

CITY OF SAN ANTONIO FLORIDA

General Purpose Financial Statements

For the Year Ended

September 30, 2018

Baggett, Reutimann & Associates, CPAs, PA

CITY OF SAN ANTONIO, FLORIDA

GENERAL PURPOSE FINANCIAL STATEMENTS

For the Year Ended

September 30, 2018

**CITY OF SAN ANTONIO, FLORIDA
GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

TABLE OF CONTENTS

INTRODUCTORY SECTION

TABLE OF CONTENTS	i - ii
-------------------	--------

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	A1 - A2
------------------------------	---------

MANAGEMENT'S DISCUSSION AND ANALYSIS	M1-M6
--------------------------------------	-------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	1-3
Statement of Net Position	
Statement of Activities	

Fund Financial Statements	
Governmental Fund Financial Statements	4-7
Balance Sheet	

Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities

Proprietary Fund Financial Statements	8-11
Statement of Net Position	

Statement of Revenue, Expenses, and Changes in Net Position
Statement of Cash Flows

NOTES TO THE FINANCIAL STATEMENTS	12-35
-----------------------------------	-------

CITY OF SAN ANTONIO, FLORIDA

TABLE OF CONTENTS (CONTINUED)

REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedule

General Fund	36
--------------	----

Schedule of Proportionate Share of Net Pension Liability – with Comparative Data for the Prior Year

Florida Retirement System	37
FRS Health Insurance Subsidy Program	38

Schedule of Contributions – with Comparative Data for the Prior Year

Florida Retirement System	39
FRS Health Insurance Subsidy Program	40

ADDITIONAL SUPPLEMENTAL INFORMATION

Detailed Budgetary Comparison Schedule

General Fund	41-44
--------------	-------

Detailed Statement of Revenues and Expenses – with Comparative Data for the Prior Year

Water Fund	45
------------	----

OTHER REPORTS AND MANAGEMENT LETTER

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46-47
---	-------

Management Letter	48-50
-------------------	-------

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes	51
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Independent Auditor's Report

May 18, 2019

To the Honorable City Commissioners
City of San Antonio, Florida

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Antonio, Florida, as of and for the year ended September 30, 2018, and 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.

Auditor's 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 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 of San Antonio, Florida, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages M1-M6 and 41-45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2019, on our consideration of the City of San Antonio, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of San Antonio, Florida's internal control over financial reporting and compliance.


BAGGETT, REUTIMANN & ASSOCIATES, CPAs, PA
Signed Electronically by Baggett, Reutimann & Associates, CPAs PA, CN: JR103 email: jrb@baggettcpa.com

Management's Discussion and Analysis

CITY OF SAN ANTONIO, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018

Our discussion and analysis of the City of San Antonio, Florida's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2018.

FINANCIAL HIGHLIGHTS

- The net position of the City at the close of its most recent fiscal year totaled \$2,567,733. This total consisted of Governmental Activities Net Position of \$1,656,462 and Business-Type Activity Net Position of \$911,271.
- At the close of the current fiscal year, the City reported an ending Fund balance for the general fund of \$844,249, an increase of \$150,429 from the prior year.
- The water utility reported an increase in Net Position for the year of \$31,292.
- At the end of the current fiscal year, the unassigned general fund balance was \$715,631 or 130.4% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's financial statements. This report also includes other supplementary information in addition to the financial statements themselves.

The Statement of Net Position (page 1) and the Statement of Activities (page 3) provide information about the activities of the City and present a longer-term view of the City's finances. The statements are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The Fund Financial Statements begin on page 4. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore, you will find the reconciliation on page 5 that converts this data to an economic resources measurement focus and the accrual basis of accounting for use in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

THE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

Government-wide financial statements are intended to allow the reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. For purposes of these statements, governmental type activities and business type activities are measured and reported using the economic resource measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the City's assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain financial 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.

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 can be found beginning on page 12.

Required Supplementary Information

Generally accepted accounting principles (GAAP) call for certain unaudited information to accompany the audited basic financial statements and accompanying footnotes. This information is called required supplementary information (RSI) and includes this MD&A and budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A substantial portion of the City's net position (\$1,412,159) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure). The City uses these capital assets to provide required municipal services to the citizens of the City. The balance of the City's assets consists of demand and other deposit accounts, utility accounts receivable and the amounts currently due from other governments.

City's Net Position
As of September 30, 2018

	Governmental Activity	Business-Type Activity	Total	Prior Year Total
Current and Other Assets	\$ 857,017	\$ 455,101	\$ 1,312,118	\$ 1,126,889
Capital Assets	915,711	692,526	1,608,237	1,710,476
Total Assets	1,772,728	1,147,627	2,920,355	2,837,365
Deferred Outflows	40,872	10,475	51,347	59,415
Total Assets and Deferred Outflows	1,813,600	1,158,102	2,971,702	2,896,780
Current Liabilities	12,768	21,250	34,018	64,695
Long-Term Liabilities	116,113	218,339	334,452	364,343
Total Liabilities	128,881	239,589	368,470	429,038
Deferred Inflows	28,257	7,242	35,499	20,638
Total Liabilities and Deferred Outflows	157,138	246,831	403,969	449,676
Net Assets:				
Invested in Capital Assets,				
Net of Related Debt	915,711	496,448	1,412,159	1,523,593
Restricted	126,595	83,814	210,409	254,594
Unrestricted	614,156	331,009	945,165	668,917
Total Net Position	\$ 1,656,462	\$ 911,271	2,567,733	2,447,104
Restricted Net Assets are composed of:				
Funds Restricted for Debt Service	\$ -	\$ 83,814	\$ 83,814	\$ 75,281
Statutory Restrictions	126,595	-	126,595	179,313
Total Restricted Net Assets	\$ 126,595	\$ 83,814	\$ 210,409	\$ 254,594

At the end of the current fiscal year the
City is able to report positive balances in
all categories of net assets.

City's Changes in Net Position
Fiscal Year Ended September 30, 2018

	Governmental Activity	Business-Type Activity	Total	Prior Year Total
Revenues				
Program Revenues				
Charges for Services	\$ 28,048	\$ 269,713	\$ 297,761	\$ 320,027
General Revenues				
Property Taxes	222,958	-	222,958	194,835
Franchise Fees	64,090	-	64,090	68,427
Utility Taxes	7,633	-	7,633	7,528
Sales, Gas & Other Taxes	370,336	-	370,336	318,323
Interest Income	4,294	2,531	6,825	6,943
Other	1,801	-	1,801	10,891
Total Revenues	<u>699,160</u>	<u>272,244</u>	<u>971,404</u>	<u>926,974</u>
Expenditures				
Program Activities				
General Government	340,145	-	340,145	346,083
Public Safety	97,808	-	97,808	106,298
Physical Environment	39,553	-	39,553	48,081
Transportation	132,380	-	132,380	128,081
Business-Type Activity				
Water Utility	-	240,952	240,952	225,456
Total Expenditures	<u>609,886</u>	<u>240,952</u>	<u>850,838</u>	<u>853,999</u>
Increase (Decrease) in				
Net Assets	89,274	31,292	120,566	72,975
Net Assets at				
Beginning of the year	<u>1,567,188</u>	<u>879,979</u>	<u>2,447,167</u>	<u>2,374,129</u>
Net Assets at				
End of the year	<u><u>\$ 1,656,462</u></u>	<u><u>\$ 911,271</u></u>	<u><u>\$ 2,567,733</u></u>	<u><u>\$ 2,447,104</u></u>

Property and other taxes continue as the primary source of revenue. A slight increase in property values along with an increase in millage rate generated additional taxes as compared to the prior year. Water utility revenue decreased slightly, mainly from decreased water usage by customers. Intergovernmental revenue increased mainly from increased sales taxes. Interest income decreased as a long-term investment was replaced with a smaller denomination Certificate of Deposit to cover city expenses. Expenditures decreased somewhat, primarily due to decreased general expenditures. Public safety expenses decreased approximately 5%.

