

CITY OF BROOKSVILLE, FLORIDA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2019



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**AUDIT, TAX, AND
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**CITY OF BROOKSVILLE, FLORIDA
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YEAR ENDED SEPTEMBER 30, 2019**

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INTRODUCTORY SECTION

**CITY OF BROOKSVILLE, FLORIDA
GOVERNMENTAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2019**

CITY COUNCIL

MAYOR

JOE BERNARDINI

VICE MAYOR

PAT BRAYTON

COUNCIL MEMBER

ROBERT BATTISTA

COUNCIL MEMBER

BETTY ERHARD

COUNCIL MEMBER

WILLIAM KEMERER

CITY MANAGER

MARK KUTNEY

FINANCE DIRECTOR

AUTUMN SULLIVAN

CITY CLERK

JENNIFER BATTISTA

CITY ATTORNEY

VOSE LAW FIRM

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

City Council
City of Brooksville, Florida
Brooksville, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brooksville, Florida (City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, 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.

Emphasis of a Matter

As discussed in Note 19 to the financial statements, the City restated beginning balances to correct accounting errors that occurred in a prior year. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

City Council
City of Brooksville, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
August 13, 2020

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

The City of Brooksville's (City) management discussion and analysis is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the City's financial activities for the fiscal year ending September 30, 2019.

Financial Highlights

- The assets and deferred outflows of resources of the City of Brooksville exceeded its liabilities and deferred inflows of resources at September 30, 2019 by \$45,429,758 (net position), an increase of \$506,624.
- As of September 30, 2019, the City of Brooksville's governmental funds reported combining ending fund balances of \$8,075,013 which increased \$1,841,097 from the previous fiscal year.
- General Fund expenditures and transfers out came in under final budget by \$380,797. General Fund reported ending fund balance of \$3,096,866 which increased \$1,724,637 from the previous fiscal year.
- Utility Fund cash and cash equivalents increased from \$6,025,782 at the beginning of the fiscal year to \$6,641,397 at the end of the fiscal year.
- The cash and cash equivalents for the Sanitation Fund increased from \$1,279,591 at the beginning of the fiscal year to \$1,352,258 at the end of the fiscal year.

USING THIS ANNUAL REPORT

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

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Government-Wide Financial Statements

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

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

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

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

The government-wide financial statements include the City of Brooksville (the primary government) and the blended component unit, Brooksville Community Redevelopment Agency.

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

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial transactions of the City are recorded in individual funds and each fund has a self-balancing set of accounts. All of the funds of the City can be divided into three categories: governmental, proprietary, and fiduciary. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

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

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial focus is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements. The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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

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

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

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

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes can be found on pages 30-82 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning budgetary comparisons and the City's progress in its obligation to provide pension benefits to its employees. Combining and individual fund statements can be found on pages 102-130 of this report. The schedule of changes in net pension liability and related ratios, investment returns, and contributions of the pension trust funds can be found on pages 83-96 of this report.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position as of September 30, 2019 was \$45,940,562. Table 1 below reflects the condensed Statement of Net Position for the last two years.

Of the City's total net position the net investment in capital assets is 69% and represents capital assets such as land, buildings, and machinery and equipment, less the outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently these assets are not available for future spending. It is also important to recognize that other resources will be required to repay the outstanding debt on capital assets. Restricted net position is 20% of total net position and represents the amount of net position for which limitations have been placed by creditors, grantors, contributors, laws, and regulations. The remaining amount, unrestricted net position, is 11% of total net position represents the amount that is not restricted or invested in capital assets, net of related debt.

**City of Brooksville, Florida
Net Position**

Table 1	Governmental Activities		Business-Type Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 9,928,687	\$ 8,529,072	\$ 10,726,762	\$ 9,425,350	\$ 20,655,449	\$ 17,954,422
Capital Assets, Net of Deprec.	12,256,189	12,450,079	30,594,986	32,029,697	42,851,175	44,479,776
Total Assets	<u>22,184,876</u>	<u>20,979,151</u>	<u>41,321,748</u>	<u>41,455,047</u>	<u>63,506,624</u>	<u>62,434,198</u>
Deferred Outflows of Resources	917,901	1,360,799	276,679	385,731	1,194,580	1,746,530
Long-Term Liabilities	6,401,395	5,340,419	9,641,955	10,155,544	16,043,350	15,495,963
Other Liabilities	1,026,818	1,013,045	1,429,375	1,339,982	2,456,193	2,353,027
Total Liabilities	<u>7,428,213</u>	<u>6,353,464</u>	<u>11,071,330</u>	<u>11,495,526</u>	<u>18,499,543</u>	<u>17,848,990</u>
Deferred Inflows of Resources	618,161	801,480	153,742	130,889	771,903	932,369
Net Position:						
Net Investment in						
Capital Assets	9,953,059	9,776,588	21,374,473	22,182,097	31,327,532	31,958,685
Restricted	4,407,042	4,253,029	4,564,921	3,747,400	8,971,963	8,000,429
Unrestricted	696,302	1,155,389	4,433,961	4,284,866	5,130,263	5,440,255
Total Net Position	<u>\$ 15,056,403</u>	<u>\$ 15,185,006</u>	<u>\$ 30,373,355</u>	<u>\$ 30,214,363</u>	<u>\$ 45,429,758</u>	<u>\$ 45,399,369</u>

Table 2 below is the condensed change in net position for the fiscal year ended September 30, 2019. This schedule compares the revenues and expenses for the primary government for the current and previous fiscal years.

Table 2 shows us the cost of governmental expense activities this fiscal year was \$8,885,414, an increase of 11.3% over last year. The City's total governmental activities revenues decreased \$1,245,078 due to the decrease in miscellaneous revenue. Table 2 shows the cost of Business-type expense activities was \$5,650,074, an increase of 1.8% over last year. The Business-type accounts revenues increased \$538,440 primarily due to charges for services which increased \$450,074.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

On Table 2, the total primary government expenses were \$14,535,488. This was an increase over the previous year by \$1,001,456. Total primary government revenues were down by \$706,638. Taxes and state shared revenues brought in to the City totaled \$5,995,117.

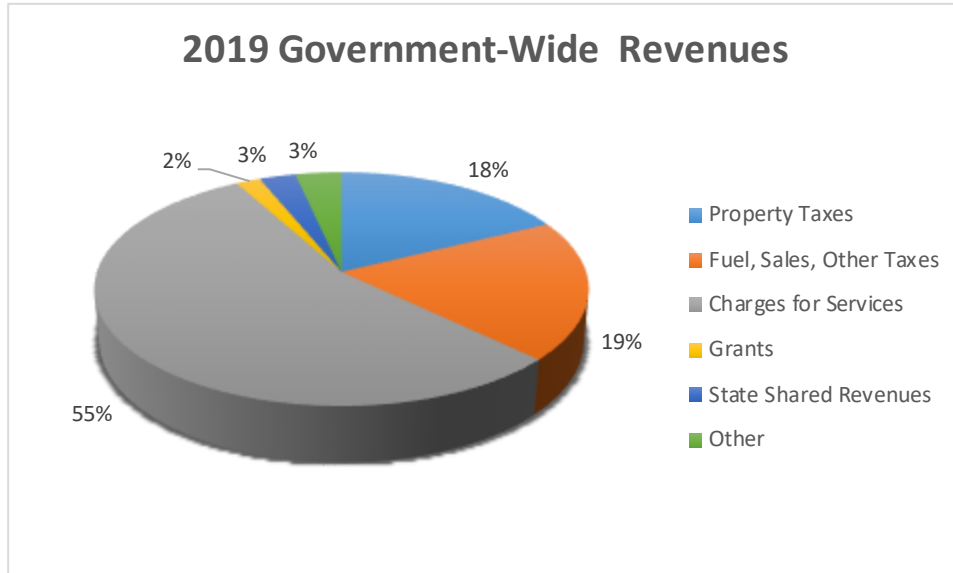
**City of Brooksville, Florida
Changes in Net Position**

Table 2	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Charges for Services	\$ 1,891,763	\$ 1,984,284	\$ 6,358,757	\$ 5,908,683	\$ 8,250,520	\$ 7,892,967
Operating Grants and Contributions	189,954	127,333	84,973	70,665	274,927	197,998
Capital Grants and Contributions	-	15,000	-	-	-	15,000
Property Taxes	2,658,003	2,832,106	-	-	2,658,003	2,832,106
Fuel Taxes	420,005	424,390	-	-	420,005	424,390
Sales Taxes	458,817	448,085	-	-	458,817	448,085
Other Taxes	2,045,272	1,956,023	-	-	2,045,272	1,956,023
State Shared Revenues	413,020	410,994	-	-	413,020	410,994
Investment Earning	171,931	53,090	190,829	80,875	362,760	133,965
Miscellaneous	68,248	1,371,413	71,671	25,462	139,919	1,396,875
Sale of Capital Assets	18,869	40,347	-	-	18,869	40,347
Interfund Transfers	759,056	676,951	(759,056)	(676,951)	-	-
Total Revenues and Transfers	9,094,938	10,340,016	5,947,174	5,408,734	15,042,112	15,748,750
Expenses:						
General Government	2,373,888	1,924,115	-	-	2,373,888	1,924,115
Public Safety	4,164,683	4,109,228	-	-	4,164,683	4,109,228
Physical Environment	268,614	252,025	-	-	268,614	252,025
Transportation	1,093,210	760,967	-	-	1,093,210	760,967
Culture and Recreation	883,691	830,411	-	-	883,691	830,411
Interest on Long-Term Debt	101,328	109,828	-	-	101,328	109,828
Utility Fund	-	-	4,281,993	4,243,409	4,281,993	4,243,409
Sanitation Fund	-	-	1,368,081	1,304,049	1,368,081	1,304,049
Total Expenses	8,885,414	7,986,574	5,650,074	5,547,458	14,535,488	13,534,032
Change in Net Position	209,524	2,353,442	297,100	(138,724)	506,624	2,214,718
Net Position - Beginning of Year, as Previously Reported	15,185,006	12,831,564	30,214,363	30,353,087	45,399,369	43,184,651
Restatement (See Note 19)	(338,127)	-	(138,108)	-	(476,235)	-
Net Position - Beginning of Year, as Restated	14,846,879	12,831,564	30,076,255	30,353,087	44,923,134	43,184,651
Net Position - End of Year	\$ 15,056,403	\$ 15,185,006	\$ 30,373,355	\$ 30,214,363	\$ 45,429,758	\$ 45,399,369

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The pie chart below shows the 2019 Government-wide revenues by major category.



Governmental Funds.

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

There are five major governmental funds: General Fund, Brooksville Community Redevelopment Agency, Fire Department Fund, Local Option Gas Tax Fund, and Road Impact Fees Fund. The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. At the end of the fiscal year, the fund balance of the General Fund was \$3,096,866, an increase of \$1,724,637 over the prior year.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

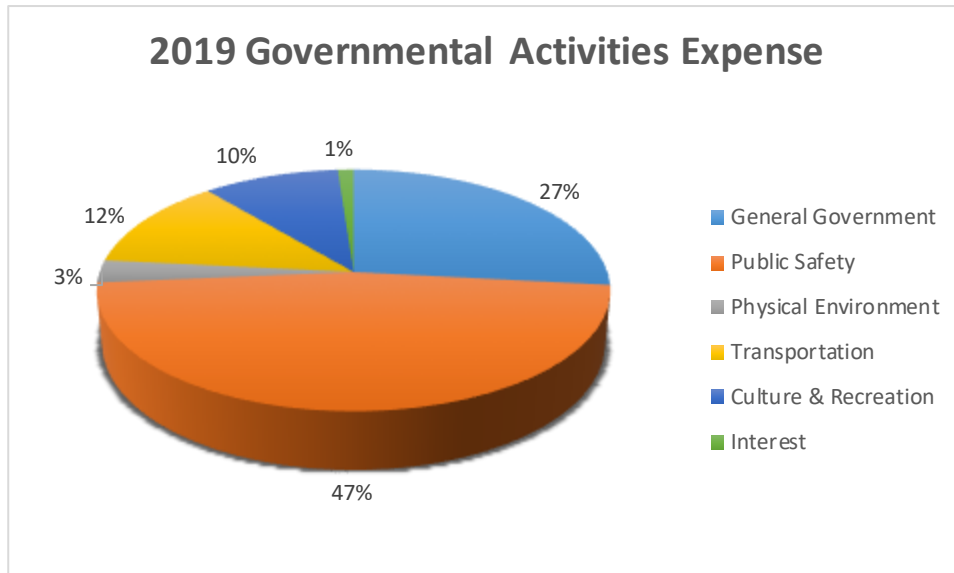
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Funds (Continued)

The Brooksville Community Redevelopment Agency (CRA) is considered a major fund based on Section 163.387(8) F.S. In meeting the statutory requirements, the CRA Fund must be treated as a major fund. The Brooksville CRA fund balance was \$320,673 at September 30, 2019.

Total fund balance of the governmental funds was approximately \$8.08 million as compared to \$6.23 million in the previous year, an increase of \$1.85 million.

The chart below indicates the percentage of dollars spent on governmental activities. General government includes City Manager's Office, Finance, Human Resources, Community Development, and Technology Services.



Proprietary Funds

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

The Utility Fund, which represents the City's water and sewer utility, experienced an increase in net position of \$7,915 leading to an ending net position of \$27,405,486. Of that amount, \$1,878,624 was unrestricted.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Proprietary Funds (Continued)

The Sanitation Fund experienced a decrease in net position of \$255,620 leading to an ending net position of \$1,360,251. Of that amount, \$947,719 was unrestricted.

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

The presentation below shows the reserves in the internal service funds for each fund with additional detail presented in General Fund departments:

VEHICLE REPLACEMENT RESERVES

General Fund:	
Administration and Finance	\$ 213,119
Police	133,995
Fire	292,643
Streets	91,906
Parks	166,036
Cemetery	38,478
Community Development	<u>57,642</u>
General Fund Total	993,819
Proprietary Funds:	
Utility Fund	416,769
Sanitation Fund	1,237,084
Internal Service Funds	<u>7,231</u>
Proprietary Funds Total	<u>1,661,084</u>
Total	<u><u>\$ 2,654,903</u></u>

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2019 amount to \$42,851,175 (net of accumulated depreciation). This investments in capital assets includes land, construction in progress, buildings, improvements other than buildings, and equipment.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,510,978	\$ 1,510,978	\$ 1,195,932	\$ 1,195,932	\$ 2,706,910	\$ 2,706,910
Construction in Progress	2,643,670	2,623,891	750,390	708,765	3,394,060	3,332,656
Buildings	6,385,097	6,168,449	472,671	472,671	6,857,768	6,641,120
Improvements other than Buildings	6,611,204	6,611,204	53,478,459	53,267,259	60,089,663	59,878,463
Equipment	4,903,819	4,683,849	3,975,800	3,900,938	8,879,619	8,584,787
Total Capital Assets	22,054,768	21,598,371	59,873,252	59,545,565	81,928,020	81,143,936
Less: Accumulated Depreciation	(9,798,579)	(9,148,292)	(29,278,266)	(27,515,868)	(39,076,845)	(36,664,160)
	<u>\$ 12,256,189</u>	<u>\$ 12,450,079</u>	<u>\$ 30,594,986</u>	<u>\$ 32,029,697</u>	<u>\$ 42,851,175</u>	<u>\$ 44,479,776</u>

Additional information on the City's capital assets can be found in Note 5 of the notes to the basic financial statements.

Long-Term Debt

The City's outstanding debit for its governmental and business-type activities as of September 30, 2019 amounted to \$8,895,860. Debt balances decreased due to regularly scheduled principal payments.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Bonds Payable	\$ 211,737	\$ 225,182	\$ 5,931,886	\$ 6,552,706	\$ 6,143,623	\$ 6,777,888
Notes Payable	2,091,393	2,374,668	660,844	710,513	2,752,237	3,085,181
Total	<u>\$ 2,303,130</u>	<u>\$ 2,599,850</u>	<u>\$ 6,592,730</u>	<u>\$ 7,263,219</u>	<u>\$ 8,895,860</u>	<u>\$ 9,863,069</u>

Additional information on the City's long-term debt can be found in Note 6 of the notes to the basic financial statements.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Performance Measured Against Expectations (Budget)

General Fund revenues were over budget by \$384,222. The major difference was balances being carried forward were budgeted for as a revenue source. General Fund expenditures were under budget by \$380,797 (excluding transfers out).

ECONOMIC FACTORS

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

The annual estimates for the population of Brooksville were identified as being 8,661 which was used in the fiscal year 2018-2019 State Revenue Sharing calculations. The City of Brooksville's Community Development Department estimates that the City will experience growth in population of 16.8% over the next 10 years. This estimate is based on the 2010 U.S. Census, and the growth rate applied by the Southwest Florida Water Management District to 2011 community data sheet projections and the growth in the last decade within the City.

The official data from the Hernando County Property Appraisers for 2020 shows that the City's taxable values will be \$484,859,624. In the 2019 Tax Year the current year gross taxable value is \$442,240,194. In the 2018 Tax Year the current year gross taxable values for operating purposes were \$432,282,271. This is an increase in taxable values of \$9,957,923 and a 2.25% increase in values in one year. In 2008, the final gross taxable values were \$568,431,915 (the highest in the City's history); this is a decline of \$126,191,721 from 2008 to 2019 and over a 22% loss in values in that period. At the 2019 millage rate of 6.2000 mills, the decline of \$126,191,721 represents a decrease in annual Ad Valorem revenues of approximately \$743,269 (at 95%) in the span from the high in 2008 to 2019. This has been a challenge for many Florida cities as their property values drop.

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

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

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

ECONOMIC FACTORS (CONTINUED)

In recent months, the coronavirus (COVID-19) outbreak in the United States has resulted in reduced customer traffic and the temporary closure of operating hours for our offices. There is uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the City as of the date of this report, management believes that a material impact on the City's financial position and results of future operations is reasonably possible.

