296	7,594,743	1,837,168	94
2013	19,214	1,032,711,614	53,748	731,877,188	38,091	7.5810	5,548,361	289	7,318,772	1,770,411	92
2012	18,573	1,042,894,874	56,152	726,027,791	39,091	6.7158	4,875,857	263	7,260,278	2,384,421	129
2011	18,483	1,109,326,219	60,019	774,381,491	41,897	6.2432	4,834,619	262	7,743,815	2,909,196	157
2010	18,210	1,225,470,432	67.297	849,796,649	46.660	5.6849	4,831,009	265	8,497,966	3,666,957	201
2009	18,275	1,375,471,107	75,265	948,505,840	51,902	5.1266	4,870,248	266	9,499,958	4,629,710	253
2008	18,354	1,500,333,355	81,744	1,022,325,397	55,700	4.7083	4,800,512	262	10,195,850	5,395,338	294
Tavares											
2017	16,865	1,334,152,546	79,108	805,835,637	47,782	7.0000	5,640,849	334	8,058,356	2,417,507	143
2016	15,922	1,248,326,072	78,403	732,019,797	45,975	7.1000	5,197,341	326	7,320,198	2,122,857	133
2015	15,430	1,183,767,406	76,719	674,603,678	43,720	6.6166	4,463,583	289	6,746,037	2,282,454	148
2014	14,930	1,133,286,067	75,907	635,693,342	42,578	6.7283	4,277,136	286	6,356,933	2,079,798	139
2013	14,411	1,062,464,247	73,726	602,559,312	41,812	6.4531	3,888,375	270	6,025,593	2,137,218	148
2012	14,056	1,055,879,616	75,119	592,010,315	42,118	6.4462	4,309,780	307	5,920,103	1,610,323	115
2011	14,015	1,101,381,095	78,586	625,512,364	44,632	6.8900	4,309,780	308	6,255,124	1,945,344	139
2010	13,333	1,172,251,270	87.921	676,263,560	50,721	6.9500	4,700,032	353	6,762,636	2,062,604	155
2009	13,329	1,324,432,399	99,365	810,116,659	60,779	6.2500	5,063,229	380	8,101,167	3,037,938	228
2008	13,344	1,410,921,652	105,735	869,300,751	65,145	6.2500	5,433,130	407	8,693,008	3,259,878	244
Mount Dora											
2017	13,916	1,271,644,334	91,380	1,007,521,506	72,400	6.3000	6,347,385	456	10,075,215	3,727,830	268
2016	13,818	1,196,064,987	86,558	940,285,927	68,048	5.9970	5,638,895	408	9,402,859	3,763,965	272
2015	13,519	1,155,838,167	85,497	906,012,014	67,018	5.9970	5,433,354	402	9,060,120	3,626,766	268
2014	13,182	1,111,101,442	84,289	872,835,967	66,214	5.9970	5,234,397	397	8,728,360	3,493,962	265
2013	12,895	1,079,326,453	83,701	846,434,428	65,641	5.6667	4,796,490	372	8,464,344	3,667,854	284
2012	12,693	1,088,473,061	85,754	833,882,478	65,696	5.6667	4,725,362	373	8,694,051	4,008,740	316
2011	12,557	1,135,964,767	90,465	869,405,079	69,237	5.6667	4,685,311	373	8,694,051	4,008,740	319
2010	11,687	1,204,229,554	103.040	919,851,972	78,707	5.0190	4,616,737	395	9,198,520	4,581,783	392
2009	11,100	1,323,059,750	119,195	994,673,443	89,610	5.0190	4,992,299	450	9,946,734	4,954,435	446
2008	11,290	1,421,135,869	125,876	1,059,952,506	93,884	5.0190	5,319,902	471	10,599,525	5,279,623	468

Source: Lake County Property Appraiser, FL Department of Revenue, and www.census.gov