HIGHLIGHTS

There were no budget amendments in the current fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of September 30, 2018 reflect an investment of \$1,608,237 net of accumulated depreciation.

The following table provides a summary of net capital assets.

	Governmental	Business-Type		Prior Year
	Activity	Activity	Total	Total
Land	\$ 86,660	\$ 34,918	\$ 121,578	\$ 121,578
Buildings and Improvements	229,498		229,498	229,498
Equipment	176,178	1,497,161	1,673,339	1,603,814
Infrastructure	2,277,125	23,967	2,301,092	2,301,092
Less Accumulated Depreciation				
Buildings and Improvements	(172,273)	-	(172,273)	(168,917)
Equipment	(185,943)	(839,553)	(1,025,496)	(977,928)
Infrastructure	(1,495,534)	(23,967)	(1,519,501)	(1,465,825)
Totals	<u>915,711</u>	<u>692,526</u>	<u>1,608,237</u>	<u>1,643,312</u>

Debt

Governmental Activities had no outstanding long-term debt at year end.

Business-type activities (Water Utility) have outstanding debt at September 30, 2018 of \$190,000. Annual repayments of approximately \$15,000 each year will amortize the debt through the year 2039. Water system revenues are pledged as collateral for this debt.

In addition, a purchase money debt was issued for water system additions and requires level payments of \$1,850 per year for sixteen annual payments plus a final payment in the seventeenth year of \$1,089. This debt is discounted on these financial statements at the rate of 4.19% to represent the time cost factor associated with payment of this debt. The unpaid principal balance, as discounted, as of September 30, 2018 is \$6,078.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's economic environment is stable and indicators point to continued stability.

The City relies mainly on revenues from Sales, Gas and Other taxes and Property taxes for its budget for the general fund. General fund revenues were higher than the prior year mainly from higher Property taxes, Sales, Gas and other taxes.

The City's Water Utility relies on water usage revenues for its budget. Water usage was lower when compared to the prior year, and expenditures somewhat higher, but revenues were still higher than expenditures for fiscal year 2018.

There was a referendum on the November 2018 ballot that would have significantly reduced the City's property tax revenue, if passed. However, the referendum failed after the budget was approved. When these factors were considered in preparing the City's budget for the 2019 fiscal year, the City raised the millage rate from 3.850 to 4.150 mills.

Request for Information

The City's financial statements are designed to present users (citizens, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional information, contact the City Clerk at P.O. Box 75, San Antonio, Florida 33576.

Basic Financial Statements

City of San Antonio, Florida
Statement of Net Position
September 30, 2018

	Governmental Activity	Business-Type Activity	Total
ASSETS			
Current Assets			
Cash	\$ 216,738	\$ 169,437	\$ 386,175
Bank Certificates of Deposit	590,826	201,125	791,951
Restricted Assets			-
Cash-Customer Deposits	-	11,203	11,203
Accounts Receivable	-	24,642	24,642
Due from Other Governments	23,513	-	23,513
Prepaid Expenses	2,023	-	2,023
Internal Amounts	23,917	(23,917)	-
	<u>857,017</u>	<u>382,490</u>	<u>1,239,507</u>
Total Current Assets			
Non-Current Assets			
Restricted Assets			
Cash on Deposit for			
Sinking Fund	-	44,541	44,541
Reserve Account	-	28,070	28,070
Land and Improvements	86,660	34,918	121,578
Buildings and Improvements	229,498	-	229,498
Equipment	176,178	1,521,128	1,697,306
Infrastructure	2,277,125	-	2,277,125
Accumulated Depreciation	(1,853,750)	(863,520)	(2,717,270)
	<u>915,711</u>	<u>765,137</u>	<u>1,680,848</u>
Total Non-Current Assets			
Deferred Outflows	40,872	10,475	51,347
	<u>40,872</u>	<u>10,475</u>	<u>51,347</u>
Total Assets and Deferred Outflows	<u>\$ 1,813,600</u>	<u>\$ 1,158,102</u>	<u>\$ 2,971,702</u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida
Statement of Net Position
September 30, 2018

	Governmental Activity	Business-Type Activity	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 9,930	\$ 172	\$ 10,102
Accrued Liabilities	2,838	3,280	6,118
Customer Deposits	-	11,203	11,203
Current Portion			
Revenue Bonds Payable	-	5,000	5,000
Other Debt Payable	-	1,595	1,595
	<u>12,768</u>	<u>21,250</u>	<u>34,018</u>
Total Current Liabilities			
Non-Current Liabilities			
Net Pension Liability	112,594	28,856	141,450
Revenue Bonds Payable	-	185,000	185,000
Other Long-Term Debt Payable	-	4,483	4,483
Compensated Absences	3,519		3,519
	<u>116,113</u>	<u>218,339</u>	<u>334,452</u>
Total Non-Current Liabilities			
Total Liabilities	<u>128,881</u>	<u>239,589</u>	<u>368,470</u>
Deferred Inflows	<u>28,257</u>	<u>7,242</u>	<u>35,499</u>
Total Liabilities and Deferred Inflows	<u>157,138</u>	<u>246,831</u>	<u>403,969</u>
Net Position			
Investment in Capital Assets, Net of Related Debt	915,711	496,448	1,412,159
Restricted			
Transportation	-	-	-
Debt Service	-	83,814	83,814
Infrastructure	126,595	-	126,595
Impact Fee Usage	-	-	-
Non-Restricted	<u>614,156</u>	<u>331,009</u>	<u>945,165</u>
Total Net Position	<u>1,656,462</u>	<u>911,271</u>	<u>2,567,733</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 1,813,600</u>	<u>\$ 1,158,102</u>	<u>\$ 2,971,702</u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida
Statement of Activities
September 30, 2018