2019 Millage Rate

The State of Florida under s. 200.185, F.S, required that the City adopt a tax levy permitted under the law. If the City adopted a tax levy that exceeds the maximum tax levy, s. 200.185, F.S. requires that the municipality will lose their half-cent sales tax distribution. By majority vote, the tax authority could levy a maximum millage equal to their rolled-back rate adjusted for the change in per capita Florida personal income (1.0339% for 2019). The City of Brooksville's maximum rate by majority vote was 13.6239 mills (exceeds the 10 mill cap). A two-thirds vote maximum millage allowed by law exceed was 15.4944 mills which exceeds the maximum millage allowed of 10 mills. The City of Brooksville complied with the requirements and did not lose their half-cent sales tax distribution. In 2019, the City adopted the millage rate of 6.2000. The current year rolled-back rate was 6.1738 which were lower than the adopted rate. The rolled-back rate is a tax rate the county property appraiser determines is necessary to give a governmental agency the same amount of property tax dollars it received during the previous budget year.

The 2019 millage rate of 6.2000 was 7.4239 mills lower than required by the State of Florida with a majority vote.

Economic Factors and Next Year's Budget and Rates

As of September 30, 2019 the known facts that will affect operations revenues and expenses are as follows:

- 1) Reuse water ordinance 875, the collection of reclaimed water revenues will have a positive effect on the operating budget of the City's utilities system started in FY 2018 budget.
- 2) Closing the Police Pension Trust Fund will have an impact on expenses in the FY 2020 Budget.

These are the two items that are known as of September 30, 2019 that will affect the City's future budgets.

Acknowledgements

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

Requests for Information

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

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	Primary Government		Total
	Governmental	Business-Type	
	Activities	Activities	
ASSETS			
Pooled Cash and Investments	\$ 10,357,466	\$ 2,868,670	\$ 13,226,136
Accounts Receivable, Net	314,308	1,030,929	1,345,237
Notes Receivable	67,500	-	67,500
Internal Balances	(1,535,935)	1,535,935	-
Due from Other Governments	347,622	-	347,622
Inventories	4,999	159,408	164,407
Prepaid Items	44,725	6,835	51,560
Restricted Assets:			
Cash and Investments	328,002	5,124,985	5,452,987
Capital Assets not being Depreciated	4,154,648	1,946,322	6,100,970
Capital Assets Net of Accumulated Depreciation	8,101,541	28,648,664	36,750,205
Total Assets	22,184,876	41,321,748	63,506,624
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	910,958	273,843	1,184,801
OPEB Related Items	6,943	2,836	9,779
Total Deferred Outflows of Resources	917,901	276,679	1,194,580
LIABILITIES			
Accounts Payable	320,574	142,704	463,278
Accrued Interest Payable	2,265	90,666	92,931
Accrued Wages Payable	39,181	14,540	53,721
Due to Other Governments	51,725	-	51,725
Deposits	114,954	469,398	584,352
Other Current Liabilities	134,307	821	135,128
Unearned Revenue	6,193	-	6,193
Noncurrent Liabilities:			
Due Within One Year:			
Accrued Compensated Absences	48,831	24,727	73,558
Notes Payable	295,214	50,819	346,033
Revenue Bonds Payable	13,574	635,700	649,274
Due in More Than One Year:			
Accrued Compensated Absences	97,612	27,030	124,642
Notes Payable	1,796,179	610,025	2,406,204
Revenue Bonds Payable	198,163	5,296,186	5,494,349
Net Pension Liability	3,953,968	952,169	4,906,137
Total OPEB Liability	355,473	145,193	500,666
Other Long-Term Liabilities	-	2,611,352	2,611,352
Total Liabilities	7,428,213	11,071,330	18,499,543
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	604,020	147,966	751,986
OPEB Related Items	14,141	5,776	19,917
Total Deferred Inflows of Resources	618,161	153,742	771,903
NET POSITION			
Net Investment in Capital Assets	9,953,059	21,374,473	31,327,532
Restricted:			
Transportation	607,951	-	607,951
Public Safety	386,678	-	386,678
Community Redevelopment	325,629	-	325,629
Infrastructure	2,758,680	-	2,758,680
Debt Service	80,130	-	80,130
Capital Projects	2,766	-	2,766
Utility Debt Service and Capital Improvements	-	4,564,921	4,564,921
Nonexpendable	245,208	-	245,208
Unrestricted	696,302	4,433,961	5,130,263
Total Net Position	\$ 15,056,403	\$ 30,373,355	\$ 45,429,758

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019**

Functional/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Primary Government:							
General Government	\$ 2,373,888	\$ 348,589	\$ -	\$ -	\$ (2,025,299)	\$ -	\$ (2,025,299)
Public Safety	4,164,683	1,226,370	13,504	-	(2,924,809)	-	(2,924,809)
Physical Environment	268,614	-	-	-	(268,614)	-	(268,614)
Transportation	1,093,210	206,668	156,450	-	(730,092)	-	(730,092)
Culture and Recreation	883,691	110,136	20,000	-	(753,555)	-	(753,555)
Debt Service Interest on							
Long-Term Debt	101,328	-	-	-	(101,328)	-	(101,328)
Total Governmental Activities	8,885,414	1,891,763	189,954	-	(6,803,697)	-	(6,803,697)
Business-Type Activities:							
Utility	4,281,993	4,785,168	-	-	-	503,175	503,175
Sanitation	1,368,081	1,573,589	84,973	-	-	290,481	290,481
Total Business-Type Activities	5,650,074	6,358,757	84,973	-	-	793,656	793,656
Total Primary Government	\$ 14,535,488	\$ 8,250,520	\$ 274,927	\$ -	(6,803,697)	793,656	(6,010,041)
General Revenues:							
Taxes:							
Property Taxes					2,658,003	-	2,658,003
Utility Taxes					1,290,462	-	1,290,462
Fuel Taxes					420,005	-	420,005
Franchise Taxes					740,651	-	740,651
Sales Taxes					458,817	-	458,817
Other Taxes					14,159	-	14,159
State Shared Revenue					413,020	-	413,020
Investment Earnings					171,931	190,829	362,760
Miscellaneous					68,248	71,671	139,919
Gain on Sale of Capital Assets					18,869	-	18,869
Transfers, Net					759,056	(759,056)	-
Total General Revenues and Transfers					7,013,221	(496,556)	6,516,665
Change in Net Position					209,524	297,100	506,624
Net Position - Beginning of Year, as Previously Reported					15,185,006	30,214,363	45,399,369
Restatement (See Note 19)					(338,127)	(138,108)	(476,235)
Net Position - Beginning of Year, as Restated					14,846,879	30,076,255	44,923,134
Net Position - End of Year					\$ 15,056,403	\$ 30,373,355	\$ 45,429,758

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Pooled Cash and Investments	\$ 2,911,875	\$ 334,648	\$ 111,910	\$ 164,877	\$ 2,537,173	\$ 1,596,704	\$ 7,657,187
Restricted Pool Cash and Investments	-	-	-	-	-	328,002	328,002
Accounts Receivable	310,324	-	-	-	-	3,984	314,308
Notes Receivable	67,500	-	-	-	-	-	67,500
Due from Other Funds	1,880	-	1,879	-	-	4,661	8,420
Advance to Other Funds	71,683	-	-	-	-	-	71,683
Due from Other Governments	139,956	-	10,405	167,447	-	29,814	347,622
Inventories	1,200	-	-	-	-	-	1,200
Prepaid Items	18,013	-	-	-	-	2,001	20,014
Total Assets	<u>\$ 3,522,431</u>	<u>\$ 334,648</u>	<u>\$ 124,194</u>	<u>\$ 332,324</u>	<u>\$ 2,537,173</u>	<u>\$ 1,965,166</u>	<u>\$ 8,815,936</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 103,530	\$ 13,975	\$ 105,512	\$ 25,088	\$ -	\$ 4,635	\$ 252,740
Accrued Wages Payable	15,645	-	15,193	7,273	-	-	38,111
Unearned Revenue	-	-	-	-	4,779	1,414	6,193
Due to Other Funds	4,661	-	-	-	-	3,759	8,420
Due to Other Governments	51,725	-	-	-	-	-	51,725
Deposits	114,954	-	-	-	-	-	114,954
Other Liabilities	2,638	-	3,489	1,254	128,987	-	136,368
Total Liabilities	<u>293,153</u>	<u>13,975</u>	<u>124,194</u>	<u>33,615</u>	<u>133,766</u>	<u>9,808</u>	<u>608,511</u>
Deferred Inflows of Resources:							
Unavailable Revenue: Intergovernmental	132,412	-	-	-	-	-	132,412
Fund Balances:							
Nonspendable	158,396	-	-	-	-	247,209	405,605
Restricted	-	320,673	-	298,709	2,403,407	1,137,044	4,159,833
Committed	-	-	-	-	-	4,824	4,824
Assigned	-	-	-	-	-	568,158	568,158
Unassigned	2,938,470	-	-	-	-	(1,877)	2,936,593
Total Fund Balances	<u>3,096,866</u>	<u>320,673</u>	<u>-</u>	<u>298,709</u>	<u>2,403,407</u>	<u>1,955,358</u>	<u>8,075,013</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,522,431</u>	<u>\$ 334,648</u>	<u>\$ 124,194</u>	<u>\$ 332,324</u>	<u>\$ 2,537,173</u>	<u>\$ 1,965,166</u>	<u>\$ 8,815,936</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Fund Balances - Total Governmental Funds		\$ 8,075,013
Amounts reported for governmental activities in statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Cost of Capital Assets	\$ 19,648,340	
Less: Accumulated Depreciation	<u>(8,526,974)</u>	11,121,366
The City's net pension liability and related deferred outflows and inflows of resources for governmental activities are recorded only on the statement of net position. Balances at year end are:		
Net Pension Liability	(3,953,968)	
Deferred Outflows of Resources - Pension Related	910,958	
Deferred Inflows of Resources - Pension Related	<u>(604,020)</u>	(3,647,030)
The City's total OPEB liability and related deferred outflows and inflows of resources for governmental activities are recorded only on the statement of net position. Balances at year end are:		
Total OPEB Liability	(355,473)	
Deferred Outflows of Resources - OPEB	6,943	
Deferred Inflows of Resources - OPEB	<u>(14,141)</u>	(362,671)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Balances at year end are:		
Accrued Compensated Absences	(141,665)	
Notes Payable	(2,091,393)	
Bond Payable	(211,737)	
Other Liability	<u>(1,795)</u>	(2,446,590)
Internal service funds are used by management to charge the costs of certain activities to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		
		2,183,903
Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.		
		<u>132,412</u>
Net Position of Governmental Activities		<u><u>\$ 15,056,403</u></u>

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 3,871,267	\$ 77,198	\$ 827,455	\$ 248,480	\$ -	\$ 171,525	\$ 5,195,925
Licenses and Permits	1,057,707	-	-	-	91,740	127,094	1,276,541
Intergovernmental Revenue	901,751	-	6,820	154,199	-	-	1,062,770
Charges for Services	327,366	-	9,028	-	-	-	336,394
Fines and Forfeitures	60,008	-	-	-	-	12,943	72,951
Net Investment Earnings	58,463	166	-	-	59,242	9,950	127,821
Miscellaneous Revenues	137,938	-	252	119,790	-	10,828	268,808
Total Revenues	<u>6,414,500</u>	<u>77,364</u>	<u>843,555</u>	<u>522,469</u>	<u>150,982</u>	<u>332,340</u>	<u>8,341,210</u>
EXPENDITURES							
Current:							
General Government	1,991,559	-	-	-	-	-	1,991,559
Culture and Recreation	693,524	-	-	-	-	25,283	718,807
Public Safety	983,880	-	1,782,172	-	-	4,000	2,770,052
Physical Environment	146,677	28,620	-	-	-	-	175,297
Transportation	147	-	-	829,122	-	115,642	944,911
Capital Outlay	-	111,485	113,008	22,255	-	-	246,748
Debt Service:							
Principal	-	-	50,345	11,914	-	234,461	296,720
Interest	-	-	6,926	3,910	-	90,492	101,328
Aids to Private Organizations	-	13,747	-	-	-	-	13,747
Total Expenditures	<u>3,815,787</u>	<u>153,852</u>	<u>1,952,451</u>	<u>867,201</u>	<u>-</u>	<u>469,878</u>	<u>7,259,169</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,598,713	(76,488)	(1,108,896)	(344,732)	150,982	(137,538)	1,082,041
OTHER FINANCING SOURCES (USES)							
Transfers In	505,857	-	994,176	339,916	-	965,823	2,805,772
Transfers Out	(1,379,933)	-	(8,322)	(1,683)	-	(656,778)	(2,046,716)
Total Other Financing Sources (Uses)	<u>(874,076)</u>	<u>-</u>	<u>985,854</u>	<u>338,233</u>	<u>-</u>	<u>309,045</u>	<u>759,056</u>
NET CHANGE IN FUND BALANCES	1,724,637	(76,488)	(123,042)	(6,499)	150,982	171,507	1,841,097
Fund Balances - Beginning of Year	1,372,229	397,161	123,042	305,208	2,252,425	1,783,851	6,233,916
FUND BALANCES - END OF YEAR	<u>\$ 3,096,866</u>	<u>\$ 320,673</u>	<u>\$ -</u>	<u>\$ 298,709</u>	<u>\$ 2,403,407</u>	<u>\$ 1,955,358</u>	<u>\$ 8,075,013</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019**

Net Changes in Fund Balances - Total Governmental Funds \$ 1,841,097

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

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

Capital Outlay	\$	246,748	
Less: Current Year Depreciation/Amortization Expense		(650,076)	
Less: Other Changes in Capital Assets		<u>(31,990)</u>	(435,318)

Repayment of principal is an expenditure in the governmental funds, however the repayment reduces long-term liabilities in the statement of net position.			296,720
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. The amounts below represent the change in these accounts.

Change in Compensated Absences		(10,612)	
Change in Net Pension Liability and Deferred Outflows/Inflows of Resources		(1,471,758)	
Change in Total OPEB Liability and Deferred Outflows/Inflows of Resources		(24,544)	
Other Long-Term Liabilities		<u>(1,795)</u>	(1,508,709)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service fund is reported with governmental activities.			67,803
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In the statement of activities, only the gain on the sale of assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Proceeds from the Sale of Assets			<u>(52,069)</u>
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Change in Net Position of Governmental Activities **\$ 209,524**

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019**

	Business-Type Activities		Total	Governmental
	Utility Fund	Sanitation Fund		Activities - Internal Service Fund
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 1,516,412	\$ 1,352,258	\$ 2,868,670	\$ 2,700,279
Accounts Receivable, Net	1,030,929	-	1,030,929	-
Inventories	159,408	-	159,408	3,799
Prepaid Items	6,835	-	6,835	24,711
Total Current Assets	<u>2,713,584</u>	<u>1,352,258</u>	<u>4,065,842</u>	<u>2,728,789</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	5,124,985	-	5,124,985	-
Capital Assets, Net:				
Land	1,148,912	47,020	1,195,932	-
Construction In Progress	750,390	-	750,390	-
Building	155,383	317,288	472,671	-
Improvement Other than Building	53,421,419	57,040	53,478,459	-
Machinery and Equipment	<u>2,304,856</u>	<u>1,670,944</u>	<u>3,975,800</u>	<u>2,406,427</u>
	57,780,960	2,092,292	59,873,252	2,406,427
Less: Accumulated Depreciation	<u>27,598,506</u>	<u>1,679,760</u>	<u>29,278,266</u>	<u>1,271,604</u>
Net Capital Assets	30,182,454	412,532	30,594,986	1,134,823
Total Noncurrent Assets	<u>35,307,439</u>	<u>412,532</u>	<u>35,719,971</u>	<u>1,134,823</u>
Total Assets	38,021,023	1,764,790	39,785,813	3,863,612
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	182,561	91,282	273,843	-
OPEB Related Items	<u>1,956</u>	<u>880</u>	<u>2,836</u>	<u>-</u>
Total Deferred Outflows of Resources	184,517	92,162	276,679	-

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2019**

	Business-Type Activities			Governmental
	Utility	Sanitation	Total	Activities -
	Fund	Fund		Internal Service Fund
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 86,883	\$ 55,821	\$ 142,704	\$ 67,834
Accrued Interest Payable	90,666	-	90,666	-
Accrued Wages Payable	9,905	4,635	14,540	1,070
Deposits	469,398	-	469,398	-
Accrued Compensated Absences - Current	14,974	9,753	24,727	129
Note Payable - Due within One Year	50,819	-	50,819	-
Bond Payable - Due within One Year	635,700	-	635,700	-
Other Current Liabilities	-	821	821	204
Total Current Liabilities	<u>1,358,345</u>	<u>71,030</u>	<u>1,429,375</u>	<u>69,237</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	14,924	12,106	27,030	4,649
Advance from Other Funds	71,683	-	71,683	-
Notes Payable	610,025	-	610,025	-
Bond Payable	5,296,186	-	5,296,186	-
Net Pension Liability	634,779	317,390	952,169	-
Total OPEB Liability	100,133	45,060	145,193	-
Other Long-Term Liabilities	2,611,352	-	2,611,352	-
Total Noncurrent Liabilities	<u>9,339,082</u>	<u>374,556</u>	<u>9,713,638</u>	<u>4,649</u>
Total Liabilities	10,697,427	445,586	11,143,013	73,886
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	98,644	49,322	147,966	-
OPEB Related Items	3,983	1,793	5,776	-
Total Deferred Inflows of Resources	<u>102,627</u>	<u>51,115</u>	<u>153,742</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	20,961,941	412,532	21,374,473	1,134,823
Restricted	4,564,921	-	4,564,921	-
Unrestricted	1,878,624	947,719	2,826,343	2,654,903
Total Net Position	<u>\$ 27,405,486</u>	<u>\$ 1,360,251</u>	28,765,737	<u>\$ 3,789,726</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			<u>1,607,618</u>	
Net Position of Business-Type Activities			<u>\$ 30,373,355</u>	