Table 17

City of Eustis
Comparison of Taxes Levied
Lake County Cities
Last 10 Years

Millage Rate Data													
	Ten Year Ranking	Ten Year Average	Current Year Ranking	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Astatula	6	6.2850	3	7.5000	7.5000	7.5000	7.5000	6.2500	6.2500	6.5000	4.8500	4.5000	4.5000
Clermont	12	3.5786	11	4.2061	4.2061	4.2061	3.7290	3.7290	3.1420	3.1420	3.1420	3.1420	3.1420
Eustis	5	6.6384	4	7.5810	7.5810	7.5810	7.5810	7.5810	6.7158	6.2432	5.6849	5.1266	4.7083
Fruitland Park	10	4.4237	12	3.9863	3.9863	4.7371	4.7371	4.7371	4.6442	4.3284	4.3600	4.3600	4.3600
Groveland	9	5.4631	9	5.2000	5.6000	5.9900	5.9900	5.4700	5.6000	5.6000	5.1800	5.1800	4.8205
Howey-in-the-Hills	2	8.3718	1	9.2750	9.2750	9.5177	9.5177	9.6147	8.6965	8.0000	7.0000	6.8317	5.9900
Lady Lake	13	3.3584	13	3.3962	3.3962	3.5510	3.7500	3.2808	3.2808	3.2808	3.2808	3.2808	3.0870
Leesburg	11	4.3029	10	4.2678	4.2678	4.2678	4.3179	4.3179	4.3179	4.3179	4.3179	4.3179	4.3179
Mascotte	1	8.3998	2	7.9316	8.3289	8.8138	9.3000	9.6147	9.6147	9.6147	7.9800	6.8009	5.9990
Minneola	7	5.8605	8	6.2795	6.1483	6.2069	6.2500	6.3676	6.3000	6.5716	5.4826	4.4990	4.4990
Montverde	14	2.8300	14	2.8300	2.8300	2.8300	2.8300	2.8300	2.8300	2.8300	2.8300	2.8300	2.8300
Mount Dora	8	5.6071	7	6.3000	5.9970	5.9970	5.9970	5.6667	5.6667	5.3891	5.0190	5.0190	5.0190
Tavares	4	6.7949	5	7.4680	7.4680	6.6166	7.1569	6.4531	6.4462	6.8900	6.9500	6.2500	6.2500
Umatilla	3	7.2831	6	7.1089	7.1089	7.2980	7.2980	8.2480	8.2480	7.6419	6.8795	6.5000	6.5000

Taxable Value Data													
	Ten Year Ranking	Ten Year Average	Current Year Ranking	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Astatula	14	57,353,361	14	51,415,067	48,876,443	46,622,054	45,898,968	44,304,713	46,634,419	48,887,670	55,200,614	62,104,008	68,389,036
Clermont	1	2,267,408,696	1	2,565,632,099	2,318,051,719	2,137,342,296	1,913,143,811	1,779,778,790	1,727,135,063	1,783,353,568	1,909,837,041	2,204,240,070	2,425,735,458
Eustis	5	832,294,318	5	900,090,260	821,891,967	789,822,738	759,474,327	731,877,188	726,027,791	774,381,491	849,796,649	949,995,773	1,019,584,999
Fruitland Park	9	220,103,907	8	491,629,188	299,998,272	171,725,009	166,509,788	155,620,901	158,844,217	165,944,410	182,288,845	198,350,231	210,128,211
Groveland	7	512,322,291	7	704,257,059	597,605,092	524,853,574	440,521,478	383,166,725	370,543,703	411,431,778	474,115,780	560,708,458	656,019,264
Howey-in-the-Hills	13	79,514,350	13	79,042,587	76,445,701	73,407,900	69,360,137	66,993,515	69,355,277	73,537,602	86,986,584	93,606,449	106,407,748
Lady Lake	4	869,086,479	3	1,038,164,339	963,663,690	908,771,115	848,399,715	800,177,265	785,977,451	803,142,992	825,109,209	860,701,094	856,757,921
Leesburg	2	1,232,290,110	2	1,246,362,118	1,174,311,921	1,137,664,888	1,122,306,179	1,115,945,021	1,117,555,183	1,166,846,961	1,279,178,648	1,432,357,813	1,530,372,368
Mascotte	10	124,238,096	11	122,304,300	111,968,529	106,382,600	100,199,726	93,636,009	92,221,353	112,177,109	138,901,308	171,951,043	192,638,978
Minneola	8	398,785,892	9	485,781,705	417,830,424	380,294,307	347,170,303	314,526,998	308,787,481	331,707,253	389,733,172	464,141,044	547,886,236
Montverde	12	84,888,028	12	90,333,971	84,041,068	80,106,931	77,993,811	74,975,605	74,114,218	76,200,639	90,736,941	97,261,627	103,115,467
Mount Dora	3	925,028,769	4	1,006,953,873	940,285,927	906,012,014	872,835,967	846,434,428	833,882,478	869,405,079	919,851,972	994,673,443	1,059,952,506
Tavares	6	702,613,903	6	808,059,254	732,019,797	674,603,678	635,693,342	602,559,312	592,010,315	625,512,364	676,263,560	810,116,659	869,300,751
Umatilla	11	122,001,840	10	128,475,312	123,364,926	119,585,864	111,983,448	107,091,370	109,298,959	114,930,357	128,678,915	136,059,922	140,549,326