	Program Revenues				Net (Expense) Revenues and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Functions/Programs							
Governmental Activities							
General Government	\$ (340,145)	\$ 13,623	\$ -	\$ -	\$ (326,522)	\$ -	\$ (326,522)
Public Safety	(97,808)	4,625	-	-	(93,183)	-	(93,183)
Physical Environments	(39,553)	-	-	-	(39,553)	-	(39,553)
Transportation	(132,380)	9,800	-	-	(122,580)	-	(122,580)
Total Governmental Activities	(609,886)	28,048	-	-	(581,838)	-	(581,838)
Business-Type Activities							
Water	(240,952)	269,713	-	-	-	28,761	28,761
Total Business-Type Activities	(240,952)	269,713	-	-	-	28,761	28,761
Total	<u>\$ (850,838)</u>	<u>\$ 297,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (581,838)</u>	<u>\$ 28,761</u>	<u>\$ (553,077)</u>
General Revenues				Taxes			
				Ad Valorem	222,958	-	222,958
				Franchise Fees	64,090	-	64,090
				Communication Service	7,633	-	7,633
				Business Tax	1,705	-	1,705
				State Revenue Sharing	46,063	-	46,063
				Half-Cent Sales Tax	88,803	-	88,803
				Local Option Sales Tax	191,566	-	191,566
				Local Option Gas Tax	39,529	-	39,529
				Other Taxes	2,670	-	2,670
				Investment Income	4,294	2,531	6,825
				Miscellaneous	1,801	-	1,801
				Total General Revenues	671,112	2,531	673,643
				Change in Net Position	89,274	31,292	120,566
				Net Position at Beginning of Year	1,567,188	879,979	2,447,167
				Net Position at End of Year	<u>\$ 1,656,462</u>	<u>\$ 911,271</u>	<u>\$ 2,567,733</u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida
Balance Sheet
Governmental Fund – General Fund
September 30, 2018

Assets

Cash	\$ 216,738
Bank Certificates of Deposit	590,826
Due from Other Governments	23,513
Due from Other Fund	23,917
Prepaid Expenses	<u>2,023</u>

Total Assets \$ 857,017

Liabilities and Fund Balances

Liabilities

Accounts Payable	9,930
Accrued Liabilities	<u>2,838</u>

Total Liabilities 12,768

Fund Balances

Restricted for:

Transportation	-
Impact Fee Program	-
Infrastructure	126,595

Nonspendable

Prepaid Items	2,023
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Unassigned	<u>715,631</u>
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Total Fund Balance 844,249

Total Liabilities and Fund Balance \$ 857,017

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Fund
September 30, 2018

Fund Balances - Governmental Fund \$ 844,249

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

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

Governmental Capital Assets	2,769,461	
Less accumulated depreciation	<u>(1,853,750)</u>	915,711

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

Net Pension Liability and Related Deferred Inflows and Outflows	(99,979)	
Compensated Absences	<u>(3,519)</u>	<u>(103,498)</u>

Net Assets - Governmental Activities	<u><u>\$ 1,656,462</u></u>
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The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds – General Fund
September 30, 2018

	<u>2018</u>
Revenues	
Taxes	\$ 230,591
Licenses and Permits	68,920
Intergovernmental	368,631
Fines and Forfeits	215
Interest	4,294
Rentals	1,500
Impact Fees	-
Utility Management Fee	13,623
Miscellaneous	11,253
Contributions	<u>133</u>
Total Revenues	<u>699,160</u>
Expenditures	
Current Expenditures	
General Government	322,270
Public Safety	97,808
Transportation - Streets	78,706
Parks and Recreation	<u>39,553</u>
Total Current Expenditures	<u>538,337</u>
Capital Outlay	<u>10,394</u>
Total Expenditures	<u>548,731</u>
Excess of Revenues Over Expenditures	<u>150,429</u>
Net Change in Fund Balance	
Fund Balance October 1, 2017	<u>693,820</u>
Fund Balance September 30, 2018	<u><u>\$ 844,249</u></u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
September 30, 2018

Net change in fund balances - governmental funds	\$ 150,429
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Amounts reported for governmental activities in the statement of activities are different because:

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

Expenditures for Capital Assets	10,394	
Less Current year Depreciation	<u>(72,191)</u>	(61,797)

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

Change in compensated absences	1,708	
Net pension liability and related	(1,066)	<u>642</u>

Change in Net Assets of governmental activities	<u><u>\$ 89,274</u></u>
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City of San Antonio, Florida
Statement of Net Position
Proprietary Fund – Water Utility
September 30, 2018

<u>ASSETS</u>		<u>2018</u>	<u>LIABILITIES</u>		<u>2018</u>
Current Assets			Current Liabilities		
Cash	\$	169,437	Accrued Expenses	\$	3,280
Bank Certificates of Deposit		201,125	Due to Other Fund		23,917
			Accounts Payable		172
Receivables			Customer Deposits		11,203
Accounts Receivable		24,642	Revenue Bonds Payable, Current Portion		5,000
			Other Debt - Current Portion		1,595
Total Current Assets		395,204	Total Current Liabilities		45,167
Non-Current Assets			Non-Current Liabilities		
Restricted Assets			Net Pension Liability		28,856
Invested for Customer Deposit		11,203	Revenue Bond Payable - Long-Term Portion		185,000
Deposited for Debt Repayment		72,611	Other Debt - Long-Term Portion		4,483
Total Restricted Assets		83,814	Total Non-Current Liabilities		218,339
			Total Liabilities		263,506
Capital Assets			Deferred Inflows		7,242
Property and Equipment		1,556,046			
Less: Accumulated Depreciation		(863,520)	Total Liabilities and Deferred Inflows		270,748
Net Property and Equipment		692,526	Net Position		
			Invested in Capital Assets Net of Related Debt		496,448
Total Non-Current Assets		776,340	Restricted - Debt Service		83,814
			Unrestricted		331,009
Deferred Outflows		10,475	Total Net Position		911,271
ASSETS AND DEFERRED OUTFLOWS	\$	1,182,019	TOTAL LIABILITIES AND NET POSITION	\$	1,182,019

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund – Water Utility
September 30, 2018

	<u>2018</u>
Operating Revenues	
Charges for Services	\$ 265,288
Operating Expenses	
Water Operations	197,850
Depreciation - Acquired Assets	<u>32,409</u>
Total Operating Expenses	<u>230,259</u>
Operating Income	35,029
Non - Operating Revenues	
Interest	2,531
Tap-in Fees	4,180
Backflow Device Installations	<u>245</u>
Total Non-Operating Revenues	<u>6,956</u>
Other Non-Operating Expenses	
Interest	<u>10,693</u>
Total Other Non-Operating Expenses	<u>10,693</u>
Net Income	31,292
Net Assets October 1, 2017	<u>879,979</u>
Net Assets September 30, 2018	<u><u>\$ 911,271</u></u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida
Statement of Cash Flows – Water Utility
For the Year Ended September 30, 2018

	<u>2018</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 278,649
Cash Paid to General Fund for Services Provided	(25,683)
Cash Paid for Employees and Related Cost	(89,789)
Cash Paid to Suppliers	<u>(106,123)</u>
Net Cash Provided by Operating Activities	<u>57,054</u>
 Cash Flows from Capital and Related Financing Activities:	
Principal Payments on Debt	(6,531)
Interest Paid on Debt	(10,693)
Payments for Capital Acquisitions	<u>(59,131)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(76,355)</u>
 Cash Flows from Investing Activities:	
Purchase of Investments CD's	(2,126)
Investment Interest Received	2,531
Cash Transferred to Restricted Accounts	(8,533)
Rentals and Other Fees	<u>4,425</u>
Net Cash Provided (Used) by Investing Activities	(3,703)
 Net Increase (Decrease) in Cash	(23,004)
 Cash Unrestricted, October 1, 2016	<u>192,441</u>
Cash Unrestricted, September 30, 2017	<u><u>\$ 169,437</u></u>
 Other Activity	
Interest Paid During the Year	<u><u>\$ 10,693</u></u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida
Statement of Cash Flows
Proprietary Fund – Water Utility
For the Year Ended September 30, 2018