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities		Total	Governmental
	Utility Fund	Sanitation Fund		Activities - Internal Service Fund
OPERATING REVENUES				
Charges for Services	\$ 4,785,168	\$ 1,573,589	\$ 6,358,757	\$ 1,494,811
Miscellaneous Revenues	68,387	3,284	71,671	61,718
Total Operating Revenues	<u>4,853,555</u>	<u>1,576,873</u>	<u>6,430,428</u>	<u>1,556,529</u>
OPERATING EXPENSES				
Personal Services	1,038,379	518,128	1,556,507	813,685
Other Services and Charges	1,493,660	1,189,723	2,683,383	27,649
Depreciation and Amortization	1,634,460	127,938	1,762,398	149,328
Total Operating Expenses	<u>4,166,499</u>	<u>1,835,789</u>	<u>6,002,288</u>	<u>990,662</u>
OPERATING INCOME (LOSS)	687,056	(258,916)	428,140	565,867
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental Revenue	-	84,973	84,973	-
Net Investment Earnings	182,928	7,901	190,829	44,111
Interest Expense	(192,591)	-	(192,591)	-
Gain on Sale of Capital Assets	-	-	-	2,630
Total Nonoperating Revenues (Expenses)	<u>(9,663)</u>	<u>92,874</u>	<u>83,211</u>	<u>46,741</u>
INCOME (LOSS) BEFORE TRANSFERS	677,393	(166,042)	511,351	612,608
TRANSFERS				
Transfers In	1,293	647	1,940	-
Transfers Out	(670,771)	(90,225)	(760,996)	-
Total Transfers	<u>(669,478)</u>	<u>(89,578)</u>	<u>(759,056)</u>	<u>-</u>
CHANGE IN NET POSITION	7,915	(255,620)	(247,705)	612,608
Net Position - Beginning of Year, as Previously Reported	27,492,818	1,658,732		3,177,118
Restatement (See Note 19)	(95,247)	(42,861)		-
Net Position - Beginning of Year, as Restated	<u>27,397,571</u>	<u>1,615,871</u>		<u>3,177,118</u>
NET POSITION - END OF YEAR	<u>\$ 27,405,486</u>	<u>\$ 1,360,251</u>		<u>\$ 3,789,726</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds.			<u>544,805</u>	
CHANGE IN POSITION OF BUSINESS-TYPE ACTIVITIES			<u>\$ 297,100</u>	

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Business-Type Activities</u>		<u>Total</u>	Governmental
	<u>Utility Fund</u>	<u>Sanitation Fund</u>		Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 4,799,419	\$ 1,576,873	\$ 6,376,292	\$ 1,556,529
Payments to Employees	(1,011,621)	(413,434)	(1,425,055)	(805,034)
Payments to Suppliers	(1,481,918)	(1,164,200)	(2,646,118)	(25,395)
Net Cash Provided (Used) by Operating Activities	2,305,880	(761)	2,305,119	726,100
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants & Contributions	-	155,105	155,105	-
Transfers from Other Funds	1,293	647	1,940	-
Transfers to Other Funds	(670,771)	(90,225)	(760,996)	-
Advances from Other Funds	(3,773)	-	(3,773)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(673,251)	65,527	(607,724)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(327,687)	-	(327,687)	(399,992)
Proceeds from Sale of Assets	-	-	-	26,994
Principal Paid on Long Term Debt	(670,489)	-	(670,489)	-
Interest Paid	(201,766)	-	(201,766)	-
Net Cash Used by Capital and Related Financing Activities	(1,199,942)	-	(1,199,942)	(372,998)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of Interest and Dividends	182,928	7,901	190,829	44,111
Net Cash Provided by Investing Activities	182,928	7,901	190,829	44,111
NET INCREASE IN CASH AND CASH EQUIVALENTS	615,615	72,667	688,282	397,213
Cash and Cash Equivalents - Beginning of Year	6,025,782	1,279,591	7,305,373	2,303,066
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,641,397</u>	<u>\$ 1,352,258</u>	<u>\$ 7,993,655</u>	<u>\$ 2,700,279</u>
CLASSIFIED AS:				
Unrestricted	\$ 1,516,412	\$ 1,352,258	\$ 2,868,670	\$ 2,700,279
Restricted	5,124,985	-	5,124,985	-
Total Cash and Cash Equivalents	<u>\$ 6,641,397</u>	<u>\$ 1,352,258</u>	<u>\$ 7,993,655</u>	<u>\$ 2,700,279</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	Business-Type Activities		Total	Governmental
	Utility Fund	Sanitation Fund		Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 687,056	\$ (258,916)	\$ 428,140	\$ 565,867
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,634,460	127,938	1,762,398	149,328
(Increase) Decrease in Assets:				
Accounts Receivable	(118,792)	-	(118,792)	-
Inventories	(15,714)	-	(15,714)	102
Prepaid Items	(178)	-	(178)	-
Deferred Outflows of Pension Related Items	146,457	(34,569)	111,888	-
Deferred Outflows of OPEB Related Items	(1,200)	(540)	(1,740)	-
Increase (Decrease) in Liabilities:				
Accounts Payable	27,634	25,196	52,830	8,587
Accrued Wages Payable	2,387	1,964	4,351	650
Other Current Liabilities	-	327	327	105
Deposits	20,626	-	20,626	-
Accrued Compensated Absences	2,350	6,159	8,509	1,461
Net Pension Liability	(163,013)	142,615	(20,398)	-
Total OPEB Liability	4,130	1,859	5,989	-
Other Long-Term Liabilities	44,030	-	44,030	-
Deferred Inflows of Pension Related Items	31,664	(14,587)	17,077	-
Deferred Inflows of OPEB Related Items	3,983	1,793	5,776	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,305,880</u>	<u>\$ (761)</u>	<u>\$ 2,305,119</u>	<u>\$ 726,100</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2019**

	Private Purpose Trust Funds	Pension Trust Funds
ASSETS		
Cash and Pooled Cash	\$ 1,332	\$ 7,347,704
Investments:		
Debt Securities	-	2,133,232
Marketable Equity Securities	-	3,981,981
Real Estate Fund	-	651,775
Accounts Receivable	-	22,616
	1,332	14,137,308
Total Assets	1,332	14,137,308
LIABILITIES		
Total Liabilities	-	-
NET POSITION		
Held in Trust for Retirement and Other Purposes	1,332	14,137,308
Total Net Position	\$ 1,332	\$ 14,137,308

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2019**

	Private Purpose Trust Funds	Pension Trust Funds
	<u> </u>	<u> </u>
ADDITIONS:		
CONTRIBUTIONS		
Employer	\$ -	\$ 509,334
Plan Members	-	30,829
Total Contributions	<u>-</u>	<u>540,163</u>
INVESTMENT EARNINGS		
Net Increase (Decrease) in Fair Value	-	27,990
Gain on Sale of Investments	-	27,032
Interest and Dividends	61	446,281
Total Investment Earnings	<u>61</u>	<u>501,303</u>
MISCELLANEOUS REVENUES	<u>-</u>	<u>405</u>
Total Additions	61	1,041,871
DEDUCTIONS:		
BENEFIT PAYMENTS	-	707,741
ADMINISTRATIVE EXPENSES	<u>-</u>	<u>202,938</u>
Total Deductions	<u>-</u>	<u>910,679</u>
CHANGE IN NET POSITION	61	131,192
Net Position - Beginning of Year	<u>1,271</u>	<u>14,006,116</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,332</u></u>	<u><u>\$ 14,137,308</u></u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1 REPORTING ENTITY

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

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

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

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

City of Brooksville Community Redevelopment Agency

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1 REPORTING ENTITY (CONTINUED)

Brooksville Housing Authority

The Brooksville Housing Authority has not been included as part of the City for financial statement purposes. The governing board is appointed by the Mayor of the City with approval of City Council, as set forth in Florida Statute 421.05, but then the governing board is responsible for the hiring and firing of management; the budget, which is then approved by the federal government; and all fiscal matters. The City has no responsibility for any surplus or deficits of the Brooksville Housing Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic Financial Statements - Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (i.e. the Statement of Net Position and the Statement of Activities) and fund financial statements.

Government-Wide Financial Statements

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

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

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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

The City operates the following major governmental funds:

Government Funds

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

- The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **City of Brooksville Community Redevelopment Agency**, a major special revenue fund, accounts for expenditures associated with oversight and implementation of the City's redevelopment plan and control of the expenditures of restricted tax increment financing funds placed in the City of Brooksville Community Redevelopment Agency.
- The **Fire Department Fund**, a major special revenue fund, accounts for funding committed to fire protection and related essential services within the City.
- The **Local Option Gas Tax Fund**, a major special revenue fund, accounts for the gas tax restricted by Section 336.025, Florida Statutes, for use specific transportation expenditures.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Government Funds (Continued)

- The **Road Impact Fees Fund**, a major special revenue fund, accounts for impact fees restricted by Section 163.31801, Florida Statutes, to acquire, construct, or improve capital facilities to benefit new users.

Proprietary Funds

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

The City reports the following major proprietary funds:

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

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

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

Fiduciary Funds

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Fiduciary Funds (Continued)

The City reports the following fiduciary funds:

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The fiduciary funds consist of pension trust and private-purpose trust. Pension trust and private-purpose trust funds are prepared on a full accrual basis, which is a flow of economic resources measurement focus.

Budgets and Budgetary Accounting

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

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

Upon legislative approval, the expenditure requests in the budget become binding appropriations, which may not legally be exceeded unless subsequently amended by the legislative body.

Encumbrance Accounting

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

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

Allowances for Uncollectibles

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

Investments

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

Inventories

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

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

Prepaid Items

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost if purchased or constructed. Contributed assets are reported at estimated acquisition value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance that do not add to the value of the asset or materially extend the asset life are not capitalized.

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

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

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

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

Compensated Absences

City employees accumulate vacation and sick leave pay in varying amounts as services are provided. All outstanding vacation time is payable upon termination of employment. In governmental funds, these costs are recognized when payments are made to employees or when the costs mature as a result of employee resignation or retirement. The related liability is recognized in the government-wide financial statements. In proprietary funds, these costs are recognized in salary expense when earned and reported as a liability.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances

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

The governmental fund types classify fund balance as follows:

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

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

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

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

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Minimum Fund Balance Policy

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

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

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

Statement of Cash Flows

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

Use of Estimates

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

Pensions

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions (Continued)

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

Deferred Outflows/Inflows of Resources

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3 CASH AND INVESTMENTS

Cash Deposits

As of September 30, 2019, the City's cash deposits were entirely covered by federal depository insurance or by the banking network provided by Chapter 280 of the Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans, and limit local government deposits to "authorized depositories." Therefore, all cash deposits held by banks can be classified as fully insured. Customer deposits, renewal and replacement and debt retirement funds are shown as restricted cash due to the legal limitations imposed on them. At September 30, 2019, the carrying amount of the City's deposits was \$14,453,587. The City also had \$1,900 cash on hand at September 30, 2019.

Custodial Risk

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

Investments

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

Pension trust fund investments are made up primarily of trust company and equity funds (bank common funds). The investments are insured or registered securities that are held by the City or its agent, in the City's name. As of September 30, 2019, pension trust fund investments totaled \$6,766,988.

Investments in State Investment Pool

The City invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2019, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 36.7% of Florida PRIME's portfolio at September 30, 2019.

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

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments in State Investment Pool (Continued)

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

Credit Risk

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

Investments in Florida PRIME must carry an “AAAm” rating from Standard and Poor’s. On September 30, 2019, Standard and Poor’s Ratings Services assigned the Florida PRIME an “AAAm” principal stability funding rating.

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

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Pooled Investments</u>
LGIP - SBA Florida PRIME	AAAm	\$ 1,584,408	13.69%
LGIP -FMIvT: 0-2 Year High Quality Bond	AAAf/S1	7,726,086	66.77%
LGIP -FMIvT: 1-3 Year High Quality Bond	AAAf/S2	1,539,637	13.30%
LGIP -FMIvT: Intermediate High Quality Bond Fund	AAAf/S3	722,541	6.24%
Total		<u>\$ 11,572,672</u>	<u>100.00%</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

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

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

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Pooled Investments</u>
Fixed Income:			
U.S. Government Obligations	AA	\$ 262,171	3.87%
Mortgage/Asset Back Securities	No Rating	77,879	1.15%
Mortgage/Asset Back Securities	AA	574,960	8.50%
Mutual Funds	No Rating	243,768	3.60%
Corporate Bonds	AAA	11,988	0.18%
Corporate Bonds	AA	16,671	0.25%
Corporate Bonds	A	358,521	5.30%
Corporate Bonds	BBB	425,066	6.28%
Corporate Bonds	No Rating	5,129	0.08%
Foreign Bonds NTS	AA	36,808	0.54%
Foreign Bonds NTS	A	17,359	0.26%
Foreign Bonds NTS	BBB	102,912	1.52%
Domestic Equities	No Rating	3,163,386	46.75%
International Equities	No Rating	818,595	12.10%
Real Estate Fund	No Rating	651,775	9.63%
Total		<u>\$ 6,766,988</u>	<u>100.00%</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the quality of investments in a single user. The City's investment policy, not including pensions, requires that investments be diversified by security type and institution. Approximately 86% of the City's investments are in Florida Municipal Investment Trust. Approximately 14% of the City's Investments are in the Local Government Surplus Trust Fund investment pool.

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

The police pension fund holdings were all in cash equivalents during the fiscal year.

Interest Rate Risk

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

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2019 was 37 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2019 was 85 days.

Investment Type	Average Duration
LGIP - SBA Florida PRIME	0.10
LGIP - FMIvT: 0-2 Year High Quality Bond	0.86
LGIP - FMIvT: 1-3 Year High Quality Bond	1.61
LGIP - FMIvT: Intermediate High Quality Bond Fund	3.36
Total	

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

The fire pension fund maturities are as follows:

	Fixed Income Investments
One to Five Years	\$ 681,177
Five to Ten Years	418,533
More than Ten Years	1,033,522
Total Fair Value	\$ 2,133,232

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

Deposits	\$ 14,453,587
Cash on Hand	1,900
Investments	18,339,660
Total	\$ 32,795,147
Statement of Net Position:	
Cash and investments	\$ 13,226,136
Restricted Cash and Investments	5,452,987
Statement of Fiduciary Net Positions:	
Pooled Cash	7,349,036
Investments	6,766,988
Total Cash and Investments	\$ 32,795,147

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

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

	September 30, 2019	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities:				
U.S. Treasury Securities	\$ 505,939	\$ 243,768	\$ 262,171	\$ -
Commercial Mortgage-Backed Securities	652,839	-	652,839	-
Corporate Bonds	974,454	-	974,454	-
Subtotal - Debt Securities	<u>2,133,232</u>	<u>243,768</u>	<u>1,889,464</u>	<u>-</u>
Marketable Equity Funds:				
Domestic	3,163,386	3,163,386	-	-
International	818,595	818,595	-	-
Subtotal - Marketable Equity Funds	<u>3,981,981</u>	<u>3,981,981</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 6,115,213</u>	<u>\$ 4,225,749</u>	<u>\$ 1,889,464</u>	<u>\$ -</u>
Investments by Net Asset Value (NAV)				
Real Estate Fund	<u>\$ 651,775</u>			
Total Investments Measured at the NAV	<u>\$ 651,775</u>			
Total Investments	<u>\$ 6,766,988</u>			

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

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Fund	\$ 651,775	\$ 383	Quarterly	Daily

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due To/From Other Funds

The balances due to/from other funds were as follows at September 30, 2019:

<u>Due To/From Other Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$ 1,880	\$ 4,661
Fire Department Fund	1,879	-
Nonmajor Governmental Funds	4,661	3,759
Total	<u>\$ 8,420</u>	<u>\$ 8,420</u>

Advance To/From Other Funds

The balance advanced to/from other funds was as follows at September 30, 2019:

<u>Advances To/From Other Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$ 71,683	\$ -
Utilities Fund	-	71,683
Total	<u>\$ 71,683</u>	<u>\$ 71,683</u>

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

Interfund Transfers In/Transfers Out

Individual interfund transfers were as follows for the fiscal year ended September 30, 2019:

<u>Transfers In/Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 505,857	\$ 1,379,933
Fire Department Fund	994,176	8,322
Local Option Gas Tax Fund	339,916	1,683
Utility Fund	1,293	670,771
Sanitation Fund	647	90,225
Nonmajor Governmental Funds	965,823	656,778
Total Transfers In/Transfers Out	<u>\$ 2,807,712</u>	<u>\$ 2,807,712</u>

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 is as follows:

	Balance September 30, 2018	Additions	Deletions	Balance September 30, 2019
Governmental Activities				
Nondepreciable:				
Land	\$ 1,510,978	\$ -	\$ -	\$ 1,510,978
Construction in Progress	2,623,891	113,008	93,229	2,643,670
Total Nondepreciable	4,134,869	113,008	93,229	4,154,648
Depreciable:				
Buildings	6,168,449	216,648	-	6,385,097
Improvements Other Than Buildings	6,611,204	-	-	6,611,204
Equipment	4,683,849	414,815	194,845	4,903,819
Total Depreciable	17,463,502	631,463	194,845	17,900,120
Less: Accumulated Depreciation:				
Buildings	2,706,279	216,615	-	2,922,894
Improvements Other Than Buildings	-	292,352	-	3,842,915
Equipment	2,891,450	290,437	149,117	3,032,770
Total Accumulated Depreciation	9,148,292	799,404	149,117	9,798,579
 Total Capital Assets, Being Depreciated, Net	 8,315,210	 (167,941)	 45,728	 8,101,541
 Governmental Activities Capital Assets, Net	 <u>\$ 12,450,079</u>	 <u>\$ (54,933)</u>	 <u>\$ 138,957</u>	 <u>\$ 12,256,189</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Balance September 30, 2018	Additions	Deletions	Balance September 30, 2019
Business-Type Activities				
(Includes Utility and Sanitation)				
Nondepreciable:				
Land	\$ 1,195,932	\$ -	\$ -	\$ 1,195,932
Construction in Progress	708,765	41,625	-	750,390
Total Nondepreciable	<u>1,904,697</u>	<u>41,625</u>	<u>-</u>	<u>1,946,322</u>
Depreciable:				
Buildings	472,671	-	-	472,671
Improvements Other Than Buildings	53,267,259	211,200	-	53,478,459
Machinery and Equipment	3,900,938	74,862	-	3,975,800
Total Depreciable	<u>57,640,868</u>	<u>286,062</u>	<u>-</u>	<u>57,926,930</u>
Less: Accumulated Depreciation:				
Buildings	248,702	17,410	-	266,112
Improvements Other Than Buildings	24,318,533	1,526,846	-	25,845,379
Equipment	2,948,633	218,142	-	3,166,775
Total Accumulated Depreciation	<u>27,515,868</u>	<u>1,762,398</u>	<u>-</u>	<u>29,278,266</u>
Total Capital Assets, Being Depreciated, Net	<u>30,125,000</u>	<u>(1,476,336)</u>	<u>-</u>	<u>28,648,664</u>
Business-Type Activities Capital Assets, Net	<u>\$ 32,029,697</u>	<u>\$ (1,434,711)</u>	<u>\$ -</u>	<u>\$ 30,594,986</u>