Total Taxes levied Data													
	Ten Year Ranking	Ten Year Average	Current Year Ranking	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Astatula	13	345,490	13	385,613	366,573	349,665	344,242	276,904	291,465	317,770	267,723	279,468	307,751
Clermont	1	7,514,722	1	10,791,305	9,749,957	8,989,875	7,134,113	6,636,795	5,426,658	5,603,297	6,000,112	6,925,722	7,621,661
Eustis	2	5,455,999	2	6,823,584	6,230,763	5,987,646	5,757,575	5,548,361	4,875,857	4,834,619	4,830,822	4,870,248	4,800,512
Fruitland Park	10	952,683	9	1,959,781	1,195,883	813,479	788,774	737,192	737,704	718,274	794,779	864,807	916,159
Groveland	7	2,778,854	6	3,662,137	3,346,589	3,143,873	2,638,724	2,095,922	2,075,045	2,304,018	2,455,419	2,904,470	3,162,341
Howey-in-the-Hills	12	652,233	12	733,120	709,034	698,674	660,149	644,123	603,148	588,301	608,906	639,491	637,382
Lady Lake	6	2,921,885	7	3,525,814	3,272,795	3,227,046	3,181,499	2,625,222	2,578,635	2,634,952	2,704,288	2,823,788	2,644,812
Leesburg	3	5,301,039	5	5,319,224	5,011,728	4,855,326	4,846,006	4,818,539	4,825,492	5,038,328	5,502,974	6,184,778	6,607,995
Mascotte	9	1,007,114	10	970,069	932,575	937,635	931,857	900,282	886,681	1,078,549	1,108,432	1,169,422	1,155,641
Minneola	8	2,296,753	8	3,050,466	2,568,947	2,360,449	2,169,814	2,002,782	1,945,361	2,179,847	2,136,751	2,088,171	2,464,940
Montverde	14	240,233	14	255,645	237,836	226,703	220,722	212,181	209,743	215,648	256,786	275,250	291,817
Mount Dora	4	5,178,150	3	6,343,809	5,638,895	5,433,354	5,234,397	4,796,490	4,725,362	4,685,311	4,611,716	4,992,266	5,319,902
Tavares	5	4,744,890	4	6,034,587	5,466,724	4,463,583	4,549,594	3,888,375	3,543,182	4,309,780	4,696,716	5,063,229	5,433,130
Umatilla	11	882,658	11	913,318	876,989	872,738	817,255	883,290	901,498	878,286	885,247	884,389	913,571

Source: www.dor.state.fl.us and Lake County Property Appraiser

**CITY OF EUSTIS, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR**

EMPLOYER	2014-15		2015-16		2016-17		2017-18	
	# EMPLOYEES	RANK	# EMPLOYEES	RANK	# EMPLOYEES	RANK	# EMPLOYEES	RANK
Publix	286	1	280	1	273	1	287	1
City of Eustis	223	2	225	2	223	2	222	2
Ruleme Center	193	3	193	3	191	3	178	3
Bayview Center	163	4	165	4	165	4	156	4
Lake Eustis Care Center	136	5	122	5	132	5	128	5
Eustis High School	122	6	126	6	125	6	128	6
Winn Dixie	120	7	120	7	120	7	86	10
Eustis Middle School	101	9	100	8	99	9	100	9
Eustis Heights Elementary	97	10	96	9	103	8	117	8
Eustis Elementary							63	12
Burke Industries (Mercer Products)	86	11	75	11	74	11	66	11
Florida Food Products	-	-	86	10	86	10	118	7
	<u>1,527</u>		<u>1,588</u>		<u>1,591</u>		<u>1,649</u>	

OTHER REPORTS

**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***

Honorable Mayor and City Commissioners City of Eustis
Eustis, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Eustis, Florida (the 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 March 22, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Mayor and City Commissioners City of Eustis
Eustis, Florida

**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
(Concluded)**

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*.

Purpose of this Report

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

Purvis, Gray and Company, LLP

March 22, 2019
Ocala, Florida

MANAGEMENT LETTER

Honorable Mayor and City Commissioners City of Eustis
Eustis, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Eustis, Florida (the City), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 22, 2019.

Auditors' Responsibility

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

Other 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountants' Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 22, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

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.

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Mayor and City Commissioners City of Eustis
Eustis, Florida

MANAGEMENT LETTER
(Concluded)

Financial Condition and Management (Concluded)

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.

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 note any such findings.

Purpose of this Letter

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis, Gray and Company, LLP

March 22, 2019
Ocala, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

Honorable Mayor and City Commissioners City of Eustis
Eustis, Florida

We have examined City of Eustis, Florida (the City) compliance with requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*.

Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, including examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specific requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

Purvis, Gray and Company, LLP

March 22, 2019
Ocala, Florida

Certified Public Accountants

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In Loving Memory of
Commissioner Carla Gnann-Thompson
1954 - 2019

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