Reconciliation of Operating Income to Net Cash

Provided (Used) by Operating Activities

	<u>2018</u>
Operating Income (Loss)	\$ 35,029
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	32,409
Other Non-Cash Operating Expense	3,423
(Increase) Decrease in:	
Accounts Receivable	13,361
(Decrease) Increase in:	
Accounts Payable	-
Accrued Expenses	(1,485)
Due to Other Fund	<u>(25,683)</u>
Total Adjustments	<u>22,025</u>
Net Cash Provided by Operating Activities	<u><u>\$ 57,054</u></u>

Notes to the Financial Statements

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies

The City of San Antonio, Florida, was originally incorporated August 7, 1891, under the laws of Florida, Chapter 3957 (No. 111). Subsequent amendments to the charter have been made with the most recent being by April 10, 1990 ballot.

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

A. Reporting Entity:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. The most significant manifestation of this is financial benefit or burden. Other manifestations of financial accountability include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and dependency for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. The general purpose financial statements include all the government's operations such as police and fire protection, parks and recreation, health and welfare, water systems and general administration. Based upon the application of the previously outlined criteria, there are no districts, agencies or other entities which qualified for inclusion in these financial statements.

B. Governmental Accounting Standards Board Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments:

The City implemented the provisions of Statement Number 34 for the fiscal year ending September 30, 2006, which established new financial reporting requirements for state and local governments. The Statement established specific standards for the basic financial statements, management's discussion and analysis (MD&A), and certain required supplementary information. As part of this Statement, the basic financial statements must report infrastructure (roads, bridges, traffic signals, etc.) on the Statement of Net Position (see page 1).

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

B. Governmental Accounting Standards Board Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: (Continued)

All major general assets that were acquired or significantly reconstructed, or that received significant improvements, in fiscal years ending after June 30, 1980, are required to be retroactively reported and all newly acquired or improved infrastructure assets must be prospectively reported effective as of the date of implementation of this statement.

The basic financial statements include both government-wide and fund financial statements. The government-wide statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables and long-term liabilities. Governmental activities include the General Fund. Business-type activities include the water utility.

The government-wide Statement of Activities reports the gross and net cost for the various functional categories of the City that are otherwise supported by general government revenue. The expenses for each functional category are reduced by program revenues to ascertain the net costs for that function. Program revenues are defined as charges for services, operating grants and capital grants that specifically relate to a specific program function. Charges for services include revenues arising from charges to customers or applicants who purchase, use, or directly benefit from the goods, services or privileges provided. Operating grants and capital grants consist of revenues received from other governments, organizations, or individuals that are specifically attributable to a program and are restricted for either operating expenditures/expenses or capital expenditures/expenses associated with a specific program.

The fund financial statements are very similar to the financial statements presented in the previous model. The emphasis in the new model is on major funds in both the governmental activities and business-type activities. All funds maintained by the City are considered major funds in accordance with the new reporting model requirements.

C. Measurement Focus:

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

All proprietary fund and fiduciary fund statements are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Operating statements of these funds present increases (e.g., revenues) and decreases (e.g., expenses) in net position. The measurement focus of proprietary funds is determination of net income, financial position, and cash flows.

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting:

The City organizes its accounting system on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts. The various funds are grouped in the financial statements as follows:

Governmental Funds

General Fund

This fund is used to account for all financial resources, except those required by law or administrative action to be accounted for in another fund.

Proprietary Funds:

Proprietary funds apply all applicable pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 that are not in conflict with applicable GASB pronouncements.

Water Fund:

The Water Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing water service to the general public on a continuing basis, are financed through user charges.

The Water Fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing water services in connection with its ongoing operations. The principal operating revenues of the Water Fund are charges for water services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Basis of Accounting:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis of accounting.

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available (susceptible to accrual). Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year-end to pay liabilities of the current period. Revenues that are

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

E. Basis of Accounting (Continued):

susceptible to accrual include franchise fees, special assessments, interest revenue, state revenue sharing entitlements, and intergovernmental grants. Expenditures are recorded at the time the related fund liabilities are incurred. Debt service expenditures are recorded only when payment is due. The City has adopted a period of 60 days following year end for purposes of revenue recognition.

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

F. Budgets and Budgetary Accounting:

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- a. The Mayor submits to the City Council a proposed operating budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage.
- b. Public hearings are conducted to obtain taxpayer comments on the proposed budget and property tax millage rate.
- c. The budget and property tax millage are approved by the Council in September.
- d. Annual budgets are adopted for the General Fund.
- e. The Council must approve budget amendments that affect revenue accounts or appropriations. Expenditures may not exceed legal appropriations. Appropriations lapse at year-end. No formal budget adjustments were made during the year.
- f. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.
- g. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles.
- h. The government has not employed encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation as an extension of formal budgetary integration for the general fund.
- i. Budget procedures are utilized for planning and cost control purposes by the water utility. Its budget is not included as part of the resolution for the annual appropriations and legally adopted budget resolution. The current year's budget was not amended during the year.

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, and Fund Equity:

Cash and Investments

The City maintains separate demand deposit accounts for use by the individual funds in their operations. Cash includes these accounts only; Florida statutes authorize the government to invest in the Local Government Surplus Trust Fund, direct obligations of the U.S. Treasury and Agencies, and interest bearing time deposits held in Federal or State Chartered banks and savings and loan associations doing business in Florida, provided that such deposits are secured by collateral as may be prescribed.

All demand deposits and certificate of deposit investments are covered by collateral pledged with the State Treasurer by the applicable banks. This is done in compliance with Section 280, Florida Statutes, which provides that in the event of a default by any such bank or savings and loan association, all participating banks and savings and loan associations throughout the State would be obligated to reimburse the government for any loss.

Revenue from investments owned by the individual funds is recorded in the respective fund as it is earned.

Amounts equal to customer deposits in the Water Utility Fund are reported as restricted to their use related to that specific liability. In addition, specific accounts are restricted under terms of the bond covenant and are also shown as restricted amounts.

Property Taxes

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pasco County Property Appraiser and Pasco County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit Cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2018 was 3.850 mills.

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

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

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

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, and Fund Equity: (Continued)

Capital Assets:

Capital assets acquired or constructed in excess of \$750 are capitalized at historical cost. Donated assets are recorded at fair market value as of the date received. Additions, improvements, and other capital outlays that extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred. Depreciation is provided using the straight-line method. The estimated useful lives of the various classes of depreciable assets are as follows:

<u>ASSETS</u>	<u>YEARS</u>
Buildings and Improvements	50
Equipment	7 - 10
Infrastructure/Streets	20
Water System/Improvements	30 - 50

Compensated Absences:

Annual vacation accruals vary based on years of service. The maximum number of annual leave hours that an employee may accrue is 120 hours.