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

Governmental Activities:	
General Government	\$ 262,677
Public Safety	151,769
Physical Environment	78,034
Culture and Recreation	163,734
Transportation	143,190
Total Depreciation for Governmental Activities	<u>\$ 799,404</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Business-Type Activities:

Utility Fund	\$ 1,634,460
Sanitation Fund	127,938
Total Depreciation for Business-Type Activities	\$ 1,762,398

NOTE 6 LONG-TERM LIABILITIES

Long-term liability activity of the City for the year ended September 30, 2019 was as follows:

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019	Amounts Due Within One Year
<u>PRIMARY GOVERNMENT</u>					
GOVERNMENTAL ACTIVITIES					
Bonds Payable:					
2006 Capital Improvement					
Revenue Bonds	\$ 136,000	\$ -	\$ 8,000	\$ 128,000	\$ 8,000
2016 Capital Improvement					
Revenue Note	89,182	-	5,445	83,737	5,574
Total Bonds Payable	225,182	-	13,445	211,737	13,574
Notes Payable:					
Promissory Note	151,486	-	50,345	101,141	53,898
2011 Capital Improvement					
Revenue Note	2,114,045	-	221,016	1,893,029	228,945
Patch Truck Note	109,137	-	11,914	97,223	12,371
Total Notes Payable	2,374,668	-	283,275	2,091,393	295,214
Accrued Compensated Absences	134,370	201,176	189,103	146,443	48,831
Governmental Activity Long-Term Liabilities	\$ 2,734,220	\$ 201,176	\$ 485,823	\$ 2,449,573	\$ 357,619
BUSINESS-TYPE ACTIVITIES					
Bonds Payable:					
2013 Water and Sewer					
Refunding Revenue Bond	\$ 6,552,706	\$ -	\$ 620,820	\$ 5,931,886	\$ 635,700
Total Bonds Payable	6,552,706	-	620,820	5,931,886	635,700
Notes Payable:					
Wastewater /ARRA Loan	427,669	-	29,897	397,772	30,589
Direct State Revolving Fund Loan	282,844	-	19,772	263,072	20,230
Total Notes Payable	710,513	-	49,669	660,844	50,819
Accrued Compensated Absences	43,248	81,192	72,683	51,757	24,727
Other Long-Term Liabilities	2,567,816	211,200	167,664	2,611,352	-
Business-Type Activity Long-Term Liabilities	\$ 9,874,283	\$ 292,392	\$ 910,836	\$ 9,255,839	\$ 711,246

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

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

Year	Governmental Activities				Business-Type Activities	
	2006 Capital Improvement		2016 Capital Improvement		2013 Water and Sewer	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 8,000	\$ 5,280	\$ 5,574	\$ 1,989	\$ 635,700	\$ 141,378
2021	8,000	4,950	5,706	1,856	651,700	125,384
2022	9,000	4,620	5,842	1,721	667,710	109,372
2023	9,000	4,249	5,981	1,582	684,110	92,967
2024	9,000	3,878	6,123	1,440	700,720	76,356
2025-2029	53,000	13,283	32,864	4,949	2,591,946	128,162
2030-2034	32,000	2,475	21,647	1,036	-	-
	<u>\$ 128,000</u>	<u>\$ 38,735</u>	<u>\$ 83,737</u>	<u>\$ 14,573</u>	<u>\$ 5,931,886</u>	<u>\$ 673,619</u>

The following bonds payable and notes payable were outstanding at September 30, 2019:

2006 Capital Improvement Revenue Bonds

In November 2006, the City issued \$258,800 in Capital Improvement Revenue Bonds, Series 2006 for the purpose of providing a part of the funds required to finance a part of the cost of acquiring and installing certain capital improvements to the City Hall Building and wastewater utility lift stations. The City established an advance between the General Fund and the Utility Fund for the Utility Fund's portion due for the cost of improvements at the wastewater utility lift stations. The balance of the advance at September 30, 2019 was \$71,683.

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

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

2016 Capital Improvement Revenue Bonds

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

2013 Water and Sewer Refunding Revenue Bonds

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

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

Notes Payable

Notes payable included in long-term liabilities as of September 30, 2019 are as follows:

	Amount
Governmental Activities:	
4.23% note payable to SunTrust Bank; interest only payable for the first two quarters; principal and interest payable quarterly beginning July 26, 2007 until May 10, 2021; used to purchase a 2006 Sutphan Fire Aerial Platform Truck.	\$ 101,141
4.136% note payable to SunTrust Bank; principal and interest payable quarterly beginning January 1, 2012 until October 2026; subject to prepayment penalties; financing energy performance projects.	1,893,029
3.77% note payable to SunTrust Bank; principal and interest payable monthly beginning October 14, 2018 until September 14, 2026; used to purchase a Patch Truck	97,223
Total	\$ 2,091,393
Business-Type Activities:	
2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged funds; principal and interest payable in semiannual installments beginning August 15, 2011 until February 15, 2031	\$ 397,772
2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged funds; principal and interest payable in semiannual installments beginning August 15, 2011 until February 15, 2031	263,072
Total	\$ 660,844

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

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

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 295,214	\$ 81,661	\$ 50,819	\$ 14,909
2021	297,347	69,221	51,993	13,734
2022	261,921	57,681	53,196	12,532
2023	272,874	46,729	54,427	11,299
2024	284,287	35,317	55,686	10,041
2025-2029	679,750	35,250	298,359	30,275
2030-2034	-	-	96,364	2,225
	<u>\$ 2,091,393</u>	<u>\$ 325,859</u>	<u>\$ 660,844</u>	<u>\$ 95,015</u>

Other Long-Term Liabilities

The City has recorded a liability for the water and sewer impact fee credits. As of September 30, 2019 the liability is \$2,611,352.

NOTE 7 DEFINED BENEFIT PENSION PLANS

Plan Description

The City maintains two defined benefit pension plans as follows:

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

The City Council adopted Ordinance No. 552 on December 18, 1995, providing for the establishment of a Chapter 185 Local Law Municipal Police Officers' Pension Trust Fund effective for all police officers hired after January 1, 1996. The plan was amended and restated by Ordinance No. 770-A adopted by City Council on May 3, 2010. The most recent valuation was done as of October 1, 2018. On May 31, 2018 the City disbanded the police department and entered into an agreement with the Hernando County Sheriff's Office to provide law enforcement services. The plan termination date is also May 31, 2018 and as of September 30, 2019 is still in the process of being terminated. The City has 24 months under Section 185.37, Florida Statutes, to complete the termination.

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Plan Description (Continued)

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

Summary of Significant Accounting Policies

- **Basis of Accounting** – The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.
- **Method Used to Value Investments** – Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

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

Firefighter’s Retirement Trust Fund Chapter 175

Plan Description

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

Plan Administration

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

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

Plan membership as of October 1, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	18
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	24
Active Plan Members	18
Total	60

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Plan Description (Continued)

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

Benefits Provided

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

Normal Retirement

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

Early Retirement

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

Cost-of-Living Adjustment

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

Vesting

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

Disability

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

Pre-Retirement Death Benefits

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

Post-Retirement Death Benefits

Benefits payable to beneficiary in accordance with option selected at retirement.

Contributions

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter’s Retirement Trust Fund Chapter 175 (Continued)

Investments

Investment Policy

The following is the Board’s adopted asset allocation policy as of September 30, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45.00 %
International Equity	15.00
Domestic Fixed Income	25.00
Global Fixed Income	5.00
Real Estate	10.00
Total	<u>100.00 %</u>

Concentrations

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

Rate of Return

For the year ended September 30, 2019, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 4.98%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amount actually invested.

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions:

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

Discount Rate

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Deferred Retirement Option Program

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed the earlier of 60 months or the completion of 30 years of service with the City as a Firefighter.
Rate of Return	At Member's election, either 6.5% or Net Investment Return.

The DROP balance as of September 30, 2019 is \$-0-.

Net Pension Liability

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

	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
Sponsor's Net Pension Liability	\$ 1,399,658	\$ 547,325	\$ (157,595)

The components of the Net Pension Liability of the Sponsor on September 30, 2019 were as follows:

Total Pension Liability	\$ 7,392,518
Less: Plan Fiduciary Net Position	6,845,193
Sponsor's Net Pension Liability	<u>\$ 547,325</u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.60%
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The schedule of changes in Net Pension Liability on September 30, 2019 was as follows:

	Increase(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2018	\$ 7,331,863	\$ 6,580,255	\$ 751,608
Changes for a Year:			
Service Cost	110,943	-	110,943
Interest	556,749	-	556,749
Change in Benefit Terms	(207)	-	(207)
Difference between Expected and Actual Experience	(176,362)	-	(176,362)
Contributions - Employer	-	316,938	(316,938)
Contributions - State	-	74,872	(74,872)
Contributions - Employee	-	30,988	(30,988)
Net Investment Income	-	360,408	(360,408)
Benefit Payments, Including Refunds of Employee Contributions	(430,468)	(430,634)	166
Administrative Expense	-	(87,634)	87,634
Net Changes	<u>60,655</u>	<u>264,938</u>	<u>(204,283)</u>
Balances at September 30, 2019	<u>\$ 7,392,518</u>	<u>\$ 6,845,193</u>	<u>\$ 547,325</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter’s Retirement Trust Fund Chapter 175 (Continued)

Net Pension Liability (Continued)

On September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 88,181
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	96,710	-
Total	\$ 96,710	\$ 88,181

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

<u>Year Ending September 30,</u>		
2020	\$	(69,753)
2021		(1,086)
2022		43,517
2023		35,851
Total	\$	8,529

Police Retirement Trust Fund Chapter 185

Plan Description

Employees who are classified as full-time police officers hired after January 1, 1996 shall participate in the System as a condition of employment.

Plan Administration

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Plan Description (Continued)

Plan membership as of October 1, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	9
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	23
Total	32

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

Benefits Provided

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

Normal Retirement

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

Early Retirement

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

Cost-of-Living Adjustment

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

Vesting

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

Disability

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

Pre-Retirement Death Benefits

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Benefits Provided (Continued)

Not Line-of-Duty:

Vested

Monthly accrued benefit payable to designated beneficiary for 10 years at member's otherwise Normal or Early (reduced) Retirement Date.

Nonvested

Refund of accumulated contributions, without interest.

Contributions

Member Contributions

1.00% of salary

City and State Contributions

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Investments

Investment Policy

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

Concentrations

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

Rate of Return

For the year ended September 30, 2019, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 1.80%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions:

1. For the members who ultimately chose to receive a lump sum payout, the actuary used those amounts.
2. For the members who ultimately chose to receive a purchased annuity, the actuary utilized the smallest single premium individual annuity quote provided to the Pension Board on November 15, 2019.
3. For the remaining individuals, the actuary calculated the lump sum present value, determined as of October 1, 2019 of their accrued benefit.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Deferred Retirement Option Program

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

The DROP balance as of September 30, 2019 is \$0.

Net Pension Liability

On May 31, 2018 the City terminated all employees of the police department. All investments were subsequently liquidated and placed in money market funds. The Plan is in the process of being terminated as of September 30, 2019, and will be terminated within the next eight months. Due to these changes, a sensitivity analysis was not performed.

The components of the Net Pension Liability of the Sponsor on September 30, 2019 were as follows:

Total Pension Liability	\$ 8,397,630
Less: Plan Fiduciary Net Position	7,292,114
Sponsor's Net Pension Liability	<u>\$ 1,105,516</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.84%

The schedule of changes in Net Pension Liability on September 30, 2019 was as follows:

	Increase(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2018	\$ 7,219,465	\$ 7,425,861	\$ (206,396)
Changes for a Year:			
Interest	342,688	-	342,688
Plan Termination	1,094,223	-	1,094,223
Contributions - State	-	117,524	(117,524)
Net Investment Income	-	141,140	(141,140)
Benefit Payments, Including Refunds of Employee Contributions	(258,746)	(277,107)	18,361
Administrative Expense	-	(115,304)	115,304
Net Changes	<u>1,178,165</u>	<u>(133,747)</u>	<u>1,311,912</u>
Balances at September 30, 2019	<u>\$ 8,397,630</u>	<u>\$ 7,292,114</u>	<u>\$ 1,105,516</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Net Pension Liability (Continued)

On September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 61,760	\$ 90,543
Changes of Assumptions	54,885	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	82,618
Total	<u>\$ 116,645</u>	<u>\$ 173,161</u>

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

<u>Year Ending September 30,</u> 2020	<u>\$ (56,516)</u>
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Florida Retirement System Pension Plan

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

Background

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Background (Continued)

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

Plan Description

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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

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

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

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the City, effective July 1, 2018, were applied to employee salaries as follows: regular employees 8.26%, special risk 24.50%, city elected officials 48.70%, senior management 24.06%, and DROP participants 14.03%. The City's contributions to the FRS Plan were \$214,705 for the year ended September 30, 2019.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2019, the City reported a liability of \$2,433,524 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportion of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2019, the City's proportion was 0.007066271%, which was a decrease of 0.000627326% from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the City recognized pension expense of \$588,609 for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual		
Economic Experience	\$ 144,339	\$ 1,510
Changes in Actuarial Assumptions	625,034	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	134,635
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	20,979	182,356
City Contributions Subsequent to the Measurement Date	52,741	-
Total	<u>\$ 843,093</u>	<u>\$ 318,501</u>

\$52,741 reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2020	\$ 201,190
2021	36,592
2022	135,128
2023	91,986
2024	6,758
Thereafter	197
Total	<u>\$ 471,851</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.90%

Mortality rates were based on the PUB-2010 base table, varies by member category and sex, projected generationally with scale MP-2018. The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	3.3%	3.3%	1.2%
Fixed Income	18.0	4.1%	4.1%	3.5%
Global Equity	54.0	8.0%	6.8%	16.5%
Real Estate	10.0	6.7%	6.1%	11.7%
Private Equity	11.0	11.2%	8.4%	25.8%
Strategic Investments	6.0	5.9%	5.7%	6.7%
Total	100.0 %			
Assumed Inflation - Mean			2.6%	1.7%

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase
FRS Plan Discount Rate	5.90%	6.90%	7.90%
City's Proportionate Share of the FRS Plan Net Pension Liability	\$ 4,206,755	\$ 2,433,524	\$ 952,579

Pension Plan Fiduciary Net Position

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

Retiree Health Insurance Subsidy Program

Plan Description

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided

For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were \$41,141 for the year ended September 30, 2019.

Pension Costs

At September 30, 2019, the City reported a liability of \$819,772 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all participating employers. At June 30, 2019, the City's proportion was 0.007326592%, which was a decrease of 0.000653246% from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the City recognized pension expense of \$42,218 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 9,957	\$ 1,004
Changes in Actuarial Assumptions	94,922	67,002
Net Difference Between Projected and Actual Earnings on HIS Program Investments	529	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	12,074	104,137
City Contributions Subsequent to the Measurement Date	10,871	-
Total	<u>\$ 128,353</u>	<u>\$ 172,143</u>

\$10,871 reported as deferred outflows of resources related to pensions resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ended September 30,</u>	Amount
2020	\$ (4,716)
2021	(3,387)
2022	(5,752)
2023	(20,254)
2024	(14,062)
Thereafter	(6,490)
Total	<u>\$ (54,661)</u>

Actuarial Assumptions

The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.50%

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.50% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase
HIS Plan Discount Rate	2.50%	3.50%	4.50%
City's Proportionate Share of the HIS Plan Net Pension Liability	\$ 935,812	\$ 819,772	\$ 723,124

Pension Plan Fiduciary Net Position

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

Summary

The aggregate amount of net pension liability, related deferred inflows of resources and deferred outflows of resources, and pension expense for the City's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual funds in which the employee's costs are associated.

	Firefighters' Retirement Plan	Police Officers' Retirement Plan	FRS Plan	HIS Plan	Total
Net Pension Liability	\$ 547,325	\$ 1,105,516	\$ 2,433,524	\$ 819,772	\$ 4,906,137
Deferred Outflows of Resources	96,710	116,645	843,093	128,353	1,184,801
Deferred Inflows of Resources	88,181	173,161	318,501	172,143	751,986
Pension Expense	252,219	1,443,938	588,609	42,218	2,326,984

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 8 DEFINED CONTRIBUTION PENSION PLAN

Investment Plan

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City's Investment Plan pension expense totaled \$54,525 for the year ended September 30, 2019. Employee contributions to the Investment Plan totaled \$12,488 for the year ended September 30, 2019.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 9 OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City is obligated to make available to qualified retired employees the option to maintain coverage with the group medical (including prescription drug) and life insurance plans sponsored by the City. The City of Brooksville Plan (the Plan) is a single-employer defined benefit OPEB plan. The Plan is currently being funded on a pay as you go basis. No trust or agency fund has been established for the Plan. The Plan does not issue a publicly available report.

Benefits Provided

The City provides health insurance benefits and life insurance to its eligible retired employees through a single-employer plan administered by the City. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the City may continue in the City's Plan on the same basis that they were covered immediately before their retirement. Eligible retirees may choose the same medical plan available for active employees of the City. Timely premium contributions of 100% of the premium cost are required for retiree and any dependent coverage. Retirees may also continue the group life insurance coverage offered by the City into retirement. Retirees are limited to \$15,000 face value and are charged a set monthly premium.

Employees Covered by Benefit Terms

At September 30, 2019, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	22
Active Plan Members	83
Total	<u>105</u>

Total OPEB Liability

The City's Total OPEB liability was measured as of September 30, 2018 and was determined by an actuarial valuation as of September 30, 2018 using the alternative measurement method. The following table shows the City's total OPEB liability for the year ended September 30, 2019.

	<u>Total OPEB Liability</u>
Balance - October 1, 2018	\$ 480,013
Changers for the Year:	
Service Cost	30,056
Interest	17,786
Changes in Assumptions	(23,411)
Benefit Payments	<u>(3,778)</u>
Net Changes	<u>20,653</u>
Balance - September 30, 2019	<u>\$ 500,666</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Discount Rate Sensitivity

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	2.83%	3.83%	4.83%
Total OPEB Liability	\$ 589,330	\$ 500,666	\$ 425,421

Healthcare Trend Rate Sensitivity

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	6.00%	7.00%	8.00%
Total OPEB Liability	\$ 468,969	\$ 500,666	\$ 534,513

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

For the year ended September 30, 2019, the City recognized an OPEB expense of \$44,348. In addition, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ 19,917
Contributions Subsequent to the Measurement Date	9,779	-
	<u>\$ 9,779</u>	<u>\$ 19,917</u>

\$9,779 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as a decrease in OPEB expense as follows:

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Continued)**

Year Ending September 30,		
2020	\$	(3,494)
2021		(3,494)
2022		(3,494)
2023		(3,494)
2024		(3,494)
Thereafter		(2,447)
	<u>\$</u>	<u>(19,917)</u>

Actuarial Assumptions

The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation 2.25%

Salary Increases Employees other than firefighters: Salary increase rates used in the July 1, 2018 actuarial valuation of the Florida Retirement System for Regular Class members; 3.7% - 7.8%, including inflation.

Firefighters: Salary increase rates used by the pension actuary in the September 30, 2018 actuarial valuation of the City's Firefighters' Retirement Trust Fund.

Healthcare Cost Trend Rates Based on the Getzen Model, with trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 3.99% by 2040. 0.61% is added to the ultimate rate as an estimate of excise tax impact.

The actuarial cost method used was the Entry Age Normal method.

Mortality rates were based on the RP-2000 Mortality Table published by the Society of Actuaries with collar adjustments based on the results of a statewide experience study covering the period 2008 through 2013. Mortality rates for non-disabled members are generationally projected using mortality improvements using scale BB.

The discount rate used to measure the total OPEB liability was 3.83%, based on a daily rate closest to but not later than the measurement date of Fidelity's "20-year Municipal GO AA Index."

The discount rate was 3.50% as of the beginning of the measurement year.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 10 TRUST FUNDS

Butterweck Bond Fund

This Fund is used for the future maintenance of the Butterweck Crypt of the Brooksville Cemetery. As of September 30, 2019, the balance remaining is \$1,332.

NOTE 11 PROPERTY TAXES

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

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

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

NOTE 12 RESTRICTED NET POSITION

As of September 30, 2019, restricted net position in the enterprise funds were held for the following purposes:

Utility Fund:	
Capital Improvement Reserves	\$ 3,412,030
Debt Retirement	1,152,891
Total Utility Fund	<u>\$ 4,564,921</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 13 RISK MANAGEMENT

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

NOTE 14 IMPACT FEES

On September 20, 2005 the Hernando County Board of County Commissioners voted to extend the prepayment of impact fees from one to three years. County property owners were allowed to prepay their impact fees prior to an increase on July 5, 2005. County property owners who prepaid impact fees were given until June 2, 2008 to obtain a building permit. If a building permit was not pulled by June 2, 2008, the increased impact fees would be charged. Subsequently, the Hernando County Board of Commissioners extended the prepaid program through June 2012. Through Interlocal Agreement, the City opted to assess the same impact fees for roads, public buildings, police, fire, parks, and schools as Hernando County. The City stopped collecting Impact Fees effective November 2011, and impact fees were reinstated for year ending September 30, 2015. As of September 30, 2019, the City had the following in prepaid impact fees: Road Impact Fees \$4,779, Public Building Impact Fees \$525; Police Impact Fees \$341; Fire Impact Fees \$230; and Parks Impact Fees \$318. The amounts are reflected as unearned revenues in the accompanying financial statements.

NOTE 15 INTERNAL SERVICE FUNDS

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 15 INTERNAL SERVICE FUNDS (CONTINUED)

The Vehicle Replacement Fund and the Equipment Replacement Fund are used to accumulate funds in advance for the purchase of vehicles and equipment. The Vehicle Replacement Fund sets aside cash to purchase a portion of the City's future vehicles. These vehicles are also depreciated within this Fund. The Equipment Replacement Fund reserves cash to purchase equipment for the four General Fund departments or divisions which are Cemetery, Parks, Streets, and the Quarry Golf Course. As of September 30, 2019, the unrestricted net position balances for Fleet Maintenance, Vehicle Replacement, and Equipment Replacement Funds were \$71,482, \$1,458,406, and \$20,535, respectively. If necessary, the annual payments for services transfers are adjusted to maintain adequate, but not excessive cash reserves in the Fleet Maintenance Fund. The Employee Benefits Fund and the Health Insurance Fund are set up to pay for employee health benefits and insurance, respectively. The revenue source is transfers in from the division and department. The expenditures are for employee health/medical premium charges and HRA reimbursement cost. The unrestricted net position balances in these funds are \$33,877 and \$1,070,603, respectively.

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

	Fleet Maintenance	Vehicle Replacement	Equipment Replacement	Employee Benefits	Health Insurance	Total
General Fund	\$ 22,159	\$ 133,995	\$ 20,535	\$ 23,332	\$ 793,798	\$ 993,819
Utility Fund	23,589	194,475	-	7,153	191,552	416,769
Sanitation Fund	25,734	1,129,936	-	2,935	78,479	1,237,084
Internal Service Fleet	-	-	-	457	6,774	7,231
Total	<u>\$ 71,482</u>	<u>\$ 1,458,406</u>	<u>\$ 20,535</u>	<u>\$ 33,877</u>	<u>\$ 1,070,603</u>	<u>\$ 2,654,903</u>

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

	Fleet Maintenance	Vehicle Replacement	Equipment Replacement	Employee Benefits	Health Insurance	Total
Administration and Finance	\$ 665	\$ -	\$ -	\$ 6,067	\$ 206,387	\$ 213,119
Police	-	133,995	-	-	-	133,995
Fire	6,648	-	-	8,166	277,829	292,643
Streets	10,193	-	-	2,333	79,380	91,906
Parks	4,210	-	6,571	4,433	150,822	166,036
Cemetery	-	-	13,964	700	23,814	38,478
Community Development	443	-	-	1,633	55,566	57,642
Total	<u>\$ 22,159</u>	<u>\$ 133,995</u>	<u>\$ 20,535</u>	<u>\$ 23,332</u>	<u>\$ 793,798</u>	<u>\$ 993,819</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 16 GOVERNMENTAL FUND BALANCE CLASSIFICATION

The specific purpose detail for the fund balances of governmental funds as of September 30, 2019 were as follows:

	Major Funds						Total Governmental Funds
	City of Brooksville Community Redevelopment Agency	Fire Depart- ment Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Govern- mental Funds		
	General Fund						
Nonspendable:							
Inventories	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200
Prepaid Items	18,013	-	-	-	-	2,001	20,014
Note Receivable	67,500	-	-	-	-	-	67,500
Advance to							
Other Funds	71,683	-	-	-	-	-	71,683
Cemetery							
Perpetual Care	-	-	-	-	-	245,208	245,208
Total Nonspendable	158,396	-	-	-	-	247,209	405,605
Restricted:							
Community							
Redevelopment	-	320,673	-	298,709	-	-	619,382
Local Option Gas Tax	-	-	-	-	-	309,242	309,242
Law Enforcement	-	-	-	-	-	201,191	201,191
Impact Fees	-	-	-	2,403,407	-	517,268	2,920,675
Public Safety Grants and Donations	-	-	-	-	-	23,492	23,492
Enrichment Center	-	-	-	-	-	2,955	2,955
Transportation							
Capital Project Funds	-	-	-	-	-	2,766	2,766
Debt Service Funds	-	-	-	-	-	80,130	80,130
Total Restricted	-	320,673	-	298,709	2,403,407	1,137,044	4,159,833
Committed:							
Traffic Camera	-	-	-	-	-	4,824	4,824
Assigned:							
Capital Project Funds	-	-	-	-	-	392,507	392,507
Cemetery							
Perpetual Care	-	-	-	-	-	175,651	175,651
Total Assigned	-	-	-	-	-	568,158	568,158
Unassigned (Deficit)	2,938,470	-	-	-	-	(1,877)	2,936,593
Total Fund Balance	<u>\$ 3,096,866</u>	<u>\$ 320,673</u>	<u>\$ -</u>	<u>\$ 298,709</u>	<u>\$ 2,403,407</u>	<u>\$ 1,955,358</u>	<u>\$ 8,075,013</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 17 COMMITMENTS AND CONTINGENCIES

Commitments

The City routinely enters into various construction commitments. As of September 30, 2019, the City has the following outstanding major construction commitments in process:

<u>Project</u>	<u>Project Authorization</u>	<u>Expended in Prior Years</u>	<u>Expended in September 30, 2019</u>	<u>Commitment</u>
Governmental Activities:				
Fire Station Improvements	\$ 353,150	\$ -	\$ 113,008	\$ 240,142
Business-Type Activities:				
Emergency Generators	\$ 180,865	\$ -	\$ 41,625	\$ 139,240

Contingencies

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

At September 30, 2019, the City held approximately \$1.7 million of road impact fees that were collected more than ten years ago. A significant portion of these impact fees have been encumbered.

Grants

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

NOTE 18 FUND BALANCE DEFICIT

The Capital Improvement Revenue Loan- 2016 Fund had a deficit in fund balance of \$1,877. As this balance is primarily offset by a balance due to other funds, management believes this deficit will be recovered through forgiveness of balances due to other funds.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 19 PRIOR PERIOD RESTATEMENT

Change Due to Correction of an Error

During the current year it was determined that the liability and related deferred outflows of resources, deferred inflows of resources, and expense for OPEB had not previously been recognized. To correct this error, beginning net position of the Utility Fund, Sanitation Fund, Business-Type Activities, and Governmental Activities have been restated as follows.

	Governmental Activities	Business- Type Activities	Utility Fund	Sanitation Fund
Net Position - Beginning of Year, as Previously Reported	\$ 15,185,006	\$ 30,214,363	\$ 27,492,818	\$ 1,658,732
Restatement: OPEB	(338,127)	(138,108)	(95,247)	(42,861)
Net Position - Beginning of Year, as Restated	<u>\$ 14,846,879</u>	<u>\$ 30,076,255</u>	<u>\$ 27,397,571</u>	<u>\$ 1,615,871</u>

NOTE 20 SUBSEQUENT EVENTS

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

During the period from February 20, 2020, through August 13, 2020, both domestic and international equity markets have experienced large declines. These losses are not included in the financial statements as of and for the year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2013	2014	2015	2016	2017	2018	2019
Total Pension Liability							
Service Cost	\$ 130,102	\$ 140,185	\$ 122,018	\$ 127,478	\$ 125,632	\$ 150,432	\$ 110,943
Interest	501,977	528,251	554,808	539,879	508,878	543,429	556,749
Change in Benefit Terms	-	-	-	-	-	-	(207)
Change in Excess State Money	-	-	-	-	28,271	-	-
Differences Between Expected and Actual Experience	-	-	(277,496)	(103,758)	(221,245)	82,081	(176,362)
Changes of Assumptions	-	-	-	213,065	-	(33,387)	-
Benefit Payments, Including Refunds of Employee Contributions	(304,630)	(301,643)	(313,547)	(881,295)	(583,203)	(443,859)	(430,468)
Net Change in Total Pension Liability	327,449	366,793	85,783	(104,631)	(141,667)	298,696	60,655
Total Pension Liability - Beginning	6,499,440	6,826,889	7,193,682	7,279,465	7,174,834	7,033,167	7,331,863
Total Pension Liability - Ending	<u>\$ 6,826,889</u>	<u>\$ 7,193,682</u>	<u>\$ 7,279,465</u>	<u>\$ 7,174,834</u>	<u>\$ 7,033,167</u>	<u>\$ 7,331,863</u>	<u>\$ 7,392,518</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 213,304	\$ 248,414	\$ 263,827	\$ 315,784	\$ 311,742	\$ 302,731	\$ 316,938
Contributions - State	103,782	88,212	84,222	71,580	86,827	77,143	74,872
Contributions - Employee	20,156	20,225	20,999	24,646	24,914	26,044	30,988
Net Investment Income	512,316	543,039	(98,629)	342,409	691,977	474,955	360,408
Benefit Payments, Including Refunds of Employee Contributions	(304,630)	(301,643)	(313,547)	(881,295)	(583,203)	(443,859)	(430,634)
Administrative Expense	(25,208)	(30,968)	(48,230)	(42,052)	(73,972)	(78,944)	(87,634)
Net Change in Plan Fiduciary Net Position	519,720	567,279	(91,358)	(168,928)	458,285	358,070	264,938
Plan Fiduciary Net Position - Beginning	4,937,187	5,456,907	6,024,186	5,932,828	5,763,900	6,222,185	6,580,255
Plan Fiduciary Net Position - Ending	<u>5,456,907</u>	<u>6,024,186</u>	<u>5,932,828</u>	<u>5,763,900</u>	<u>6,222,185</u>	<u>6,580,255</u>	<u>6,845,193</u>
City's Net Pension Liability	<u>\$ 1,369,982</u>	<u>\$ 1,169,496</u>	<u>\$ 1,346,637</u>	<u>\$ 1,410,934</u>	<u>\$ 810,982</u>	<u>\$ 751,608</u>	<u>\$ 547,325</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.93%	83.74%	81.50%	80.33%	88.47%	89.75%	92.60%
Covered Payroll*	\$ 612,631	\$ 614,729	\$ 732,006	\$ 749,109	\$ 786,866	\$ 790,608	\$ 940,588
City's Net Pension Liability as a Percentage of Covered Payroll	223.62%	190.25%	183.97%	188.35%	103.06%	95.07%	58.19%

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
FIREFIGHTERS' RETIREMENT TRUST FUND CHAPTER 175 PLAN (CONTINUED)
LAST SEVEN FISCAL YEARS ¹**

Notes to Schedule:

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

Changes of Benefit Terms:

* *For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.*

Changes of Assumptions:

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

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

* *For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.*

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

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

	2013	2014	2015	2016	2017	2018	2019
Total Pension Liability							
Service Cost	\$ 358,727	\$ 385,631	\$ 375,707	\$ 389,348	\$ 412,219	\$ 231,019	\$ -
Interest	256,068	304,047	339,216	361,055	419,346	321,058	342,688
Change in Excess State Money	-	-	-	-	(9,465)	-	-
Differences Between Expected and Actual Experience	-	-	(433,973)	(91,070)	231,600	-	-
Plan Termination	-	-	-	-	-	452,250	1,094,223
Changes of Assumptions	-	-	-	274,425	-	-	-
Other Changes	-	(208,542)	-	(17,723)	22,846	-	-
Benefit Payments, Including Refunds of Employee Contributions	-	(3,941)	(662)	(6,143)	(21,827)	(186,724)	(258,746)
Net Change in Total Pension Liability	614,795	477,195	280,288	909,892	1,054,719	817,603	1,178,165
Total Pension Liability - Beginning	3,064,973	3,679,768	4,156,963	4,437,251	5,347,143	6,401,862	7,219,465
Total Pension Liability - Ending	<u>\$ 3,679,768</u>	<u>\$ 4,156,963</u>	<u>\$ 4,437,251</u>	<u>\$ 5,347,143</u>	<u>\$ 6,401,862</u>	<u>\$ 7,219,465</u>	<u>\$ 8,397,630</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 51,183	\$ 88,372	\$ 83,922	\$ 305,679	\$ 396,856	\$ 228,319	\$ -
Contributions - State	101,810	89,298	94,044	99,121	-	114,101	117,524
Contributions - Employee	11,376	12,704	12,418	13,413	12,149	7,796	-
Net Investment Income	441,974	371,180	(77,684)	470,503	675,930	569,054	141,140
Benefit Payments, Including Refunds of Employee Contributions	-	(3,941)	(662)	(6,143)	(21,827)	(186,724)	(277,107)
Administrative Expense	(12,623)	(13,662)	(18,925)	(30,335)	(39,809)	(112,855)	(115,304)
Net Change in Plan Fiduciary Net Position	593,720	543,951	93,113	852,238	1,023,299	619,691	(133,747)
Plan Fiduciary Net Position - Beginning	3,699,849	4,293,569	4,837,520	4,930,633	5,782,871	6,806,170	7,425,861
Plan Fiduciary Net Position - Ending	<u>4,293,569</u>	<u>4,837,520</u>	<u>4,930,633</u>	<u>5,782,871</u>	<u>6,806,170</u>	<u>7,425,861</u>	<u>7,292,114</u>
Net Pension (Asset)/Liability - Ending	<u>\$ (613,801)</u>	<u>\$ (680,557)</u>	<u>\$ (493,382)</u>	<u>\$ (435,728)</u>	<u>\$ (404,308)</u>	<u>\$ (206,396)</u>	<u>\$ 1,105,516</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	116.68%	116.37%	111.12%	108.15%	106.32%	102.86%	86.84%
Covered Payroll*	\$ 1,137,593	\$ 1,270,433	\$ 1,241,801	\$ 1,341,342	\$ 1,214,837	\$ 737,813	N/A
Net Pension Liability as a Percentage of Covered Payroll	-53.96%	-53.57%	-39.73%	-32.48%	-33.28%	-27.97%	N/A

Notes to Schedule:

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

Changes of Assumptions:

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

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

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

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 299,293	\$ 310,150	\$ 291,265	\$ 316,975	\$ 336,626	\$ 348,049	\$ 387,364	\$ 397,604	\$ 380,520	\$ 385,265
Contributions in Relation to the Actuarially Determined Contributions	<u>299,293</u>	<u>310,150</u>	<u>291,265</u>	<u>316,975</u>	<u>336,626</u>	<u>348,049</u>	<u>387,364</u>	<u>398,569</u>	<u>379,874</u>	<u>391,810</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (965)</u>	<u>\$ 646</u>	<u>\$ (6,545)</u>
Covered Payroll *	\$ 800,247	\$ 764,108	\$ 650,368	\$ 612,631	\$ 614,729	\$ 732,006	\$ 749,109	\$ 786,866	\$ 790,608	\$ 940,588
Contributions as a Percentage of Covered Payroll	37.40%	40.59%	44.78%	51.74%	54.76%	47.55%	51.71%	50.65%	48.05%	41.66%

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

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

Notes to the Schedule of Contributions

Valuation Date: 10/1/2018

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

Methods and assumptions used to determine contribution rates:

Mortality Rate:

Healthy Lives:

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

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

Healthy Inactive Lives:

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

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

Disabled Lives:

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

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

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates

See tables below. This assumption is based on the results of an experience study performed March 28, 2012.