Medical leave accumulates at the rate of 1 day for each month worked with no maximum accumulation of hours. Payment for unused medical leave will be made at termination of employment for a maximum of one half of the hours accumulated. A provision for accumulated absences, related payroll taxes and retirement has been made in the financial statements as of September 30, 2018.

Net Position:

The government-wide financial statements utilize a net position presentation. Net position is presented in three components: invested capital assets (net of related debt), restricted and unrestricted.

- Invested Capital Assets (net of related debt) - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowing attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.
- Restricted - This component consists of net assets that have constraints placed on them either externally by third parties (creditors, grantors, and contributors) or by law through constitutional provisions of enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use of these funds.
- Unrestricted - This component consists of net assets that do not meet the definition of invested in capital assets, net of related debt and restricted. Designations of net assets made by the City's management are included in this component because these types of constraints are internal and management can remove or modify them.

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, and Fund Equity: (Continued)

Fund Balances:

In the fund financial statements, fund balance for governmental funds (general fund) is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Under GASB 54 requirements, fund balance is reported in five possible components – nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable - This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - This component includes amounts reported as restricted when constraints placed on the use of the resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This component includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Such amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned - This component is used to report the government's intent to use the amount for a specific purpose, but is neither restricted nor committed.

Unassigned - This component is the residual classification for the general fund. This amount represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, the unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

H. Use of Estimates:

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

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 2: Fair Value Disclosures

The City measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

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

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The City's significant financial instruments are cash, accounts receivable, accounts payable, short-term borrowings and other short-term assets and liabilities. For these financial instruments (Level 1), carrying values approximate fair value because of the short maturity of these instruments.

Note 3: Cash on Deposit and Bank Certificates of Deposit

The City maintains demand deposit and time deposit relationships with local area banks.

These deposits are covered by FDIC insurance or collateral pledged with the State Treasurer by the applicable banks. This is done in compliance with Section 280, Florida Statutes, which provides that in the event of a default by any such bank or savings and loan association, all participating banks and savings and loan associations throughout the State would be obligated to reimburse the government for any loss.

Florida statutes authorize the government to invest in the Local Government Surplus Trust Fund, obligations of the U. S. Treasury, direct interest-bearing time deposits held in Federal or State Chartered banks and savings and loan associations doing business in Florida, provided that such deposits are secured by collateral as may be prescribed, and Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 3: Cash on Deposit and Bank Certificates of Deposit (Continued)

A summary of Bank Certificates of Deposit as of September 30, 2018 follows:

<u>General Fund</u>	<u>Rate</u>	<u>Deposit Amount</u>
Certificate of Deposit	0.25%	\$107,407
Certificate of Deposit	1.50%	106,971
Certificate of Deposit	1.50%	53,472
Certificate of Deposit	0.15%	75,140
Certificate of Deposit	0.65%	130,104
Certificate of Deposit	0.65%	117,732
		<u>\$590,826</u>

<u>Water Fund</u>	<u>Rate</u>	<u>Deposit Amount</u>
Certificate of Deposit	1.50%	52,297
Certificate of Deposit	1.50%	52,877
Certificate of Deposit	1.50%	26,148
Certificate of Deposit	0.25%	69,803
		<u>\$201,125</u>

Note 4: Accounts Receivable - Water Utility

No allowance for uncollectible accounts has been provided in the balance sheet. The receivable balance includes amounts for billed service as of the year end.

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 5: Changes in Capital Assets

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

	Oct. 1, 2017 Beginning Balance	Increases	Decreases	Sept. 30, 2018 Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land & Improvements	\$ 86,660	\$ -	\$ -	\$ 86,660
Total assets not being depreciated	<u>86,660</u>	<u>-</u>	<u>-</u>	<u>86,660</u>
Other capital assets:				
Buildings & Improvements	229,498	-	-	229,498
Equipment	165,784	10,394	-	176,178
Infrastructure	<u>2,277,125</u>	<u>-</u>	<u>-</u>	<u>2,277,125</u>
Total other capital assets at historical cost	<u>2,672,407</u>	<u>10,394</u>	<u>-</u>	<u>2,682,801</u>
Less accumulated depreciation for:				
Buildings & Improvements	(168,917)	(3,356)	-	(172,273)
Equipment	(170,783)	(15,160)	-	(185,943)
Infrastructure	<u>(1,441,859)</u>	<u>(53,675)</u>	<u>-</u>	<u>(1,495,534)</u>
Total accumulated depreciation	<u>(1,781,559)</u>	<u>(72,191)</u>	<u>-</u>	<u>(1,853,750)</u>
Governmental activities Capital assets, net	<u>\$ 977,508</u>	<u>\$ (61,797)</u>	<u>\$ -</u>	<u>\$ 915,711</u>

Depreciation expense was charged to functions as follows:

Governmental activities

General Government	\$ 18,517
Public Works (Transportation)	<u>53,674</u>
Total	<u>\$ 72,191</u>

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 5: Changes in Capital Assets (continued)

	Oct. 1, 2017 Beginning Balance	Increases	Decreases	Sept. 30, 2018 Ending Balance
Business Type Activities:				
Non-Depreciable Assets:				
Land	\$ 34,918	\$ -	\$ -	\$ 34,918
Depreciable Assets:				
Water Systems & Improvements	1,438,030	59,131	-	1,497,161
Other	23,967	-	-	23,967
Total at historical cost	1,496,915	59,131	-	1,556,046
Less Accumulated Depreciation for:				
Water Systems & Improvements	(807,145)	(32,408)	-	(839,553)
Other	(23,966)	(1)	-	(23,967)
Total Accumulated Depreciation	(831,111)	(32,409)	-	(863,520)
Capital Assets - Net	\$ 665,804	\$ 26,722	\$ -	\$ 692,526

Note 6: Long-Term Debt

Governmental Activities

	Oct. 1, 2017 Beginning Balance	Additions	Reductions	Sept. 30, 2018 Ending Balance
Compensated Absences	\$ 5,227	\$ 7,542	\$ (9,250)	\$ 3,519

The City governmental activities had \$ 3,519 of vacation and sick leave time accumulated by employees as of September 30, 2018. The City will pay employees for a portion of their unused sick leave upon termination based upon a scale of 10% to 50%, depending upon years of continuous service.

The City does not provide, at the City's expense, health and life insurance coverage for former employees.

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 6: Long-Term Debt (continued)

Business-Type Activities

	Oct. 1, 2017			Sept. 30, 2018
	Beginning			Ending
	Balance	Additions	Reductions	Balance
Bonds Payable, Series 2000,				
Water Utility Revenue	<u>\$ 195,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 190,000</u>

In connection with major construction of improvements to the water utility system, the City has issued \$250,000 in series 2000 water system revenue bonds.