Disability Rates:

See Tables below. It is assumed that 75% of disablements and active Member deaths are service related. This assumption was developed from those used by other plans containing Florida municipal Firefighters.

Retirement Age:

Earlier of age 55 and the completion of 10 years of service, or the completion of 20 years of service regardless of age, or age 60, regardless of service. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. We feel this assumption is reasonable based on the plan provisions.

Early Retirement:

Commencing upon a Member’s eligibility for Early Retirement (Age 50 with 10 years of Credited Service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. We feel this assumption is reasonable based on the plan provisions.

Interest Rate:

7.75% per year, compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Salary Increases:

6.5% per year until retirement age; see Table on the following page. This assumption is consistent with long term Plan experience. Final salary in year of retirement is increased individually to account for additional non-regular.

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

Notes to the Schedule of Contributions (Continued)

Payroll Increase: None.
 Cost of Living Adjustments: 3% per year, from age 55 to 65.
 Funding Method: Entry Age Normal Actuarial Cost Method.
 Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Termination and Disability Rate Table:

Age	% Terminated During the Year	% Becoming Disabled During the Year
20	12.00%	0.03%
30	10.00%	0.04%
40	5.20%	0.07%
50	1.60%	0.18%

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 340,437	\$ 401,006	\$ 394,875	\$ 397,020	\$ 386,212	\$ 378,753	\$ 422,523	\$ 383,475	\$ 279,631	\$ 90,622
Contributions in Relation to the Actuarially Determined Contributions	119,344	123,439	102,276	152,993	177,670	177,966	404,800	396,856	342,420	117,524
Contribution from Excess State Money	-	-	-	-	-	-	-	9,465	-	-
Contribution from Contribution Surplus Account	221,093	277,567	292,599	244,027	208,542	200,787	17,723	17,723	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (40,569)	\$ (62,789)	\$ (26,902)
Covered Payroll *	\$ 989,643	\$ 1,057,365	\$ 1,081,850	\$ 1,137,593	\$ 1,270,433	\$ 1,241,801	\$ 1,341,342	\$ 1,214,837	\$ 737,813	N/A
Contributions as a Percentage of Covered Payroll	12.06%	11.67%	9.45%	13.45%	13.98%	14.33%	30.18%	32.67%	46.41%	N/A

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

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CONTRIBUTIONS –
POLICE OFFICERS' RETIREMENT TRUST FUND CHAPTER 185 PLAN (CONTINUED)
LAST TEN FISCAL YEARS**

Notes to the Schedule of Contributions

Valuation Date: 10/1/2018

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

Methods and assumptions used to determine contribution rates:

Mortality:

Healthy Active Lives:

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

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

Healthy Inactive Lives:

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

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

Disabled Lives:

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

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

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report. We feel this assumption sufficiently accommodates future mortality.

Interest Rate:

7.25% per year, compounded annually, gross of investment related expenses. Given that the plan is closed to new members, we recommend seeking input from the plan's investment consultant regarding whether this assumption is still appropriate.

Cost of Living Adjustments:

3.0% per year from age 55 to 65, for Normal and Early Retirees only.

Termination Benefit Assumptions:

Vested Participants are assumed to elect a deferred benefit at their earliest possible retirement date.

Funding Method:

Aggregate Actuarial Cost Method.

Actuarial Asset Method:

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

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

FIREFIGHTERS' RETIREMENT TRUST FUND

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual Money-Weighted Rate of Return Net of Investment Expenses	10.35%	9.91%	-1.64%	6.14%	11.82%	7.22%	4.98%

POLICE OFFICERS' RETIREMENT TRUST FUND

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual Money-Weighted Rate of Return Net of Investment Expenses	12.30%	8.58%	-1.60%	9.32%	11.50%	7.74%	1.80%

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

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

	2014	2015	2016	2017	2018	2019
City's Proportion of the Net Pension Liability	0.008330218%	0.008047984%	0.008173955%	0.008237147%	0.007693597%	0.007066271%
City's Proportionate Share of the Net Pension Liability	\$ 508,266	\$ 1,039,505	\$ 2,063,930	\$ 2,436,493	\$ 2,317,351	\$ 2,433,524
City's Covered Payroll	\$ 2,206,164	\$ 2,199,427	\$ 2,288,357	\$ 2,253,845	\$ 2,245,594	\$ 1,924,165
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	23.04%	47.26%	90.19%	108.10%	103.20%	126.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.09%	92.00%	84.88%	83.89%	84.26%	82.61%

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

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

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 212,334	\$ 218,403	\$ 233,891	\$ 212,061	\$ 217,041	\$ 214,705
Contributions in Relation to the Contractually Required Contribution	(212,334)	(218,403)	(233,891)	(212,061)	(217,041)	(214,705)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 2,228,408	\$ 2,173,995	\$ 2,385,999	\$ 2,255,539	\$ 2,132,015	\$ 1,706,030
Contributions as a Percentage of Covered Payroll	9.53%	10.05%	9.80%	9.40%	10.18%	12.59%

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

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

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

Retirement System – Defined Benefit Plan (Continued)

	2014	2015	2016	2017	2018	2019
City's Proportion of the Net Pension Liability	0.008384457%	0.008156699%	0.008445996%	0.008358747%	0.007326592%	0.007326592%
City's Proportionate Share of the Net Pension Liability	\$ 783,967	\$ 831,855	\$ 984,346	\$ 893,756	\$ 844,595	\$ 819,772
City's Covered Payroll	\$ 2,491,146	\$ 2,521,077	\$ 2,607,338	\$ 2,665,147	\$ 2,608,363	\$ 2,423,772
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	31.47%	33.00%	37.75%	33.53%	32.38%	33.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.99%	0.50%	0.97%	1.64%	2.15%	2.63%

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

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

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

Retirement System – Defined Benefit Plan (Continued)

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 33,880	\$ 31,765	\$ 45,593	\$ 44,278	\$ 41,920	\$ 41,141
Contributions in Relation to the Contractually Required Contribution	<u>(33,880)</u>	<u>(31,765)</u>	<u>(45,593)</u>	<u>(44,278)</u>	<u>(41,920)</u>	<u>(41,141)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 2,530,934	\$ 2,487,433	\$ 2,745,922	\$ 2,665,371	\$ 2,526,749	\$ 2,171,860
Contributions as a Percentage of Covered Payroll	1.34%	1.28%	1.66%	1.66%	1.66%	1.89%

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

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

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS¹
ONE FISCAL YEAR**

Employer Measurement Date	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 30,056
Interest	17,786
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience*	-
Changes in Assumptions	(23,411)
Benefit Payments	<u>(3,778)</u>
Net Change in Total OPEB Liability	20,653
Total OPEB Liability - Beginning	<u>480,013</u>
Total OPEB Liability - Ending	<u><u>\$ 500,666</u></u>
Covered Employee Payroll**	\$ 2,710,912
Total OPEB Liability as a Percentage of the Covered Employee Payroll	18.47%

*Total OPEB Liability at the beginning of the initial period of implementation was developed by rolling back the liability from the measurement date as permitted by Q&A 4.499 of the Implementation Guide No. 2017-3. Consequently, there was no difference between expected and actual experience.

**Covered-Employee Payroll presented above is an estimate based on data submitted for the September 30, 2018 valuation. GASB Statement 75 defines Covered-Employee Payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period (fiscal year ending September 30, 2018).

Notes to Schedule:

The OPEB plan is not administered through a trust and there are no assets accumulated in trust for payment of benefits.

The discount rate was changed from 3.50% as of the beginning of the measurement period to 3.83% as of September 30, 2018.

There were no benefit changes during the year.

Total OPEB Liability is not affected by the recent repeal of the excise tax because the law change was effective after the measurement date.

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

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2019

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes	\$ 3,722,975	\$ 3,722,975	\$ 3,871,267	\$ 148,292
Licenses and Permits	941,710	981,010	1,057,707	76,697
Intergovernmental Revenue	845,838	845,838	901,751	55,913
Charges for Services	329,502	329,502	327,366	(2,136)
Fines and Forfeits	-	-	60,008	60,008
Net Investment Earnings	7,000	7,000	58,463	51,463
Miscellaneous Revenues	143,953	143,953	137,938	(6,015)
Total Revenues	<u>5,990,978</u>	<u>6,030,278</u>	<u>6,414,500</u>	<u>384,222</u>
EXPENDITURES				
Current:				
General Government	2,099,702	2,125,511	1,991,559	133,952
Culture and Recreation	754,738	759,070	693,524	65,546
Public Safety	970,555	970,555	983,880	(13,325)
Physical Environment	146,698	146,698	146,677	21
Transportation	-	-	147	(147)
Capital Outlay	170,750	194,750	-	194,750
Total Expenditures	<u>4,142,443</u>	<u>4,196,584</u>	<u>3,815,787</u>	<u>380,797</u>
Excess (Deficiency) of Revenues Over Expenditures	1,848,535	1,833,694	2,598,713	765,019
OTHER FINANCING SOURCES (USES)				
Transfers In	504,710	504,710	505,857	1,147
Transfers Out	(1,226,647)	(1,379,933)	(1,379,933)	-
Reserves	(2,420,635)	(2,252,508)	-	2,252,508
Total Other Financing Sources (Uses)	<u>(3,142,572)</u>	<u>(3,127,731)</u>	<u>(874,076)</u>	<u>2,253,655</u>
NET CHANGE IN FUND BALANCES	(1,294,037)	(1,294,037)	1,724,637	3,018,674
Fund Balances - Beginning of Year	<u>1,294,037</u>	<u>1,294,037</u>	<u>1,372,229</u>	<u>78,192</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,096,866</u></u>	<u><u>\$ 3,096,866</u></u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – COMMUNITY REDEVELOPMENT AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 74,459	\$ 74,459	\$ 77,198	\$ 2,739
Net Investment Earnings	200	200	166	(34)
Total Revenues	74,659	74,659	77,364	2,705
EXPENDITURES				
Current:				
Physical Environment	71,420	71,420	28,620	42,800
Aids to Private Organizations	60,000	60,000	13,747	46,253
Capital Outlay	194,200	194,200	111,485	82,715
Total Expenditures	325,620	325,620	153,852	171,768
Excess (Deficiency) of Revenues Over Expenditures	(250,961)	(250,961)	(76,488)	174,473
OTHER FINANCING SOURCES (USES)				
Reserves	(207,371)	(207,371)	-	207,371
Total Other Financing Sources (Uses)	(207,371)	(207,371)	-	207,371
NET CHANGE IN FUND BALANCE	(458,332)	(458,332)	(76,488)	381,844
Fund Balances - Beginning of Year	458,332	458,332	397,161	(61,171)
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 320,673	\$ 320,673

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – FIRE DEPARTMENT FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 824,593	\$ 824,593	\$ 827,455	\$ 2,862
Intergovernmental Revenue	356,271	356,271	6,820	(349,451)
Charges for Services	9,028	9,028	9,028	-
Fines and Forfeitures	196	196	-	(196)
Miscellaneous Revenues	483	483	252	(231)
Total Revenues	1,190,571	1,190,571	843,555	(347,016)
EXPENDITURES				
Current:				
Public Safety	1,725,540	1,740,075	1,782,172	(42,097)
Debt Service:				
Principal	51,647	51,647	50,345	1,302
Interest	5,624	5,624	6,926	(1,302)
Capital Outlay	372,150	372,150	113,008	259,142
Total Expenditures	2,154,961	2,169,496	1,952,451	217,045
Excess (Deficiency) of Revenues Over Expenditures	(964,390)	(978,925)	(1,108,896)	(129,971)
OTHER FINANCING SOURCES (USES)				
Transfers In	803,581	994,176	994,176	-
Transfers Out	(10,320)	(10,320)	(8,322)	1,998
Reserves	(42,000)	(218,060)	-	218,060
Total Other Financing Sources (Uses)	751,261	765,796	985,854	220,058
NET CHANGE IN FUND BALANCE	(213,129)	(213,129)	(123,042)	90,087
Fund Balances - Beginning of Year	213,129	213,129	123,042	(90,087)
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – LOCAL OPTION GAS TAX FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 243,685	\$ 243,685	\$ 248,480	\$ 4,795
Intergovernmental Revenue	125,000	125,000	154,199	29,199
Miscellaneous Revenues	93,084	93,084	119,790	26,706
Total Revenues	461,769	461,769	522,469	60,700
EXPENDITURES				
Current:				
Transportation	842,854	836,110	829,122	6,988
Capital Outlay	19,350	20,820	22,255	(1,435)
Debt Service:				
Principal	-	11,920	11,914	6
Interest	-	3,910	3,910	-
Total Expenditures	862,204	872,760	867,201	5,559
Excess (Deficiency) of Revenues Over (Under) Expenditures	(400,435)	(410,991)	(344,732)	66,259
OTHER FINANCING SOURCES (USES)				
Transfers In	339,269	339,916	339,916	-
Transfers Out	(1,683)	(1,683)	(1,683)	-
Reserves	(77,929)	(77,929)	-	77,929
Total Other Financing Sources (Uses)	259,657	260,304	338,233	77,929
NET CHANGE IN FUND BALANCES	(140,778)	(150,687)	(6,499)	144,188
Fund Balances - Beginning of Year	85,601	86,413	305,208	218,795
FUND BALANCES - END OF YEAR	\$ (55,177)	\$ (64,274)	\$ 298,709	\$ 362,983

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – ROAD IMPACT FEES FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 75,000	\$ 75,000	\$ 91,740	\$ 16,740
Net Investment Earnings	10,300	10,300	59,242	48,942
Total Revenues	85,300	85,300	150,982	65,682
EXPENDITURES				
Capital Outlay	1,245,223	1,245,223	-	1,245,223
Total Expenditures	1,245,223	1,245,223	-	1,245,223
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,159,923)	(1,159,923)	150,982	1,310,905
OTHER FINANCING SOURCES (USES)				
Reserves	(1,059,933)	(1,059,933)	-	1,059,933
Total Other Financing Sources (Uses)	(1,059,933)	(1,059,933)	-	1,059,933
NET CHANGE IN FUND BALANCES	(2,219,856)	(2,219,856)	150,982	2,370,838
Fund Balances - Beginning of Year	2,219,856	2,219,856	2,252,425	32,569
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 2,403,407	\$ 2,403,407

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Special Revenue Funds						
	Police Special Education Fund	Law Enforcement Trust Fund	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees	Parks Impact Fees
ASSETS							
Pooled Cash and Investments	\$ 68,620	\$ 87,456	\$ 45,115	\$ 22,335	\$ 223,024	\$ 140,231	\$ 133,092
Restricted Pooled Cash and Investments	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Total Assets	<u>\$ 68,620</u>	<u>\$ 87,456</u>	<u>\$ 45,115</u>	<u>\$ 22,335</u>	<u>\$ 223,024</u>	<u>\$ 140,231</u>	<u>\$ 133,092</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-	341	525	230	318
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>341</u>	<u>525</u>	<u>230</u>	<u>318</u>
Fund Balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted	68,620	87,456	45,115	21,994	222,499	140,001	132,774
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	<u>68,620</u>	<u>87,456</u>	<u>45,115</u>	<u>21,994</u>	<u>222,499</u>	<u>140,001</u>	<u>132,774</u>
Total Liabilities and Fund Balance	<u>\$ 68,620</u>	<u>\$ 87,456</u>	<u>\$ 45,115</u>	<u>\$ 22,335</u>	<u>\$ 223,024</u>	<u>\$ 140,231</u>	<u>\$ 133,092</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2019**

	Special Revenue Funds						
	Justice Assistance Grant	Fire Grants and Donations	Police Grants and Donations	Traffic Camera	First Tee	Enrichment Center Premises Maintenance	FDOT Projects
ASSETS							
Pooled Cash and Investments	\$ -	\$ 12,654	\$ 10,838	\$ 4,824	\$ -	\$ 1,650	\$ 1
Restricted Pooled Cash and Investments	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	3,984	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	1,879
Prepaid Items	-	-	-	-	-	2,001	-
Total Assets	<u>\$ -</u>	<u>\$ 12,654</u>	<u>\$ 10,838</u>	<u>\$ 4,824</u>	<u>\$ -</u>	<u>\$ 7,635</u>	<u>\$ 1,880</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,679	\$ -
Unearned Revenue	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	1,880
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,679</u>	<u>1,880</u>
Fund Balance:							
Nonspendable	-	-	-	-	-	2,001	-
Restricted	-	12,654	10,838	-	-	2,955	-
Committed	-	-	-	4,824	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>12,654</u>	<u>10,838</u>	<u>4,824</u>	<u>-</u>	<u>4,956</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 12,654</u>	<u>\$ 10,838</u>	<u>\$ 4,824</u>	<u>\$ -</u>	<u>\$ 7,635</u>	<u>\$ 1,880</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2019**

	Special Revenue Funds			Capital Project Funds			
	Brownfields Assessment Grant	1/5 Cent Local Option Gas Tax	Total Special Revenue Funds	McKethan Park	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note - 2011
ASSETS							
Pooled Cash and Investments	\$ 1,956	\$ 281,409	\$ 1,033,205	\$ 50,788	\$ 341,719	\$ -	\$ -
Restricted Pooled Cash and Investments	-	-	-	-	-	2,664	-
Accounts Receivable	-	-	3,984	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	27,833	29,712	-	-	102	-
Prepaid Items	-	-	2,001	-	-	-	-
Total Assets	\$ 1,956	\$ 309,242	\$ 1,068,902	\$ 50,788	\$ 341,719	\$ 2,766	\$ -
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ 1,956	\$ -	\$ 4,635	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	1,414	-	-	-	-
Due to Other Funds	-	-	1,880	-	-	-	-
Total Liabilities	1,956	-	7,929	-	-	-	-
Fund Balance:							
Nonspendable	-	-	2,001	-	-	-	-
Restricted	-	309,242	1,054,148	-	-	2,766	-
Committed	-	-	4,824	-	-	-	-
Assigned	-	-	-	50,788	341,719	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	-	309,242	1,060,973	50,788	341,719	2,766	-
Total Liabilities and Fund Balance	\$ 1,956	\$ 309,242	\$ 1,068,902	\$ 50,788	\$ 341,719	\$ 2,766	\$ -

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2019**

	Funds		Debt Service Funds			
	Capital Improvement Revenue Loan - 2016	Total Capital Project Funds	Capital Improvement Revenue Loan - 2016	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	Total Debt Service Funds
ASSETS						
Pooled Cash and Investments	\$ 2	\$ 392,509	\$ -	\$ -	\$ -	\$ -
Restricted Pooled Cash and Investments	-	2,664	15,619	50,654	13,857	80,130
Accounts Receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	102	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Total Assets	<u>\$ 2</u>	<u>\$ 395,275</u>	<u>\$ 15,619</u>	<u>\$ 50,654</u>	<u>\$ 13,857</u>	<u>\$ 80,130</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-	-	-	-
Due to Other Funds	1,879	1,879	-	-	-	-
Total Liabilities	<u>1,879</u>	<u>1,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:						
Nonspendable	-	-	-	-	-	-
Restricted	-	2,766	15,619	50,654	13,857	80,130
Committed	-	-	-	-	-	-
Assigned	-	392,507	-	-	-	-
Unassigned	(1,877)	(1,877)	-	-	-	-
Total Fund Balance	<u>(1,877)</u>	<u>393,396</u>	<u>15,619</u>	<u>50,654</u>	<u>13,857</u>	<u>80,130</u>
Total Liabilities and Fund Balance	<u>\$ 2</u>	<u>\$ 395,275</u>	<u>\$ 15,619</u>	<u>\$ 50,654</u>	<u>\$ 13,857</u>	<u>\$ 80,130</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2019**

	<u>Permanent Fund</u>		Total Nonmajor Governmental Funds
	Cemetery Perpetual Care	Total Permanent Funds	
ASSETS			
Pooled Cash and Investments	\$ 170,990	\$ 170,990	\$ 1,596,704
Restricted Pooled Cash and Investments	245,208	245,208	328,002
Accounts Receivable	-	-	3,984
Due from Other Funds	4,661	4,661	4,661
Due from Other Governments	-	-	29,814
Prepaid Items	-	-	2,001
Total Assets	<u>\$ 420,859</u>	<u>\$ 420,859</u>	<u>\$ 1,965,166</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 4,635
Unearned Revenue	-	-	1,414
Due to Other Funds	-	-	3,759
Total Liabilities	<u>-</u>	<u>-</u>	<u>9,808</u>
Fund Balance:			
Nonspendable	245,208	245,208	247,209
Restricted	-	-	1,137,044
Committed	-	-	4,824
Assigned	175,651	175,651	568,158
Unassigned	-	-	(1,877)
Total Fund Balance	<u>420,859</u>	<u>420,859</u>	<u>1,955,358</u>
Total Liabilities and Fund Balance	<u>\$ 420,859</u>	<u>\$ 420,859</u>	<u>\$ 1,965,166</u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds						
	Police Special Education Fund	Law Enforcement Trust Fund	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees	Parks Impact Fees
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	6,886	37,308	17,211	31,935
Fines and Forfeits	4,846	-	-	-	-	-	-
Net Investment Earnings	180	100	136	74	651	635	416
Miscellaneous Revenues	-	-	-	-	-	-	-
Total Revenues	<u>5,026</u>	<u>100</u>	<u>136</u>	<u>6,960</u>	<u>37,959</u>	<u>17,846</u>	<u>32,351</u>
EXPENDITURES							
Current:							
Culture and Recreation	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,026	100	136	6,960	37,959	17,846	32,351
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	5,026	100	136	6,960	37,959	17,846	32,351
Fund Balances - Beginning of Year	<u>63,594</u>	<u>87,356</u>	<u>44,979</u>	<u>15,034</u>	<u>184,540</u>	<u>122,155</u>	<u>100,423</u>
FUND BALANCES - END OF YEAR	<u>\$ 68,620</u>	<u>\$ 87,456</u>	<u>\$ 45,115</u>	<u>\$ 21,994</u>	<u>\$ 222,499</u>	<u>\$ 140,001</u>	<u>\$ 132,774</u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds						
	Justice Assistance Grant	Fire Grants and Donations	Police Grants and Donations	Traffic Camera	First Tee	Enrichment Center Premises Maintenance	FDOT Projects
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	8,097	-	-	-
Net Investment Earnings	-	55	125	-	-	-	-
Miscellaneous Revenues	-	200	-	150	-	10,153	-
Total Revenues	<u>-</u>	<u>255</u>	<u>125</u>	<u>8,247</u>	<u>-</u>	<u>10,153</u>	<u>-</u>
EXPENDITURES							
Current:							
Culture and Recreation	-	-	-	-	-	18,860	-
Public Safety	-	397	-	3,603	-	-	-
Transportation	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>397</u>	<u>-</u>	<u>3,603</u>	<u>-</u>	<u>18,860</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(142)	125	4,644	-	(8,707)	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	10,000	-
Transfers Out	(1,147)	-	-	(277,212)	(30,793)	-	-
Total Other Financing Sources (Uses)	<u>(1,147)</u>	<u>-</u>	<u>-</u>	<u>(277,212)</u>	<u>(30,793)</u>	<u>10,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,147)	(142)	125	(272,568)	(30,793)	1,293	-
Fund Balances - Beginning of Year	1,147	12,796	10,713	277,392	30,793	3,663	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 12,654</u>	<u>\$ 10,838</u>	<u>\$ 4,824</u>	<u>\$ -</u>	<u>\$ 4,956</u>	<u>\$ -</u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds			Capital Project Funds			
	Brownfields Assessment Grant	1/5 Cent Local Option Gas Tax	Total Special Revenue Funds	McKethan Park	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note - 2011
REVENUES							
Taxes	\$ -	\$ 171,525	\$ 171,525	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	93,340	-	-	33,754	-
Fines and Forfeits	-	-	12,943	-	-	-	-
Net Investment Earnings	-	3,062	5,434	263	1,914	68	-
Miscellaneous Revenues	-	-	10,503	325	-	-	-
Total Revenues	-	174,587	293,745	588	1,914	33,822	-
EXPENDITURES							
Current:							
Culture and Recreation	-	-	18,860	6,423	-	-	-
Public Safety	-	-	4,000	-	-	-	-
Transportation	-	115,642	115,642	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	-	115,642	138,502	6,423	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	58,945	155,243	(5,835)	1,914	33,822	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	10,000	30,793	277,212	-	303,780
Transfers Out	-	-	(309,152)	-	-	(35,524)	(303,780)
Total Other Financing Sources (Uses)	-	-	(299,152)	30,793	277,212	(35,524)	-
NET CHANGE IN FUND BALANCES	-	58,945	(143,909)	24,958	279,126	(1,702)	-
Fund Balances - Beginning of Year	-	250,297	1,204,882	25,830	62,593	4,468	-
FUND BALANCES - END OF YEAR	\$ -	\$ 309,242	\$ 1,060,973	\$ 50,788	\$ 341,719	\$ 2,766	\$ -

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

	Capital Project Funds		Debt Service Funds			Total Debt Service Funds
	Capital Improvement Revenue Loan - 2016	Total Capital Project Funds	Capital Improvement Revenue Loan - 2016	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	33,754	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-
Net Investment Earnings	-	2,245	-	-	-	-
Miscellaneous Revenues	-	325	-	-	-	-
Total Revenues	-	36,324	-	-	-	-
EXPENDITURES						
Current:						
Culture and Recreation	-	6,423	-	-	-	-
Public Safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Debt Service:						
Principal	-	-	5,445	221,016	8,000	234,461
Interest and Fiscal Charges	-	-	2,118	82,764	5,610	90,492
Total Expenditures	-	6,423	7,563	303,780	13,610	324,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	29,901	(7,563)	(303,780)	(13,610)	(324,953)
OTHER FINANCING SOURCES (USES)						
Transfers In	8,322	620,107	8,322	303,780	13,614	325,716
Transfers Out	(8,322)	(347,626)	-	-	-	-
Total Other Financing Sources (Uses)	-	272,481	8,322	303,780	13,614	325,716
NET CHANGE IN FUND BALANCES	-	302,382	759	-	4	763
Fund Balances - Beginning of Year	(1,877)	91,014	14,860	50,654	13,853	79,367
FUND BALANCES - END OF YEAR	<u>\$ (1,877)</u>	<u>\$ 393,396</u>	<u>\$ 15,619</u>	<u>\$ 50,654</u>	<u>\$ 13,857</u>	<u>\$ 80,130</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Permanent Fund</u>		
	Cemetery Perpetual Care	Total Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 171,525
Licenses and Permits	-	-	127,094
Fines and Forfeits	-	-	12,943
Net Investment Earnings	2,271	2,271	9,950
Miscellaneous Revenues	-	-	10,828
Total Revenues	<u>2,271</u>	<u>2,271</u>	<u>332,340</u>
EXPENDITURES			
Current:			
Culture and Recreation	-	-	25,283
Public Safety	-	-	4,000
Transportation	-	-	115,642
Debt Service:			
Principal	-	-	234,461
Interest and Fiscal Charges	-	-	90,492
Total Expenditures	<u>-</u>	<u>-</u>	<u>469,878</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,271	2,271	(137,538)
OTHER FINANCING SOURCES (USES)			
Transfers In	10,000	10,000	965,823
Transfers Out	-	-	(656,778)
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>309,045</u>
NET CHANGE IN FUND BALANCES	12,271	12,271	171,507
Fund Balances - Beginning of Year	<u>408,588</u>	<u>408,588</u>	<u>1,783,851</u>
FUND BALANCES - END OF YEAR	<u>\$ 420,859</u>	<u>\$ 420,859</u>	<u>\$ 1,955,358</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds							
	Police Special Education Fund				Law Enforcement Trust Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Fines and Forfeits	\$ -	\$ 4,850	\$ 4,846	\$ (4)	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	-	180	180	-	-	-	100	100
Total Revenues	-	5,030	5,026	(4)	-	-	100	100
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	5,030	5,026	(4)	-	-	100	100
OTHER FINANCING SOURCES (USES)								
Reserves	(63,867)	(68,897)	-	68,897	(87,343)	(87,343)	-	87,343
Total Other Financing Sources (Uses)	(63,867)	(68,897)	-	68,897	(87,343)	(87,343)	-	87,343
NET CHANGE IN FUND BALANCES	(63,867)	(63,867)	5,026	68,893	(87,343)	(87,343)	100	87,443
Fund Balances - Beginning of Year	63,867	63,867	63,594	(273)	87,343	87,343	87,356	13
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,620</u>	<u>\$ 68,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,456</u>	<u>\$ 87,456</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds			
	Law Enforcement Investigative Trust			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Earnings	\$ -	\$ -	\$ 136	\$ 136
Total Revenues	-	-	136	136
EXPENDITURES				
Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	136	136
OTHER FINANCING SOURCES (USES)				
Reserves	(45,130)	(45,130)	-	45,130
Total Other Financing Sources (Uses)	(45,130)	(45,130)	-	45,130
NET CHANGE IN FUND BALANCES	(45,130)	(45,130)	136	45,266
Fund Balances - Beginning of Year	45,130	45,130	44,979	(151)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,115</u>	<u>\$ 45,115</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds							
	Law Enforcement Impact Fees				Public Building Impact Fees			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 3,500	\$ 3,500	\$ 6,886	\$ 3,386	\$ 10,660	\$ 10,660	37,308	\$ 26,648
Net Investment Earnings	47	47	74	27	400	400	651	251
Total Revenues	3,547	3,547	6,960	3,413	11,060	11,060	37,959	26,899
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,547	3,547	6,960	3,413	11,060	11,060	37,959	26,899
OTHER FINANCING SOURCES (USES)								
Reserves	(18,089)	(18,089)	-	18,089	(195,944)	(195,944)	-	195,944
Total Other Financing Sources (Uses)	(18,089)	(18,089)	-	18,089	(195,944)	(195,944)	-	195,944
NET CHANGE IN FUND BALANCES	(14,542)	(14,542)	6,960	21,502	(184,884)	(184,884)	37,959	222,843
Fund Balances - Beginning of Year	14,542	14,542	15,034	492	184,884	184,884	184,540	(344)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,994</u>	<u>\$ 21,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,499</u>	<u>\$ 222,499</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds							
	Fire Impact Fees				Parks Impact Fees			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 8,000	\$ 8,000	\$ 17,211	\$ 9,211	\$ 15,000	\$ 15,000	\$ 31,935	\$ 16,935
Net Investment Earnings	400	400	635	235	264	264	416	152
Total Revenues	8,400	8,400	17,846	9,446	15,264	15,264	32,351	17,087
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,400	8,400	17,846	9,446	15,264	15,264	32,351	17,087
OTHER FINANCING SOURCES (USES)								
Reserves	(132,393)	(132,393)	-	132,393	(113,306)	(113,306)	-	113,306
Total Other Financing Sources (Uses)	(132,393)	(132,393)	-	132,393	(113,306)	(113,306)	-	113,306
NET CHANGE IN FUND BALANCES	(123,993)	(123,993)	17,846	141,839	(98,042)	(98,042)	32,351	130,393
Fund Balances - Beginning of Year	123,993	123,993	122,155	(1,838)	98,042	98,042	100,423	2,381
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,001</u>	<u>\$ 140,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,774</u>	<u>\$ 132,774</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds			
	Justice Assistance Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			
REVENUES				
Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,147)	(1,147)	(1,147)	-
Total Other Financing Sources (Uses)	(1,147)	(1,147)	(1,147)	-
NET CHANGE IN FUND BALANCES	(1,147)	(1,147)	(1,147)	-
Fund Balances - Beginning of Year	1,147	1,147	1,147	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds							
	Fire Grants and Donations				Police Grants and Donations			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Net Investment Earnings	\$ 39	\$ 39	\$ 55	\$ 16	\$ -	\$ -	\$ 125	\$ 125
Miscellaneous Revenues	2,640	2,640	200	(2,440)	-	-	-	-
Total Revenues	2,679	2,679	255	(2,424)	-	-	125	125
EXPENDITURES								
Current:								
Public Safety	2,500	2,500	397	2,103	-	-	-	-
Total Expenditures	2,500	2,500	397	2,103	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	179	179	(142)	(321)	-	-	125	125
OTHER FINANCING SOURCES (USES)								
Reserves	(12,758)	(12,758)	-	12,758	(10,696)	(10,696)	-	10,696
Total Other Financing Sources (Uses)	(12,758)	(12,758)	-	12,758	(10,696)	(10,696)	-	10,696
NET CHANGE IN FUND BALANCES	(12,579)	(12,579)	(142)	12,437	(10,696)	(10,696)	125	10,821
Fund Balances - Beginning of Year	12,579	12,579	12,796	217	10,696	10,696	10,713	17
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,654</u>	<u>\$ 12,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,838</u>	<u>\$ 10,838</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds							
	Traffic Camera				First Tee			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Fines and Forfeits	\$ -	\$ 7,780	\$ 8,097	\$ 317	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	-	-	-	-	174	174	-	(174)
Miscellaneous Revenues	500	500	150	(350)	-	-	-	-
Total Revenues	500	8,280	8,247	(33)	174	174	-	(174)
EXPENDITURES								
Current:								
Public Safety	-	3,890	3,603	287	-	-	-	-
Total Expenditures	-	3,890	3,603	287	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	4,390	4,644	254	174	174	-	(174)
OTHER FINANCING SOURCES (USES)								
Transfers Out	(277,212)	(277,212)	(277,212)	-	(30,955)	(30,955)	(30,793)	-
Total Other Financing Sources (Uses)	(277,212)	(277,212)	(277,212)	-	(30,955)	(30,955)	(30,793)	-
NET CHANGE IN FUND BALANCES	(276,712)	(272,822)	(272,568)	254	(30,781)	(30,781)	(30,793)	(174)
Fund Balances - Beginning of Year	276,712	272,822	277,392	4,570	30,781	30,781	30,793	12
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 4,824	\$ 4,824	\$ -	\$ -	\$ -	\$ (162)

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds							
	Enrichment Center Premises Maintenance				1/5 Cent Local Option Gas Tax			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 167,804	\$ 167,804	\$ 171,525	\$ 3,721
Net Investment Earnings	-	-	-	-	80	80	3,062	2,982
Miscellaneous Revenues	12,000	12,000	10,153	(1,847)	-	-	-	-
Total Revenues	12,000	12,000	10,153	(1,847)	167,884	167,884	174,587	6,703
EXPENDITURES								
Current:								
Culture and Recreation	15,535	18,985	18,860	125	-	-	-	-
Transportation	-	-	-	-	275,500	275,500	115,642	159,858
Total Expenditures	15,535	18,985	18,860	125	275,500	275,500	115,642	159,858
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,535)	(6,985)	(8,707)	(1,722)	(107,616)	(107,616)	58,945	166,561
OTHER FINANCING SOURCES (USES)								
Transfers In	5,000	10,000	10,000	-	-	-	-	-
Reserves	(5,617)	(7,167)	-	7,167	(134,641)	(134,641)	-	134,641
Total Other Financing Sources (Uses)	(617)	2,833	10,000	7,167	(134,641)	(134,641)	-	134,641
NET CHANGE IN FUND BALANCES	(4,152)	(4,152)	1,293	5,445	(242,257)	(242,257)	58,945	301,202
Fund Balances - Beginning of Year	4,152	4,152	3,663	(489)	242,257	242,257	250,297	8,040
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 4,956	\$ 4,956	\$ -	\$ -	\$ 309,242	\$ 309,242