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 6: Long-Term Debt (continued)

The net revenues of the system are pledged as collateral for the debt. The US Department of Agriculture has purchased the debt which bears interest at 5.125%. The bonds are scheduled to mature as shown by the following schedule.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019	\$ 5,000	\$ 9,738	\$ 14,738
2020	6,000	9,481	15,481
2021	6,000	9,174	15,174
2022	6,000	8,866	14,866
2023	7,000	8,559	15,559
2024	7,000	8,200	15,200
2025	7,000	7,841	14,841
2026	8,000	7,483	15,483
2027	8,000	7,073	15,073
2028	8,000	6,663	14,663
2029	9,000	6,253	15,253
2030	9,000	5,791	14,791
2031	10,000	5,330	15,330
2032	10,000	4,818	14,818
2033	11,000	4,305	15,305
2034	11,000	3,741	14,741
2035	12,000	3,178	15,178
2036	12,000	2,563	14,563
2037	13,000	1,948	14,948
2038	14,000	1,281	15,281
2039	11,000	564	11,564
Totals	<u>\$ 190,000</u>	<u>\$ 122,850</u>	<u>\$ 312,850</u>

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 6: Long-Term Debt (continued)

In connection with the acquisition of a water treatment facility from the Pasco County Schools, a purchase money note was issued requiring annual payments by the City in the amount of \$1,850 starting November 1, 2006 through the final annual payment due November 1, 2022. Interest has been imputed on the payment amounts at the rate of 4.19%, and is scheduled to maturity as shown in the following schedule:

Year (Fiscal 9/30)	Principal	Interest	Total Debt Service
2019	\$ 1,595	\$ 255	\$ 1,850
2020	1,662	188	1,850
2021	1,732	118	1,850
2022	1,089	0	1,089
	<u>\$ 6,078</u>	<u>\$ 561</u>	<u>\$ 6,639</u>

Total annual debt service requirement for the business-type activities for each of the next five years and in five-year groups through payout are:

Years	Principal	Interest	Total
2019	\$6,595	\$10,248	\$16,843
2020	6,662	9,925	16,587
2021	7,732	9,599	17,331
2022	7,089	9,174	16,263
2023	6,000	8,866	14,866
2024-2028	37,000	39,155	76,155
2029-2033	46,000	28,854	74,854
2034-2038	59,000	15,734	74,734
2039-2043	25,000	1,845	26,845
Total	<u>\$ 201,078</u>	<u>\$ 133,400</u>	<u>\$ 334,478</u>

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 7: Retirement Plans

Florida Retirement System:

General Information - All of the City's employees participate 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"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. 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 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 Website:
www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

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.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For 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 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 services, 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 credit 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 credit service.

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 7: Retirement Plans (continued)

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credit 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.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of pre-July 2011 service 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 - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, government employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2016 through June 30, 2017 and from July 1, 2017 through September 30, 2017, respectively, were as follows: Regular - 7.52% and 7.92%; Special Risk Administrative Support - 28.06% and 34.63%; Special Risk - 22.57% and 23.27%; Senior Management Service - 21.77% and 22.71%; Elected Officers' - 36.70% and 39.64%; and DROP participants - 12.99% and 13.26%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2016 through September 30, 2017.

The City's contributions, including employee contributions, to the Pension Plan totaled \$9,326 for the fiscal year ended September 30, 2018.

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 7: Retirement Plans (continued)

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 \$116,660 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, 2018. 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 .00000327243 percent, which was an increase (decrease) of .00000067155 percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$9,156. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,350	\$ 303
Change of assumptions	32,207	-
Net difference between projected and actual earnings on Pension Plan investments	-	7,616
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	3,623	15,763
Total	<u>\$ 44,180</u>	<u>\$ 23,682</u>

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 7: Retirement Plans (continued)

The deferred outflows of resources related to the Pension Plan, totaling \$2,031 resulting from City's 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 Ending September 30,	Amount
2019	\$ (1,205)
2020	(2,543)
2021	(2,685)
2022	(2,702)
2023	(2,257)
Thereafter	(748)

Actuarial Assumptions - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all periods 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:

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 7: Retirement Plans (continued)

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	2.90%	2.90%	1.80%
Fixed Income	18.00%	4.40%	4.30%	4.00%
Global Equity	54.00%	7.60%	6.30%	17.00%
Real Estate	11.00%	6.60%	6.00%	11.30%
Private Equity	10.00%	10.70%	7.80%	26.50%
Strategic Investments	<u>6.00%</u>	6.00%	5.70%	8.60%
Total	<u><u>100.00%</u></u>			
Assumed Inflation - Mean			2.60%	1.90%

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

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 of the total pension liability is equal to the long-term expected rate of return.

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 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 higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
City's proportionate share of the net pension liability	\$ 179,889	\$ 98,567	\$ 31,024

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 7: Retirement Plans (continued)

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 - The City reported a payable in the amount of \$1,111 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.

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 of October 1, 2017 through September 30, 2018 was 1.66. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event 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 \$2,197 for the fiscal year ended September 30, 2018.

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 7: Retirement Plans (continued)

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 \$42,883 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 the actuarial valuation as of July 1, 2017. The City's proportionate share of 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 .00000405163 percent, which was an increase (decrease) of .00000028592 percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$2,326. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 657	\$ 73
Change of assumptions	4,769	4,534
Net difference between projected and actual earnings on HIS Plan investments	26	
Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions	1,715	7,210
Total	<u>\$ 7,167</u>	<u>\$ 11,817</u>

The deferred outflows of resources related to the HIS Plan, totaling \$7,167 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, 2018. 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:

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 7: Retirement Plans (continued)

Fiscal Year Ending September 30,	Amount
2019	\$ (864)
2020	(864)
2021	(1,146)
2022	(943)
2023	(1,054)
Thereafter	(622)

Actuarial Assumptions - The total pension liability in the July 1, 2018, actuarial valuation was determined using 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, 2018, 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 3.58%. 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:

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 7: Retirement Plans (continued)

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
City's proportionate share of the net pension liability	\$ 48,841	\$ 42,883	\$ 37,916

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.

Payables to the Pension Plan - The City reported a payable in the amount of \$225 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2018.

Note 8: Risk Management

The City is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has chosen to manage these risks through the purchase of commercial insurance and participation in the Public Risk Management (PRM) pool. The pool is a protected self insurance program which has both specific excess insurance for large losses and aggregate excess insurance or stop loss insurance in the event the loss fund is used up because of frequency of losses. There have been no significant reductions in insurance coverage from the prior year. No settlements have exceeded the City's insurance for the past three years.

City of San Antonio, Florida
Notes to the Financial Statements
September 30, 2018

Note 9: Other Commitments

Police Protection:

The City has contracted with the Pasco County Sheriff to provide police protection for the City. This contract provides for monthly payments to Pasco County of \$7,613 for the year ended September 30, 2018.

Fire Protection:

The City has contracted with the Pasco County Board of Commissioners whereby the City paid the same fire tax millage rate as unincorporated Pasco County for fire protection and emergency response services.

Note 10: Subsequent Events

The City's management has evaluated events and transactions for potential recognition or disclosure through May 18, 2019, the date the financial statements were available to be issued.