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Capital Project Funds							
	McKethan Park				Multi-Year Capital Project Accumulation			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Net Investment Earnings	\$ 185	\$ 185	\$ 263	\$ 78	\$ 570	\$ 570	\$ 1,914	\$ 1,344
Miscellaneous Revenues	400	400	325	(75)	-	-	-	-
Total Revenues	585	585	588	3	570	570	1,914	1,344
EXPENDITURES								
Current:								
Culture and Recreation	2,500	2,500	6,423	(3,923)	-	-	-	-
Capital Outlay	6,500	6,500	-	6,500	-	-	-	-
Total Expenditures	9,000	9,000	6,423	2,577	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,415)	(8,415)	(5,835)	2,580	570	570	1,914	1,344
OTHER FINANCING SOURCES (USES)								
Transfers In	30,955	30,955	30,793	(162)	277,212	277,212	277,212	-
Reserves	(48,344)	(48,344)	-	48,344	(340,182)	(340,182)	-	340,182
Total Other Financing Sources (Uses)	(17,389)	(17,389)	30,793	48,182	(62,970)	(62,970)	277,212	340,182
NET CHANGE IN FUND BALANCES	(25,804)	(25,804)	24,958	50,762	(62,400)	(62,400)	279,126	341,526
Fund Balances - Beginning of Year	25,804	25,804	25,830	26	62,400	62,400	62,593	193
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,788</u>	<u>\$ 50,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341,719</u>	<u>\$ 341,719</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Capital Project Funds							
	Capital Improvement Revenue 2006 Bond				Capital Improvement Revenue Note - 2011			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 37,000	\$ 37,000	\$ 33,754	\$ (3,246)	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	40	40	68	28	-	-	-	-
Total Revenues	37,040	37,040	33,822	(3,218)	-	-	-	-
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,040	37,040	33,822	(3,218)	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	303,780	303,780	303,780	-
Transfers Out	(35,520)	(35,520)	(35,524)	(4)	(303,780)	(303,780)	(303,780)	-
Reserves	(5,276)	(5,276)	-	5,276	-	-	-	-
Total Other Financing Sources (Uses)	(40,796)	(40,796)	(35,524)	5,272	-	-	-	-
NET CHANGE IN FUND BALANCES	(3,756)	(3,756)	(1,702)	2,054	-	-	-	-
Fund Balances - Beginning of Year	3,756	3,756	4,468	712	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,766</u>	<u>\$ 2,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Capital Project Funds			
	Capital Improvement Revenue Loan - 2016			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	10,320	10,320	8,322	(1,998)
Transfers Out	(8,320)	(8,320)	(8,322)	(2)
Reserves	(23)	(23)	-	23
Total Other Financing Sources (Uses)	1,977	1,977	-	(2,000)
NET CHANGE IN FUND BALANCES	1,977	1,977	-	(2,000)
Fund Balances - Beginning of Year	(1,977)	(1,977)	(1,877)	100
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,877)</u>	<u>\$ (1,900)</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Debt Service Funds							
	Capital Improvement Revenue Loan - 2016				Capital Improvement Revenue Note - 2011			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES								
Debt Service:								
Principal	5,445	5,445	5,445	-	202,358	202,358	221,016	(18,658)
Interest	2,118	2,118	2,118	-	101,422	101,422	82,764	18,658
Total Expenditures	<u>7,563</u>	<u>7,563</u>	<u>7,563</u>	<u>-</u>	<u>303,780</u>	<u>303,780</u>	<u>303,780</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,563)	(7,563)	(7,563)	-	(303,780)	(303,780)	(303,780)	-
OTHER FINANCING SOURCES (USES)								
Transfers In	8,320	8,320	8,322	2	303,780	303,780	303,780	-
Reserves	(7,066)	(7,066)	-	7,066	(75,968)	(75,968)	-	75,968
Total Other Financing Sources (Uses)	<u>1,254</u>	<u>1,254</u>	<u>8,322</u>	<u>7,068</u>	<u>227,812</u>	<u>227,812</u>	<u>303,780</u>	<u>75,968</u>
NET CHANGE IN FUND BALANCES	(6,309)	(6,309)	759	7,068	(75,968)	(75,968)	-	75,968
Fund Balances - Beginning of Year	6,309	6,309	14,860	8,551	75,968	75,968	50,654	(25,314)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,619</u>	<u>\$ 15,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,654</u>	<u>\$ 50,654</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Debt Service Funds				Permanent Fund			
	Capital Improvement Revenue Bond - 2006				Cemetery Perpetual Care			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Net Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ 1,440	\$ 1,440	\$ 2,271	\$ 831
Total Revenues	-	-	-	-	1,440	1,440	2,271	831
EXPENDITURES								
Debt Service:								
Principal	8,000	8,000	8,000	-	-	-	-	-
Interest	5,610	5,610	5,610	-	-	-	-	-
Total Expenditures	13,610	13,610	13,610	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,610)	(13,610)	(13,610)	-	1,440	1,440	2,271	831
OTHER FINANCING SOURCES (USES)								
Transfers In	13,610	13,610	13,614	4	10,000	10,000	10,000	-
Reserves	(14,929)	(14,929)	-	14,929	(430,376)	(430,376)	-	430,376
Total Other Financing Sources (Uses)	(1,319)	(1,319)	13,614	14,933	(420,376)	(420,376)	10,000	430,376
NET CHANGE IN FUND BALANCES	(14,929)	(14,929)	4	14,933	(418,936)	(418,936)	12,271	431,207
Fund Balances - Beginning of Year	14,929	14,929	13,853	(1,076)	418,936	418,936	408,588	(10,348)
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 13,857	\$ 13,857	\$ -	\$ -	\$ 420,859	\$ 420,859

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2019**

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
ASSETS						
Current Assets:						
Pooled Cash and Investments	\$ 75,014	\$ 1,458,406	\$ 20,535	\$ 15,601	\$ 1,130,723	\$ 2,700,279
Accounts Receivable	-	-	-	-	-	-
Prepaid	-	-	-	24,711	-	24,711
Inventories	3,799	-	-	-	-	3,799
Total Current Assets	<u>78,813</u>	<u>1,458,406</u>	<u>20,535</u>	<u>40,312</u>	<u>1,130,723</u>	<u>2,728,789</u>
Noncurrent Assets:						
Machinery and Equipment	41,954	2,290,783	73,690	-	-	2,406,427
Less: Accumulated Depreciation	<u>32,829</u>	<u>1,185,635</u>	<u>53,140</u>	<u>-</u>	<u>-</u>	<u>1,271,604</u>
Net Capital Assets	<u>9,125</u>	<u>1,105,148</u>	<u>20,550</u>	<u>-</u>	<u>-</u>	<u>1,134,823</u>
Total Assets	<u>\$ 87,938</u>	<u>\$ 2,563,554</u>	<u>\$ 41,085</u>	<u>\$ 40,312</u>	<u>\$ 1,130,723</u>	<u>\$ 3,863,612</u>
LIABILITIES AND NET POSITION						
Current Liabilities:						
Accounts Payable	\$ 1,279	\$ -	\$ -	\$ 6,435	\$ 60,120	\$ 67,834
Accrued Wages Payable	1,070	-	-	-	-	1,070
Accrued Compensated Absences - Current	129	-	-	-	-	129
Other Current Liabilities	<u>204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204</u>
Total Current Liabilities	<u>2,682</u>	<u>-</u>	<u>-</u>	<u>6,435</u>	<u>60,120</u>	<u>69,237</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	<u>4,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,649</u>
Total Liabilities	<u>7,331</u>	<u>-</u>	<u>-</u>	<u>6,435</u>	<u>60,120</u>	<u>73,886</u>
NET POSITION						
Net Investment in Capital Assets	9,125	1,105,148	20,550	-	-	1,134,823
Unrestricted	<u>71,482</u>	<u>1,458,406</u>	<u>20,535</u>	<u>33,877</u>	<u>1,070,603</u>	<u>2,654,903</u>
Total Net Position	<u>80,607</u>	<u>2,563,554</u>	<u>41,085</u>	<u>33,877</u>	<u>1,070,603</u>	<u>3,789,726</u>
Total Liabilities and Net Position	<u>\$ 87,938</u>	<u>\$ 2,563,554</u>	<u>\$ 41,085</u>	<u>\$ 40,312</u>	<u>\$ 1,130,723</u>	<u>\$ 3,863,612</u>

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
OPERATING REVENUES						
Charges for Services	\$ 109,193	\$ 656,071	\$ 10,000	\$ 48,501	\$ 671,046	\$ 1,494,811
Miscellaneous Revenues	-	-	-	-	61,718	61,718
Total Operating Revenues	<u>109,193</u>	<u>656,071</u>	<u>10,000</u>	<u>48,501</u>	<u>732,764</u>	<u>1,556,529</u>
OPERATING EXPENSES						
Personnel Services	54,344	-	-	48,896	710,445	813,685
Other Services and Charges	27,649	-	-	-	-	27,649
Depreciation	424	141,406	7,498	-	-	149,328
Total Operating Expenses	<u>82,417</u>	<u>141,406</u>	<u>7,498</u>	<u>48,896</u>	<u>710,445</u>	<u>990,662</u>
OPERATING INCOME (LOSS)	26,776	514,665	2,502	(395)	22,319	565,867
NONOPERATING REVENUES						
Net Investment Earnings	113	43,967	31	-	-	44,111
Gain on Sale of Capital Assets	-	2,630	-	-	-	2,630
Total Nonoperating Revenues	<u>113</u>	<u>46,597</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>46,741</u>
CHANGE IN NET POSITION	26,889	561,262	2,533	(395)	22,319	612,608
Net Position - Beginning of Year	<u>53,718</u>	<u>2,002,292</u>	<u>38,552</u>	<u>34,272</u>	<u>1,048,284</u>	<u>3,177,118</u>
NET POSITION - END OF YEAR	<u>\$ 80,607</u>	<u>\$ 2,563,554</u>	<u>\$ 41,085</u>	<u>\$ 33,877</u>	<u>\$ 1,070,603</u>	<u>\$ 3,789,726</u>

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 109,193	\$ 656,071	\$ 10,000	\$ 48,501	\$ 732,764	\$ 1,556,529
Payments to Employees	(52,128)	-	-	(42,461)	(710,445)	(805,034)
Payments to Suppliers	(27,763)	-	-	-	2,368	(25,395)
Net Cash Provided by Operating Activities	29,302	656,071	10,000	6,040	24,687	726,100
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	(9,549)	(381,244)	(9,199)	-	-	(399,992)
Proceeds from Sale of Assets	-	26,994	-	-	-	26,994
Net Cash Used by Capital and Related Financing Activities	(9,549)	(354,250)	(9,199)	-	-	(372,998)
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts of Interest and Dividends	113	43,967	31	-	-	44,111
Net Cash Provided by Investing Activities	113	43,967	31	-	-	44,111
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,866	345,788	832	6,040	24,687	397,213
Cash and Cash Equivalents - Beginning of Year	55,148	1,112,618	19,703	9,561	1,106,036	2,303,066
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 75,014</u>	<u>\$ 1,458,406</u>	<u>\$ 20,535</u>	<u>\$ 15,601</u>	<u>\$ 1,130,723</u>	<u>\$ 2,700,279</u>

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 26,776	\$ 514,665	\$ 2,502	\$ (395)	\$ 22,319	\$ 565,867
Depreciation and Amortization	424	141,406	7,498	-	-	149,328
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
(Increase) Decrease in:						
Inventories	102	-	-	-	-	102
Increase (Decrease) in:						
Accounts Payable	(216)	-	-	6,435	2,368	8,587
Accrued Wages Payable	650	-	-	-	-	650
Other Current Liabilities	105	-	-	-	-	105
Accrued Compensated Absences	1,461	-	-	-	-	1,461
Total Adjustments	<u>2,526</u>	<u>141,406</u>	<u>7,498</u>	<u>6,435</u>	<u>2,368</u>	<u>160,233</u>
 Net Cash Provided by Operating Activities	 <u>\$ 29,302</u>	 <u>\$ 656,071</u>	 <u>\$ 10,000</u>	 <u>\$ 6,040</u>	 <u>\$ 24,687</u>	 <u>\$ 726,100</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2019**

	Private Purpose Trust Funds		Pension Trust Funds		
	Butterweck Bond Fund	Total Private Purpose Trust Funds	Fireman's Retirement Fund	Police Retirement Fund	Total Pension Trust Funds
ASSETS					
Cash and Pooled Cash	\$ 1,332	\$ 1,332	\$ 65,763	\$ 7,281,941	\$ 7,347,704
Investments:					
Debt Securities	-	-	2,133,232	-	2,133,232
Marketable Equity Securities	-	-	3,981,981	-	3,981,981
Real Estate Fund	-	-	651,775	-	651,775
Accounts Receivable	-	-	12,443	10,173	22,616
 Total Assets	 <u>1,332</u>	 <u>1,332</u>	 <u>6,845,194</u>	 <u>7,292,114</u>	 <u>14,137,308</u>
NET POSITION					
Held in Trust for Retirement and Other Purposes	 <u>1,332</u>	 <u>1,332</u>	 <u>6,845,194</u>	 <u>7,292,114</u>	 <u>14,137,308</u>
 Total Net Position	 <u>\$ 1,332</u>	 <u>\$ 1,332</u>	 <u>\$ 6,845,194</u>	 <u>\$ 7,292,114</u>	 <u>\$ 14,137,308</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2019**

	Private Purpose Trust		Pension Trust Funds		Total Pension Trust Funds
	Butterweck Bond Fund	Total Private Purpose Trust Funds	Fireman's Retirement Fund	Police Retirement Fund	
ADDITIONS:					
CONTRIBUTIONS					
Employer	\$ -	\$ -	\$ 391,810	\$ 117,524	\$ 509,334
Plan Members	-	-	30,829	-	30,829
Total Contributions	-	-	422,639	117,524	540,163
INVESTMENT EARNINGS					
Net Increase (Decrease) in Fair Value	-	-	27,990	-	27,990
Gain (Loss) on Sales of Investments	-	-	27,035	(3)	27,032
Interest/Dividends	61	61	305,384	140,897	446,281
Total Investment Earnings	61	61	360,409	140,894	501,303
MISCELLANEOUS REVENUES					
	-	-	159	246	405
Total Additions	61	61	783,207	258,664	1,041,871
DEDUCTIONS:					
BENEFIT PAYMENTS					
	-	-	430,634	277,107	707,741
ADMINISTRATIVE EXPENSES					
	-	-	87,634	115,304	202,938
Total Deductions	-	-	518,268	392,411	910,679
CHANGE IN NET POSITION	61	61	264,939	(133,747)	131,192
Net Position - Beginning of Year	1,271	1,271	6,580,255	7,425,861	14,006,116
NET POSITION - END OF YEAR	<u>\$ 1,332</u>	<u>\$ 1,332</u>	<u>\$ 6,845,194</u>	<u>\$ 7,292,114</u>	<u>\$ 14,137,308</u>



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

City Council
City of Brooksville, Florida
Brooksville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brooksville, Florida (City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 13, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001 and 2019-002 that we consider to be material weaknesses.

Compliance and Other Matters

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

City of Brooksville's Responses to Findings

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Lakeland, Florida
August 13, 2020



MANAGEMENT LETTER

City Council
City of Brooksville, Florida
Brooksville, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Brooksville, Florida (City), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated August 13, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated August 13, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding a financial audit report. See the accompanying schedule of findings and responses for the current status of prior year findings.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. See item 2019-002 in the accompanying schedule of findings and responses.

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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



CliftonLarsonAllen LLP

Lakeland, Florida
August 13, 2020

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2019**

STATUS OF PRIOR YEAR FINDINGS

Prior Years Findings		Current	2017-2018	2016-2017
		Year Finding #	Year Finding #	Year Finding #
Revenue Recognition and Audit Adjustments	Material Weakness	2019-001	2018-001	N/A

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2019-001 – Revenue Recognition and Audit Adjustments

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

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

- Intergovernmental revenue and receivables in the Local Option Gas Tax Fund were understated because an eligible grant reimbursement for the current year was not accrued as of September 30, 2019.
- Fund balance was overstated and revenues were understated in the General Fund and fund balance was understated and revenues overstated in the Road Impact Fees fund due to an error in posting a reversal of a prior year entry.

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

Context: Testing of account balances identified the errors.

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

Cause: The grant receivable accrual for eligible expenditures was not made as of fiscal year-end. And, beginning fund balances were not reconciled to prior year ending fund balances.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
SEPTEMBER 30, 2019**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2019-001 – Revenue Recognition and Audit Adjustments (Continued)

Recommendation: All grant revenue sources should be reviewed and reconciled to supporting expenditures and reimbursement requests, even those subsequent to fiscal year-end, to ensure that revenue recognition is complete and accurate. Pre close fund balance amounts per the general ledger should be reconciled and agreed to prior year ending fund balance.

Views of responsible officials and planned corrective actions: We are in agreement with the audit finding. Staff will establish and review year end reports and reconcile them appropriately to the General Ledger to ensure all accounts are balanced properly.

2019-002 – Prior Period Restatement and Late Filing – Other Postemployment Benefits (OPEB)

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting
- State Compliance and Internal Control Over Compliance

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

- Governmental activities, business-type activities, Utility Fund, and Sanitation Fund beginning net position were restated. Also, deferred outflows of resources, total OPEB liability, deferred inflows of resources, and expenses were adjusted as of September 30, 2019.

In addition, the City did not submit their current fiscal year audit by the statutory deadline.

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

Section 218.39(7), Florida Statutes, sets forth the requirements for the City's annual financial audit reports due date, which is no later than 9 months after the end of the fiscal year.

Context: Financial statement analysis identified the error.

Effect: Governmental activities, business-type activities, Utility Fund, and Sanitation Fund beginning net position were understated. Also, the City is not in compliance with the Florida Statute governing annual financial audit reports.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
SEPTEMBER 30, 2019**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

**2019-002 – Prior Period Restatement and Late Filing – Other Postemployment Benefits (OPEB)
(Continued)**

Cause: To the City's knowledge they had never engaged an actuary to have a valuation of its OPEB provided to the City's retiring employees. Thus, they had never evaluated the potential impact that OPEB could have on the City's financial statements. This led to the City engaging to have the services performed after the fiscal year-end and thus not meeting the reporting deadline.

Recommendation: The City should continue to have an actuarial valuation of its OPEB performed annually as required by GASB Statement No. 75 and adjust for the impacts of it each fiscal year. Also, the City should submit an explanation for the late filed audit report with the Auditor General, State of Florida.

Views of responsible officials and planned corrective actions: We are in agreement with the audit finding. The City has contracted with Gabriel Roeder Smith & Company (GRS) to provide an actuarial valuation of its OPEB annually as required by GASB 75. The City will also submit a letter to the Auditor General with an explanation for the late filing of the 2019 audit.



INDEPENDENT ACCOUNTANTS' REPORT

City Council
City of Brooksville, Florida
Brooksville, Florida

We have examined the City of Brooksville, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2019. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2019.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
August 13, 2020