Required Supplemental Information

City of San Antonio, Florida
General Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2018

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 238,173	\$ 230,591	\$ (7,582)
Licenses and Permits	74,114	68,920	(5,194)
Intergovernmental	321,564	368,631	47,067
Fine and Forfeits	349	215	(134)
Interest	4,000	4,294	294
Rentals	1,500	1,500	-
Miscellaneous	29,000	25,009	(3,991)
Total Revenues	668,700	699,160	30,460
Expenditures			
Current Expenditures			
General Government			
Finance and Administration	296,414	269,620	26,794
Legal Counsel	25,000	37,328	(12,328)
Comprehensive Planning	18,500	15,322	3,178
Total General Government	339,914	322,270	17,644
Public Safety			
Police	166,359	92,371	73,988
Code Enforcement	10,000	5,970	4,030
Animal Control	8,796	(533)	9,329
Total Public Safety	185,155	97,808	87,347
Transportation - Streets	75,500	78,706	(3,206)
Recreation - Parks	27,000	39,553	(12,553)
Capital Outlay	208,794	10,394	198,400
Total Expenditures	836,363	548,731	287,632
Excess of (Revenues) over Exenditures	(167,663)	150,429	318,092
Other Financing Sources (uses)			
Contingency	(451,858)	-	451,858
Total Other Financing Sources (uses)	(451,858)	-	451,858
Fund Balance - October 1, 2017	619,521	693,820	74,299
Fund Balance - September 30, 2018	\$ -	\$ 844,249	\$ 844,249

City of San Antonio, Florida
Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System
For the Year Ended September 30, 2018
(With comparative data for the Years Ended September 30, 2017, 2016, and 2015)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.000327243%	0.000394398%	0.000434252%	0.000419043%
City's proportionate share of the net pension liability	\$ 98,567	\$116,660	\$109,649	\$54,125
City's covered-employee payroll	\$ 125,815	\$146,928	\$146,955	\$142,365
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	78.34%	79.40%	74.61%	38.02%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%

*The amounts presented for each fiscal year were determined as of 06/30.

City of San Antonio, Florida
Schedule of Proportionate Share of Net Pension Liability
FRS Health Insurance Subsidy Program
For the Year Ended September 30, 2018
(With comparative data for the Years Ended September 30, 2017, 2016, and 2015)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.000405163%	0.000433755%	0.000484746%	0.000467530%
City's proportionate share of the net pension liability	\$ 42,883	\$ 46,379	\$ 56,495	\$ 47,681
City's covered-employee payroll	\$ 125,815	\$146,928	\$146,955	\$142,365
City's proportionate share of the net pension liability as a percentage of covered-employee payroll	34.08%	31.57%	38.44%	33.49%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%

*The amounts presented for each fiscal year were determined as of 06/30.

City of San Antonio, Florida
Schedule of Contributions
Florida Retirement System
For the Year Ended September 30, 2018
(With comparative data for the Years Ended September 30, 2017, 2016, and 2015)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 9,326	\$ 10,267	\$ 12,893	\$ 10,217
Contributions in relation to the contractually required contribution	\$ (9,326)	\$ (10,267)	\$ (12,893)	\$ (10,217)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 125,815	146,928	146,955	142,365
Contributions as a percentage of covered-employee payroll	7.41%	6.99%	8.77%	7.18%

*The amounts presented for each fiscal year were determined as of 06/30.

City of San Antonio, Florida
Schedule of Contributions
FRS Health Insurance Subsidy Program
For the Year Ended September 30, 2018
(With comparative data for the Years Ended September 30, 2017, 2016, and 2015)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,197	\$ 2,296	\$ 2,485	\$ 1,787
Contributions in relation to the contractually required contribution	\$ 2,197	\$ (2,296)	\$ (2,485)	\$ (1,787)
Contribution deficiency (excess)		\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 125,815	146,928	146,955	142,365
Contributions as a percentage of covered-employee payroll	1.75%	1.56%	1.69%	1.26%

*The amounts presented for each fiscal year were determined as of 06/30.

Additional Supplementary Information
(Not Required)

City of San Antonio, Florida
General Fund
Budgetary Comparison Schedule – Resources (Inflows)
For the Year Ended September 30, 2018

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Taxes			
Property Taxes	\$ 231,244	\$ 222,958	\$ (8,286)
Local Communications Tax	6,929	7,633	704
Total Taxes	238,173	230,591	(7,582)
Licenses and Permits			
Franchise Fees - Electric & Gas	71,914	64,090	(7,824)
City Business Tax	1,200	1,705	505
Building Permits	1,000	3,125	2,125
Total General Government	74,114	68,920	(5,194)
Intergovernmental Revenue			
Half Cent Sales Tax	80,782	88,803	8,021
State Revenue Sharing	46,154	37,946	(8,208)
State Motor Fuel	-	8,117	8,117
Mobile Home License	1,230	1,199	(31)
Alcoholic Beverage License	200	392	192
Local Option Gas Tax	38,068	39,529	1,461
Local Option Sales Tax - Infrastructure	151,512	191,566	40,054
Shared Business Tax	824	1,079	255
CDBG Grant	2,794	-	(2,794)
Other Grants	-	-	-
Total Intergovernmental	321,564	368,631	47,067
Fines and Forfeits			
Court Fines	349	215	(134)
Total Fines and Forfeits	349	215	(134)
Miscellaneous Revenues			
Interest	4,000	4,294	294
Rentals	1,500	1,500	-
Utility Management Fee	-	13,623	13,623
Miscellaneous	29,000	1,453	(27,547)
Transportation Impact Fees	-	9,800	9,800
Contribution	-	133	133
Surplus Property Sale	-	-	-
Total Miscellaneous	34,500	30,803	(3,697)
Other Financing Sources			
From Fund Balance for General Requirements	619,521	-	(619,521)
Total Other Financing Sources	619,521	-	(619,521)
Total	\$ 1,288,221	\$ 699,160	\$ (589,061)

City of San Antonio, Florida
General Fund
Budgetary Comparison Schedule –Charges to Appropriations (Outflows)
For the Year Ended September 30, 2018

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
General Government Services			
Finance and Administration			
Personnel Services			
Salaries and Wages	\$ 135,287	\$ 109,245	\$ 26,042
Payroll Taxes	10,046	10,152	(106)
Employee Benefits	38,729	69,007	(30,278)
Operating Expenditures			
General Administrative	66,000	38,671	27,329
General and Workman's Comp. Ins.	17,180	15,950	1,230
Audit	14,672	14,849	(177)
Dues	-	1,004	(1,004)
Training and Seminars	2,500	2,304	196
Advertising	5,000	2,775	2,225
League of Cities Convention	2,500	525	1,975
Codification of Ordances	4,500	5,150	(650)
Elections	-	(12)	12
Total Finance and Administration	296,414	269,620	26,794
City Attorney			
Operating Expenditure			
Contract Legal Services	25,000	37,328	(12,328)
Special Legal Costs	-	-	-
Total City Attorney	25,000	37,328	(12,328)
Comprehensive Planning			
Operating Expenditures			
Comprehensive Plan	-	1,074	(1,074)
City Survey	-	4,800	(4,800)
Planning Consultant	5,000	3,724	1,276
Engineering Consultant	13,500	5,724	7,776
Total Intergovernmental	18,500	15,322	3,178
Total General Government	\$ 339,914	\$ 322,270	\$ 17,644

City of San Antonio, Florida
General Fund
Budgetary Comparison Schedule –Charges to Appropriations (Outflows)
For the Year Ended September 30, 2018

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Public Safety			
Police Department			
Operating Expenditures			
Contracted Police Services	\$ 91,359	\$ 92,371	\$ (1,012)
Code Enforcement	10,000	5,970	4,030
Contingency	75,000	-	75,000
Animal Control			
Operating Expenditures			
Contracted Animal Control	8,796	(533)	9,329
Fire Station Capital Expenditure	30,000	-	30,000
	<u>215,155</u>	<u>97,808</u>	<u>117,347</u>
Highways and Streets			
Personnel Services			
Salaries and Wages	-	16,148	(16,148)
Operating Expenditures			
Street Lights	15,500	15,498	2
Street Marking Signs	-	2,826	(2,826)
Vehicle Maintenance and Repair	10,000	8,450	1,550
Other Expenses	30,000	7,878	22,122
Street Repairs	20,000	27,906	(7,906)
Capital Outlay			
Street Improvements & Equipment	150,000	5,197	144,803
Total Highways and Streets	<u>\$ 225,500</u>	<u>\$ 83,903</u>	<u>\$ 141,597</u>

City of San Antonio, Florida
General Fund
Budgetary Comparison Schedule –Charges to Appropriations (Outflows)
For the Year Ended September 30, 2018

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Parks and Recreation			
Personnel Services			
Salaries and Wages	\$ -	\$ 10,393	\$ (10,393)
Operating Expenditures			
Maintenance	16,000	20,510	(4,510)
Lawn Service	11,000	8,650	2,350
Capital Outlay	28,794	5,197	23,597
Total Parks and Recreation	55,794	44,750	11,044
Other Uses			
Contingency Reserves	451,858	-	451,858
Total Other Uses	451,858	-	451,858
TOTAL GENERAL FUND	\$ 1,288,221	\$ 548,731	\$ 739,490

City of San Antonio, Florida
Water Fund
Schedule of Revenues and Expenses
For the Year Ended September 30, 2018
(With comparative data for the Year Ended September 30, 2017)

	2018	2017
Revenues		
Water Sales and Service Fees	\$ 260,503	\$ 278,422
Miscellaneous	4,785	-
Total Operating Revenues	<u>265,288</u>	<u>278,422</u>
Operating Expenses		
Personnel Services		
Salaries and Wages	72,476	54,325
Payroll Taxes	5,712	4,210
Employee Benefits	13,086	3,822
Other Expenses		
Light and Power	10,248	8,933
Insurance	15,950	14,706
Water Plant Maintenance	23,973	38,465
Management Fee	13,623	13,623
Office Supplies and Expenses	20	352
Computer Supplies and Postage	3,868	3,344
Water Plant Operating Expenses	28,528	27,511
Testing	1,238	5,395
Miscellaneous	3,790	508
Dues	290	290
Bad Debts	5,048	-
Depreciation	32,409	40,196
Total Operating Expenses	<u>230,259</u>	<u>215,680</u>
Operating Income (Loss)	<u>35,029</u>	<u>62,742</u>
Other Revenues		
Tap in Fees	4,180	8,498
Backflow Meter Installations	245	1,184
Interest	2,531	3,254
Total Other Revenues	<u>6,956</u>	<u>12,936</u>
Other Expenses		
Interest	10,693	9,776
Total Other Expenses	<u>10,693</u>	<u>9,776</u>
NET INCOME	<u><u>\$ 31,292</u></u>	<u><u>\$ 65,902</u></u>

OTHER REPORTS
AND
MANAGEMENT LETTER

**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***

May 18, 2019

Honorable City Commissioners
City of San Antonio
San Antonio, Florida

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of San Antonio, Florida (the City), as of and for the year ended September 30, 2018, which collectively comprise the City of San Antonio, Florida's basic financial statements and have issued our report thereon dated May 18, 2019. 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.

Internal Control Over Financial Reporting

Management of the City of San Antonio is responsible for establishing and maintaining effective control over financial reporting. In planning and performing our audit, we considered the City of San Antonio's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of San Antonio, Florida's financial statements are free of 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*.

We noted certain matters that we reported to management of the City in a separate letter dated May 18, 2019, entitled Management Letter.

This report is intended solely for the information and use of management, City Commission, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


BAGGETT, REUTIMANN & ASSOCIATES, CPAs, PA
Signed Electronically by Baggett, Reutimann & Associates, CPAs PA, CN: JR103 email: jrd@baggettspa.com

Baggett, Reutimann & Associates, CPAs, PA

MANAGEMENT LETTER

May 18, 2019

Honorable City Commissioners
City of San Antonio
San Antonio, Florida

Report on the Financial Statements

We have audited the financial statements of the City of San Antonio, Florida (the City), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 18, 2019.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Report on Internal Control over Compliance, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 18, 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 significant findings and recommendations made in the preceding annual financial audit report. Prior year recommendation to improve financial management (2015-1) in regard to periodic fixed asset inventory has not yet been remedied. Management is aware of this outstanding recommendation and is taking under consideration implementation of procedures to address the matter.

Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of

the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2018, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2018. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Prior year recommendation to improve financial management (2015-1) in regard to periodic fixed asset inventory has not yet been remedied. Management is aware of this outstanding recommendation and is taking under consideration implementation of procedures to address the matter. Outstanding finding and recommendation is as follows:

Prior Year Outstanding Finding and Recommendation

2015-1

- **Condition:** During the audit, we noted in discussion with management that periodic fixed asset inventory was not being performed.
- **Criteria:** Performance of fixed asset inventory facilitates effective internal control by providing information to management regarding the existence of previously purchased assets, and helps to facilitate monitoring, control, and budgeting of capital investment.
- **Cause of Condition:** No formal policy exists to regularly perform fixed asset inventory.
- **Effect of Condition:** The effects of not adequately monitoring the existence of fixed assets include impairment of management's ability to monitor for such concerns as theft, deterioration/failure, replacement budgeting, and may cause inaccuracy of financial records over time.
- **Recommendation:** We recommend management establish an inventory process that provides for inventory of at least 25% of fixed assets per year. Management should formalize the process and ensure proper training of staff on effective implementation.
- **Management's Response:** The city plans to implement an inventory process. They are in agreement that this will be a beneficial control.

City of San Antonio
Management Letter
May 18, 2019

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida 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 these specified parties.


BAGGETT, REUTIMANN & ASSOCIATES, CPAs, PA
Signed Electronically by Baggett, Reutimann & Associates, CPAs PA, CN: JR103 email: jrd@baggettcpa.com

Baggett, Reutimann & Associates, CPAs, PA

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

May 18, 2019

Honorable City Commissioners
City of San Antonio, Florida

We have examined the City of San Antonio, Florida's (the City) compliance with Section 218.415, Florida Statutes regarding the investment of public funds during the year ended September 30, 2017 required by 10.556, *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 attestation standards established by the American Institute of Certified Public Accountants (AICPA) and accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

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 Florida House of Representatives, the Florida Auditor General, the City, its management, and is not intended to be and should not be used by anyone other than these specified parties. However, this letter is a matter of public record and its distribution is not limited.


BAGGETT, REUTIMANN & ASSOCIATES, CPAs, PA
Signed Electronically by Baggett, Reutimann & Associates, CPAs PA, CN: JR103 email: jrb@baggettsps.com

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